



PETRONAS

PETRONAS **Anti-Bribery and** **Corruption Manual**



Revised Version 2023

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Introduction

PETRONAS Group has adopted a zero tolerance policy against all forms of bribery and corruption. The PETRONAS Code of Conduct and Business Ethics (CoBE) sets out PETRONAS' core principles in this regard while the PETRONAS Anti-Bribery and Corruption Manual (hereinafter referred to as the "ABC Manual") elaborates upon those principles, providing guidance to employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

This ABC Manual will apply not only to all employees and directors within the PETRONAS Group worldwide, but to our contractors, sub-contractors, consultants, agents, representatives, and others performing work or services for or on behalf of PETRONAS Group as well. In particular, the ABC Manual expressly prohibits improper solicitation, bribery and other corrupt activity not only by employees and directors but also by third parties performing work or services for or on behalf of companies in the PETRONAS Group.

This ABC Manual is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, this ABC Manual provides a basic introduction to how PETRONAS combats bribery and corruption in furtherance of the Group's commitment to lawful and ethical behavior at all times. Some of the guidelines are designed to prevent situations in which bribery and corrupt practices may take root.

If you have any doubt about the scope of applicable laws or the application of the Group's policies concerning the fight against bribery and corruption, you should contact your relevant Legal Compliance Department immediately.

"ALWAYS ASK WHENEVER IN DOUBT"

Adherence to this ABC Manual is essential, as it reflects PETRONAS' unwavering commitment to upholding the highest standards of integrity, ethical behaviour and professionalism in all its operations. The ABC Manual embodies PETRONAS' Shared Values and principles that are the cornerstone to how we do business.

Any conduct that contravenes the principles set out in this ABC Manual will be dealt with according to Part IV of the CoBE and other applicable local laws. Possible consequences include dismissal, fines and imprisonment. Moreover, the company may face damage to its reputation, financial losses, disbarment from business and other negative ramifications.

Part 1:
Application
and Definitions

1A: Application

1. This ABC Manual is intended to apply to every employee of every PETRONAS group company worldwide. It is also intended to apply to every director (executive and non-executive) for those companies, except as otherwise stated in this Manual. Your failure to comply may have severe consequences for PETRONAS and may result in disciplinary action against you, or even your dismissal from PETRONAS, subject to the requirements of applicable law.
2. This ABC Manual applies to you in your capacity as a third-party conducting business with PETRONAS and PETRONAS requires the same level of integrity and business conduct from you, whether you are engaged as an agent, an intermediary, engaged to provide goods and/or services for, jointly with or on behalf of PETRONAS or as a counterparty in a business transaction with PETRONAS. "Third Parties" refer to both individuals and corporate entities including but not limited to director, officer, employee, agent, consultant, nominee, representative, licensee, adviser, sub-contractors, any service provider. Your failure to comply may have severe consequences for both PETRONAS and yourself, and may result in PETRONAS requesting you to take remedial steps to remedy a breach, or even suspending or terminating business relationship with you and seeking to enforce any other contractual right we may have against you for breaching this ABC Manual.
3. If you wish to direct your concerns regarding a PETRONAS department/unit or employee, contractors, sub-contractors, consultants, agents, representatives, or other service providers, in lieu of contacting your Head of Department (HoD), Human Resource Department (HR Department), Legal Compliance Department (LCD) or PETRONAS contact person, you may also channel your concerns through the whistleblowing platform as per Part 10 of this ABC Manual.
4. This ABC Manual is prepared in both English and Bahasa Malaysia and may appear in other languages. In the event of any conflict, the English version will prevail.

5. This ABC Manual is implemented worldwide in a phased roll out, commencing with its entry into effect for Malaysian group of companies on 6th December 2023 ("Effective Date"). In that regard, it replaces the previous ABC Manual. Any misconduct committed before the Effective Date of this ABC Manual will be dealt with under the previous ABC Manual (or other applicable policies and terms and conditions of service) in effect for your company at the time of the misconduct.
6. If there is any conflict between the law and the rule or policy set out in this ABC Manual, you should comply with the law. However, if there is any conflict between the local custom or policy with this ABC Manual, you are called upon to comply with this ABC Manual. If you perceive that a provision of this ABC Manual conflicts with the law in your jurisdiction, you should consult with your HoD, HR Department, the LCD, or your PETRONAS contact person (as the case may be) rather than disregard this ABC Manual without consultation.
7. This ABC Manual does not identify or set out every law, policy or procedure that may apply to you in the performance of your role. You are responsible for informing yourself concerning all laws and other PETRONAS policies and procedures that apply to you as a result of your role with PETRONAS. This ABC Manual does not constitute legal advice.
8. This ABC Manual does not and does not seek to address every situation you may encounter in the course of your employment and in conducting business with PETRONAS. Explanatory statements or examples set out under this ABC Manual may or may not be applicable to your situation / relationship / arrangement with PETRONAS and act to serve as guidance only. This ABC Manual is not a substitute of your own duty, responsibility, and accountability to comply with all laws applicable to you or your business, nor a substitute of your good judgment in exercising discretion and making business decisions.
9. PETRONAS reserves the right to modify, revise, cancel or waive any policy, procedure or condition without notice and without revision of the ABC Manual. Moreover, the provisions of the ABC Manual may be modified by PETRONAS to adapt them to local laws and conditions.

1B: Definitions

1. References to “you” in this ABC Manual refer to any person to whom this ABC Manual applies. Where more specific references are used (such as “employee”), the more specific reference is intended.
2. For purposes of this ABC Manual, the following terms are defined:
 - a. “family/household” includes your spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of your household.
 - b. “employee” means any person who is in the employment of PETRONAS including but not limited to executives, non-executives, secretaries, secondees and individuals on direct hire.
 - c. “PETRONAS” or “Company” means PETROLIAM NASIONAL BERHAD (PETRONAS) and its subsidiaries and controlled companies. The expression “PETRONAS” or “Company” is used for convenience where references are made to PETRONAS companies in general. The companies in which PETRONAS has direct or indirect shareholding are distinct legal entities.
 - d. “Third Parties” refer to both individuals and corporate entities including but not limited to director, officer, employee, agent, consultant, nominee, representative, licensee, adviser, sub-contractors, any service provider engaged to provide goods and/or services for, jointly with or on behalf of PETRONAS or a counterparty in a business transaction with PETRONAS.

- e. "PETRONAS contact person" means PETRONAS' focal that can be contacted by any third-party having business dealing with PETRONAS.
- f. "Gift" includes but is not limited to money, movable or immovable property, vehicles, free fares, stocks, lottery tickets, travel facilities, entertainment, services, club memberships, any form of discount or commission, hampers, jewelry, ornaments, any gifts, souvenirs, other forms of gratification or anything of value.
- g. "Social Impact Activation" or "SIA" means investments made voluntarily for communities with the primary purpose of contributing to enhance social impact by promoting sustainable livelihoods and conserving the environment, in alignment with PETRONAS Sustainability Agenda.

Part 2: Gifts, Entertainment and Corporate Hospitality

2A: "No Gift" Policy

1. PETRONAS has adopted a "No Gift" Policy whereby, subject only to certain narrow exceptions, PETRONAS employees and directors (executive and non-executive), family members or agents acting for or on behalf of PETRONAS employees, directors or their family members and other associated persons are prohibited from, directly or indirectly, receiving or providing gifts.
2. Employees, directors and other associated persons shall avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between PETRONAS and external parties as a gift can be seen as a bribe that may tarnish PETRONAS' reputation or be in violation of anti-bribery and corruption laws.
3. As set out in the PETRONAS Code of Conduct and Business Ethics (CoBE), a conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in PETRONAS for his or her personal benefit, including the benefit of his or her family/ household and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by PETRONAS from its employees and directors in the performance of their duties and obligations.

4. It is the responsibility of employees and directors to inform external parties involved in any business dealings with PETRONAS that the Company practices a “No Gift Policy” and to request the external party’s understanding for and adherence with this policy.

“NO GIFT” POLICY



PETRONAS employees and directors and other associated persons are prohibited from, directly or indirectly, giving or receiving gifts to avoid conflict of interest or the appearance of conflict of interest.

2A(i): Receiving Gifts

1. The Company is very much aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging PETRONAS' "No Gift Policy", some external parties may still insist in providing gifts to PETRONAS employees, directors and/or their family members and other associated persons in certain situations which do not fall within the general exceptions.
2. Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of PETRONAS is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever PETRONAS' business relationship with the Third Party. However, in no circumstances may an employee, director or his/ her family/household members and other associated persons accept gifts in the form of cash or cash equivalent.
3. In these limited circumstances, employees are expected to immediately record the gift in the PETRONAS specified declaration platform or any other form as provided by your Human Resource Department for submission to your HoD/ Corporate Division/ Business Division/ OPU (minimum GM level) who will then decide whether to approve the acceptance of the gift or require it to be returned. Directors should inform the Company Secretary, as soon as reasonably practicable, to seek his/ her advice when faced with a similar situation.
4. Even if it may appear disrespectful to refuse a gift from an external party, nevertheless, if there is a conflict of interest situation (e.g. bidding is in progress and the company that gave the gift is one of the bidders) then clearly the HoD / HR Department/ LCD cannot approve the acceptance of said gift (in the case of directors, the Company Secretary would advise the same). In this situation, **the gift must be politely returned with a note of explanation about the Company's "No Gift" policy.**

5. In the event the HoD/ Corporate Division/ Business Division/ OPU approves the acceptance of the gift, he/she must also determine the treatment of the gift whether to:
 - a. Donate the gift to charity; or
 - b. Hold it for departmental display; or
 - c. Share with other employees in the department; or
 - d. Permit it to be retained by the employee.

6. In determining the above, HoD/ Corporate Division/ Business Division/ OPU are expected to exercise proper care and judgment in each case, taking into account pertinent circumstances including the character of the gift, its purpose, the position/ seniority of the person(s) providing the gift, the business context, reciprocity, applicable laws and cultural norms.

Did You Know?



There are certain types of gifts which are never permissible and PETRONAS employees, directors and other associated persons shall immediately refuse if it involves the following:

- a. Any gift of cash or cash equivalent. Cash equivalent could be in the form of vouchers, discounts, coupons, shares and commission etc.
- b. Any gifts involving parties engaged in a tender or competitive bidding exercise.
- c. Any gifts that come with a direct/ indirect suggestion, hint, understanding or implication that in return for the gift, some expected or desirable outcome is required ("quid pro quo").
- d. Any gift that would be illegal or in breach of local or foreign bribery and corruption laws.

2A(ii): Providing Gifts

1. Generally, employees are not allowed to provide gifts to third parties with the exception of the President & Group CEO, Executive Vice Presidents, and any other officers identified in the gift and entertainment policy of the respective jurisdictions.

2A(iii): Exceptions To The “No Gift” Policy

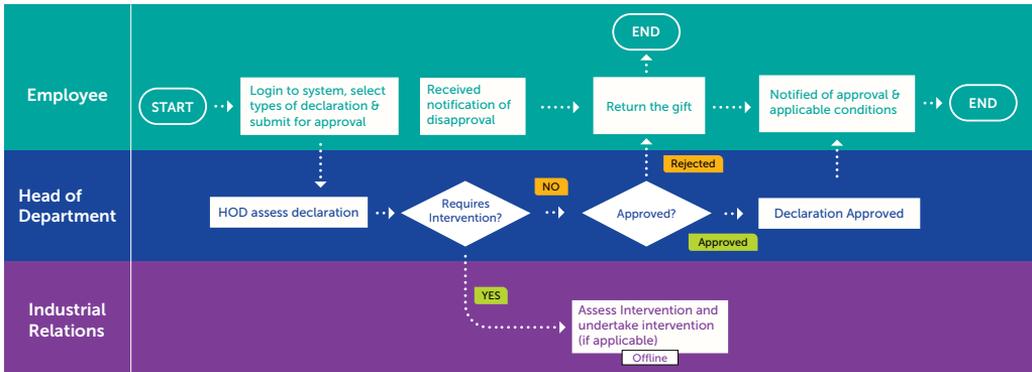
1. Although generally PETRONAS practices a “No Gift” Policy, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations:
 - a. Exchange of gifts at company-to-company level (e.g., gifts exchanged between companies as part of an official company visit/courtesy call and thereafter the said gift is treated as company property);
 - b. Gifts from company to external institutions or individuals in relation to the company’s official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event);
 - c. Gifts from PETRONAS to employees and directors and/or their family members and other associated persons in relation to an internal or externally recognised Company function, event and celebration (e.g. in recognition of an employee’s/director’s and other associated person’s service to the Company);
 - d. Token gifts of nominal value normally bearing the PETRONAS or company’s logo (e.g.t-shirts, pens, diaries, calendars and other small promotional items) or that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, trainings, trade shows etc. and deemed as part of the company’s brand building or promotional activities; and
 - e. Gifts to external parties who have no business dealings with PETRONAS (e.g. monetary gifts or gifts in-kind to charitable organisations).

2. Even in the above exceptional circumstances, employees and directors and other associated persons are expected to exercise proper judgment in handling gift activities and behave in a manner consistent with the general principles set out in the CoBE as per below:
 - Conscientiously maintain the highest degree of integrity.
 - Always exercise proper care and judgment.
 - Avoid conflicts of interest.
 - Refrain from taking advantage of your position or exercising your authority to further your own personal interest at the expense of PETRONAS.
 - Comply with applicable laws, regulations and PETRONAS policies and procedures.

Explanatory on gift activity reporting and approval process

The below depicts the process flow for reporting a gift accepted on behalf of PETRONAS (only allowed in very limited circumstances) whereby refusing the gift is likely to seriously offend and may sever PETRONAS' business relationship with the Third Party.

Exceptional cases (In very limited circumstances and subject to approval)



Approving Authority



To decide on the treatment of the gift, HoD/ Corporate Division/Business Division/ OPU is expected to exercise proper care and judgment in each case and take into account the following:

- the character of the gift
- its purpose
- the positions of the persons providing and receiving the gift
- the business context
- reciprocity
- applicable laws
- cultural norms

YES

Upon approval, HOD may choose the following options in managing the gift:-

1. donate the gift to charity
2. hold it for departmental display
3. share with other employees in the department
4. permit it to be retained by the employee

The process above is only applicable to Malaysia T&C only. For other OPU with different T&C, kindly refer to your respective HR processes.

2B(i): Providing Entertainment

1. PETRONAS recognises that providing modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationships with external clients. As such, eligible employees are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.
2. In some countries, the act of hospitality through entertainment is a central part of business etiquette. However, this may not necessarily be the case in every country or in all circumstances as it may create a negative perception if observed or known by others despite selfless motives behind the entertainment provided.
3. Employees, directors and other associated persons should always bear in mind that this is an area where perception is often regarded as more important than facts and therefore you should always exercise proper care and judgment when providing entertainment to third parties especially when it involves Public Officials to ensure compliance with local anti-bribery and corruption laws.
4. Employees, directors and other associated persons are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and contrary to the general values and principles of the CoBE.

5. You are required to comply with the policies and procedures of your HR Department, and maintain expenses within the limits of your entitlement, when carrying out entertainment activities.
6. As set forth in Part IIB section 12 of the CoBE, any entertainment activities that would involve Public Officials shall require the prior approval of HoD / HR Department in consultation with LCD.
7. Specific rules governing employees' conduct when dealing with Public Officials are set out in greater detail in Part 3 of this ABC Manual. Directors (executive and non-executive) are also expected to abide by the same rules.

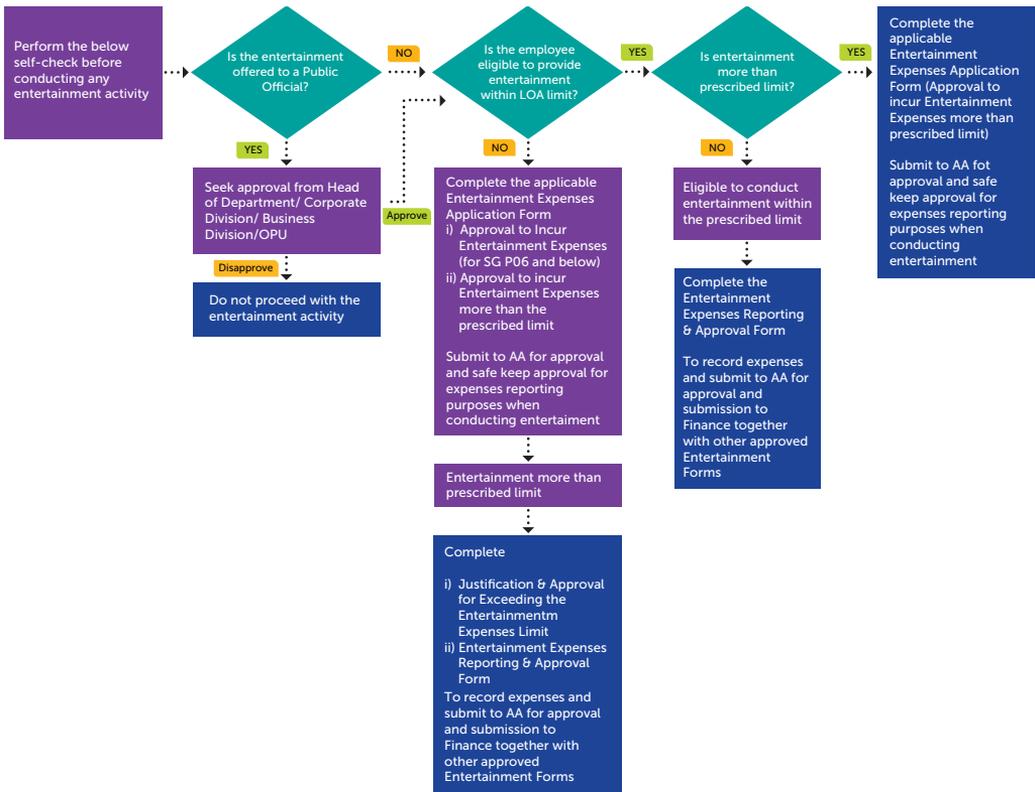
2B(ii): Receiving Entertainment

1. PETRONAS recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.
2. However, it is important for employees and directors to exercise proper care and judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard the Company's reputation, but also to protect employees and directors from allegations of impropriety or undue influence.
3. You are required to comply with the policies and procedures of your Human Resource Department in relation to receiving entertainment from third parties.
4. As set forth in Part IIB paragraph 10.2 of the CoBE, in no event, however, may you or any of your family/household members accept entertainment in exchange for an exercise of non- exercise of your PETRONAS authority or otherwise to the detriment of PETRONAS.
5. In these limited circumstances, employees are expected to immediately record the entertainment received in the PETRONAS specified declaration platform or any other form as provided by your Human Resource Department for submission to your HoD/ Corporate Division/ Business Division/ OPU (minimum GM level) who will then decide whether to approve the acceptance of the entertainment. Directors should inform the Company Secretary, as soon as reasonably practicable, to seek his/her advice when faced with a similar situation.

Explanatory on eligibility to conduct entertainment activity, reporting and approval process

(Applicable to Group Companies based in Malaysia with standard PETRONAS terms and conditions)

The below chart illustrates the process flow to determine executive employees' eligibility to carry out entertainment activities and reporting an Entertainment Activity (for employees who meet the eligibility criteria to incur entertainment expense).



The process above is only applicable to Malaysia T&C only. For other OPU's with different T&C, kindly refer to your respective HR processes.

Did You Know?



There are certain types of entertainment activities which are never permissible, and we should immediately refuse if it involves the following:

- a. Any entertainment that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the entertainment provided some expected or desirable outcome is required (“quid pro quo”).
- b. Any entertainment activities that would be illegal or in breach of local or foreign bribery laws.
- c. Any entertainment activities that would be perceived as extravagant, excessive or may adversely affect the reputation of PETRONAS.
- d. Any entertainment activity that is sexually oriented or may otherwise tarnish the reputation of PETRONAS.

2C(i): Corporate Hospitality

1. Corporate hospitality is generally defined as “corporate events or activities organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation”. Third parties may include customers, potential customers, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historic exists.
2. Corporate Hospitality covers corporate events and activities including but not limited to sporting events, tournaments, conferences, gala dinners or concerts.
3. Corporate hospitality is recognised as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is considered to be legitimate against illegitimate forms of corporate hospitality. The question is whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality.
4. Corporate hospitality would be illegitimate in the following situations:
 - If it provides an advantage to another person if offered; or
 - If it is given with the intention of inducing the person to perform a relevant function improperly; or
 - If there is knowledge that acceptance of the advantage would in itself be improper performance.

5. Transparency International has advocated corporate hospitality arrangements/activities should conform to the following basic principles:
- Transparency, in that all corporate hospitality is reported and written approval is obtained, all records of which are properly kept;
 - Proportionality i.e. the corporate hospitality must not be too excessive. In addition, the corporate hospitality must commensurate with the recipient's official capacity and not provided in his/her personal capacity;
 - Reasonableness in ensuring that the corporate hospitality is not excessive; and
 - Bona fide, where the intention to offer and/or provide the corporate hospitality is done with good and legal intentions.

2C(ii): Providing Corporate Hospitality

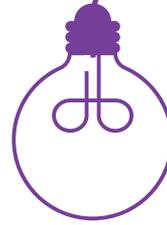
1. PETRONAS recognises that providing corporate hospitality to its stakeholders be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.
2. It is customary for PETRONAS to issue complimentary invitations in the form of passes, tickets or invitations to third parties for events organized or sponsored by PETRONAS, its Group Companies as well as events organised or sponsored by external organisations.
3. The following are some of the examples of PETRONAS providing corporate hospitality:
 - a. any events sponsored or organised by PETRONAS;
 - b. any events organised by external organisations for the benefit of that organisation or charitable events.
4. While providing corporate hospitality is a reflection of PETRONAS' courtesy and goodwill, the respective Heads of Department/Division must exercise proper care to protect the Company's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision and are not reasonable and bona fide expenditures.
5. There should also be explicit, clear and internally transparent criteria to determine the selection of guests to be invited to a PETRONAS corporate hospitality event. Reasonable due diligence should be exercised, particularly when the arrangements involve Public Officials.

6. There are various local and international anti-bribery and corruption laws that impose strict restrictions on the value and level of entertainment and corporate hospitality to be accorded to third parties, particularly when it is offered to Government or Public Officials.
7. PETRONAS is committed to comply with applicable laws governing the provision of corporate hospitality to third parties, especially when it involves Public Officials, and therefore expect employees to undertake the following:
 - a. to publicise and make clear the Company's policy on providing and receiving corporate hospitality;
 - b. to obtain all necessary approvals for the issuance of complimentary tickets or passes to corporate hospitality events in accordance with the PETRONAS Limits of Authority;
 - c. to expressly notify the recipients in writing that all complimentary tickets or passes are NON-TRANSFERABLE (e.g. the terms and conditions for use to be printed on the tickets, passes or invitations). In the event that the recipients are unable to attend, he/she is expected to return the tickets or passes to PETRONAS.
8. The unauthorised transfer of tickets or passes to persons other than the named recipient may signify to others that the invitation was extended to the recipient in his/her personal capacity.
9. All expenses incurred to provide the corporate hospitality must be properly documented, receipted and recorded in the Company's records.

2C(iii): Receiving Corporate Hospitality

1. As a general principle, PETRONAS strictly prohibits employees, directors and other associated persons from soliciting corporate hospitality nor are they allowed to accept hospitality that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision, particularly from parties engaged in a tender or competitive bidding exercise (for e.g. contractors, vendors, suppliers etc.).
2. Notwithstanding the above, PETRONAS recognises that the occasional acceptance of an appropriate level of hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important for employees, directors and other associated persons to exercise proper care and judgement before accepting the hospitality. This is not only to safeguard the Company's reputation, but also to protect employees and directors from allegations of impropriety or undue influence.
3. If you have any doubts on the appropriateness of a corporate hospitality offered by an external party for e.g. a contractor or supplier, you should either decline the offer or consult your HoD, HR Department, the LCD, or your PETRONAS contact person. In the case of directors (executive and non- executive), you should seek the advice of your respective Company Secretary.

Did You Know?



There are certain types of corporate hospitality activities which are never permissible, and we should immediately refuse if it involves the following:

- a. Corporate hospitality offered by parties currently engaged in a PETRONAS tender or competitive bidding exercise.
- b. Corporate hospitality offered that comes with a direct/indirect suggestion, hint, understanding or implication that in return for the corporate hospitality provided some expected or desirable outcome is required (“quid pro quo”).
- c. Any corporate hospitality activities that would be illegal or in breach of local or foreign anti-bribery & corruption laws.
- d. Corporate hospitality which is excessive or may adversely affect the reputation of PETRONAS.
- e. Any corporate hospitality activities that are sexually oriented or may otherwise tarnish the reputation of PETRONAS.

Part 3: Dealing with Public Officials

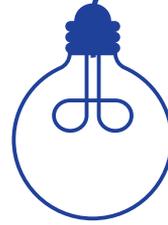
3A(i): Dealing With Public Officials

1. A 'Public or Government Official' is defined in Part IIB paragraph 12.8 of the CoBE which includes, without limitation, public or government official, any person having public official functions or acting in a public official capacity, candidates for public office, officials of any political party, and officials of state-owned enterprises other than PETRONAS.
2. Caution must be exercised when dealing with Public Officials as the laws of bribery and corruption in some countries are more stringent and provides for stricter punishments. Providing gifts, entertainment or corporate hospitality to Public Officials or their family/ household members is generally considered a 'red flag' situation in most jurisdictions.
3. As stated in Part IIB paragraph 12.3 of the CoBE, you are prohibited from paying for non- business travel and hospitality for any Government Official or his/her family/household members without permission from your HoD or the head of your operating unit in consultation with your Legal Department or the LCD. Other PETRONAS policies and procedures on gifts, entertainment and corporate hospitality must also be abided by, copies of which can be obtained from your Human Resource Department.
4. If approval is obtained for you to provide gifts, entertainment or corporate hospitality to Public Officials, you must ensure that the gift, entertainment or corporate hospitality is not excessive, and must commensurate with the official designation of the Public Officials and not his personal capacity. You must also be aware of local laws governing the activity and to ensure compliance. You should seek guidance from your HR Department or the LCD prior to providing any gifts, entertainment or corporate hospitality to Public Officials.

3A(ii): Public Officials in Other Jurisdiction

1. Under anti-bribery and corruption laws in some jurisdictions, PETRONAS employees may be considered Public Officials because PETRONAS is state-owned.

Did You Know?



- We are prohibited from circumventing any laws or policies with regards to gifts and entertainment, even if it means that PETRONAS might lose out on business opportunities as a result.
- We must always be mindful of maintaining professionalism, and always keep abreast of changes to the local laws and company policies.
- We must ensure to not entertain or approve any requests by the Public Official to transfer the gift or entertainment to any third parties as this may be perceived as bribery.
- We are prohibited from providing gifts, entertainment or hospitality that are illegal or unduly dangerous, indecent, sexually oriented or disrespectful.
- We must not act on our own accord when providing gifts and/or entertainment to Public Officials and always consult your HoD, Head of OPU or the LCD.
- We are prohibited to conceal, alter, destroy, or otherwise modify any documentation that relates to entertainment or corporate hospitality accorded to Public Officials. All documentations (including invoices and receipts) must be properly recorded and kept at all times.

**Part 4: Social
Impact
Activation (SIA),
Sponsorships
and Donations**

1. As a responsible corporate citizen, PETRONAS is committed to contributing to the well-being of the people and nation in the countries where it operates. It is however important that all Social Impact Activation (SIA), sponsorships and donations are made in accordance with PETRONAS policies and receive prior authorisation by PETRONAS Management or the Board.

4A: Social Impact Activation (SIA)

1. Given the nature of our business, PETRONAS is often asked by governments to contribute to SIA activities in the countries where we have operations.
2. As part of our commitment to corporate social responsibility and sustainable development, as a general matter, PETRONAS provides such assistance in appropriate circumstances and in an appropriate manner. However, such requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome.
3. The proposed recipient must be a legitimate organisation and appropriate due diligence must be conducted in particular to ascertain whether any Public Officials are affiliated with the organisation.
4. Any red flags must be resolved before committing any funds to the programme. Even requests determined to be legitimate must be carefully structured to ensure that the benefits reach their intended recipients. If you are in any doubt as to whether a charitable contribution or social benefit is appropriate, consult your Legal Department or Group Strategic Communications for assistance.

4B: Sponsorships and Donations

1. As set out in the CoBE, employees must ensure that all sponsorships and donations are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of the CoBE, including in particular, the prohibition on bribery.
2. PETRONAS needs to be certain that all sponsorship and donations to any organization, charity, or beneficiary are not disguised illegal payments to Government Officials, and must ensure that the organization, charity or beneficiary does not act as a conduit to fund illegal activities in violation of anti-money laundering, anti-terrorism and other applicable laws.
3. In accordance with PETRONAS' commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:
 - ensure such contributions are allowed by applicable laws;
 - obtain all the necessary internal and external authorisations;
 - be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
 - be accurately stated in the company's accounting books and records; and
 - not to be used as a means to cover up an undue payment or bribery.

4. Examples of red flags to look out for are as follows:

- The proposed recipient/ organisation has affiliations with a Public Official or their relatives are involved;
- The contribution is made on behalf of a Public Official;
- There is a risk of a perceived improper advantage for PETRONAS in providing the sponsorship;
- There is a risk of a perceived improper advantage for external third party in receiving the sponsorship;
- The proposed recipient is based in a high risk country, the request comes from or involves a high risk country or the activity takes place in a high risk country; and
- The sponsorship or donation requires exchange of significant benefits that may be perceived as a bribe or unfair treatment.

5. PETRONAS requires employees to use good judgment and common sense in assessing the requests. When in doubt, employees should seek further advice from their Legal Department, the LCD or escalate the matter to Group Strategic Communications to determine the authenticity of such requests.

4B(i): Due Diligence Checklist

1. Before making a commitment to a SIA activity, sponsorship or donation requested by external stakeholders, you must first conduct proper due diligence to ensure that the requests are legitimate and that any red flags raised are resolved prior to committing the funds.
2. The request is evaluated against PETRONAS' Guidelines on SIA, Sponsorships and Donations and meets the following criteria:
 - The request does not fall under the list of activities which PETRONAS does not support or contribute to (refer to Group Strategic Communications for more information);
 - There is no risk of a perceived improper advantage for PETRONAS;
 - The proposed recipient is a legitimate organisation and proper due diligence are made/ background checks; and
 - The proposed recipient does not have affiliations with a Public Official.
3. If the request meets the above requirements and it is reasonably ascertained to be legitimate in nature, you can proceed to prepare a recommendation/memorandum seeking Management's approval as per the Limits of Authority (LOA).
4. If the request comes from a high risk country (countries perceived to have high levels of corruption), or the proposed beneficiary is based in a high risk country, or the activity takes place in a high risk country or the proposed recipient is government owned or if a Government Official or their relative is involved and it is reasonably expected that a PETRONAS subsidiary may have business that could be influenced by that Government Official or the Government Official's agency, ministry or department, a memorandum must be sent to Group Strategic Communications for review as to whether or not the proposed investment/sponsorship or donation should proceed and if deemed necessary, the LCD should be consulted to ensure compliance with anti-bribery and corruption laws.

Did You Know?



- We must not commit to provide any funds without first undergoing the proper processes and procedures to evaluate the legitimacy of the request.
- We must not circumvent any guidelines, rules or procedures put in place by making charitable contributions as a camouflage for illegal payments.
- We must not conceal, alter, destroy or otherwise modify any relevant information, which in the normal course of business, may raise potential red flags that would require additional investigation, particularly if it involves Public Officials. If you are unsure or have any concerns, please consult your HoD or Head of OPU, your HR Department or the LCD. If the matter is still unresolved, ensure to escalate the matter further to Group Strategic Communications.

4C: Education Sponsorships

1. PETRONAS has a sponsorship programme with the objective to provide educational opportunities to deserving students to enable them to realize their potential and to contribute to the growth of PETRONAS and the nation. The awarding of scholarships should be based on strict guidelines and due diligence to ensure that only the most qualified and deserving students receive the scholarship award. This is crucial to ensure that no element of corruption is involved in the giving out of scholarships.
2. The selection of sponsorship recipients should be based on approved criteria such as academic qualifications and assessment results. The process of selection should be transparent and the reasons for selection should be properly recorded.
3. If the sponsorships are to be awarded to foreign Public Officials or persons associated with foreign Public Officials caution must be exercised to ensure that the awarding of sponsorship would not violate any local laws and must be in compliance with the approved PETRONAS sponsorship policy and procedures.

**Part 5:
Political
Contributions**

5A: Political Contributions

1. PETRONAS and employees acting on behalf of PETRONAS are prohibited from making or offering to make any monetary or in-kind political contributions to political parties, political party officials or candidates for political office, politically linked organization, political campaigns, or any person or entity acting on behalf of the foregoing.
2. Payments to a government entity such as payments to a host country's federal treasury, as required by contract or law, are not prohibited, so long as they are made with due care to the government entity and not to any individual official.
3. The Company encourages employees to participate in the political election process by voting. Employees may choose to make personal political contributions, as appropriate within the limits established by law but under no circumstances should they make any representation that they are doing so on behalf of or with the support of PETRONAS. Under no circumstances, however, will any employee be compensated or reimbursed in any way by the Company for a personal political contribution.

4. Furthermore, charitable donations may not be used as subterfuge for prohibited political payments or to camouflage bribery.
5. Notwithstanding the foregoing, it is PETRONAS' policy to engage and communicate its views and position on issues of public interest that have an important impact on the Company.

Did You Know?



- We are prohibited from using our position with PETRONAS to try to influence any other person (whether or not employed by PETRONAS) to make political contributions or to support politicians or their parties.

Part 6: Facilitation Payment

6A: Prohibition on Facilitation Payments

1. "Facilitation payment" is defined in Part IIB paragraph 7.2 of the CoBE as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. Offering, promising or requesting facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset; it can be any sort of advantage with the intention to influence them in their duties.
2. PETRONAS prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the employee himself or for any other person who is subject to the CoBE. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption. This prohibition is clearly laid out in Part IIB paragraph 7 of the CoBE.
3. All persons subject to the CoBE must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. If you receive a request or if you are offered facilitation payments, you must report it to your HoD/ Corporate Division/ Business Division/ OPU.

6B: Exception to Making Facilitation Payments

1. However, there are certain situations or circumstances where you are faced with having to make facilitation payments in order to protect your life, limb or liberty. In dangerous situations like this, you are allowed to make payments but you must immediately report it to your HoD/ Corporate Division/ Business Division/ OPU and your Legal Department. Making facilitation payments in such a situation, is the only exception which can be used as a defence when faced with allegations of bribery and corruption.

Part 7: Money Laundering

7A: Money Laundering

1. Part IIB paragraph 13.2 of the CoBE defines money laundering as occurring when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including financing terrorism.
2. PETRONAS strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities.
3. Money laundering is a very serious crime and the laws governing this type of crime can have extra territorial effect, i.e. the application of the law is extended beyond local borders. The penalties for breaching anti-money laundering legislation are severe and can include extradition and incarceration in foreign jurisdictions.
4. To avoid violating anti-money laundering laws, employees are expected to always conduct counterparty due diligence to understand the business and background of PETRONAS' prospective business counterparties and to determine the origin and destination of money, property and services.
5. Counterparty means any party that PETRONAS is currently in a relationship with or intends to do business with in the future, either on a regular or once-off basis. Counterparties include but are not limited to customers, contractors, suppliers, consultants, agents, Joint Venture (JV) partners and any other business partners.

6. A number of initiatives can be taken by the Company to strengthen anti-money laundering governance, they include the following:
- Adequate training and compliance programs should be conducted to ensure understanding and strict compliance to any internal anti-money laundering policies.
 - Employees frequently involved in decision making process concerning counterparties particularly in matters on financial transactions should be properly acquainted with the applicable laws and regulations related to money laundering.
 - Employees should be attentive to and report suspicious behaviour by customers, consultants and business partners using proper reporting channels and in-house experts on anti-money laundering should always be consulted.
 - Convoluted payment arrangements such as payment in cash, payment to a third party, payment to account in other countries or upfront payment should be avoided.
 - Periodic audits should be conducted and a process should be developed to follow all available accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with other transactions and contracts.

**Part 8:
Dealing with
Third Parties**

8A: Dealing with Third Parties

1. PETRONAS' dealings with third parties, which include contractors, suppliers, agents, consultants, JV partners, introducers/government intermediaries etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of the CoBE. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.
2. PETRONAS expects that all third parties acting for or on its behalf to share the Company's values and ethical standards as their actions can implicate PETRONAS legally and tarnish the Company's reputation. Therefore, where we engage third parties, such as contractors, agents, intermediaries or JV partners, we are obligated to conduct appropriate counterparty due diligence to understand the business and background of PETRONAS' prospective business counterparties before entering into any arrangements with them to ensure that we are dealing with counterparties that subscribe to acceptable standard of integrity in the conduct of their business.
3. To help ensure that we only do business with third parties that share PETRONAS standards of integrity, we must do the following:
 - Conduct due diligence to assess the integrity of PETRONAS' prospective business counterparties. Do not enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.
 - All third parties are made aware of the PETRONAS Code of Conduct and Business Ethics (CoBE) and PETRONAS ABC Manual and our expectations of them.
 - Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance.

4. If at any point during the due diligence exercise or in the dealings with a third party, there are conflicts of interest or “red flags” are raised, these warrant further investigation and must be sufficiently addressed before the engagement of the third party can progress.
5. Examples of common “red flags” involving third parties include:
 - The transaction involves a country known for a high incidence of corrupt payments.
 - Family, business or other direct or indirect link/ connection with Government or Public Officials.
 - A reference check reveals a flawed background or a reputation for getting “things done” regardless of the circumstances or suggests that for a certain amount of money, he can fix the problem.
 - Objection to anti-bribery representations and warranties in commercial agreements or negative response when told of such requirements.
 - Convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries or requests for upfront payment for expenses or other fees.
 - The third party requires that his/her identity not be disclosed as part of the business transaction.
 - Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.
6. PETRONAS requires its employees to use good judgment and common sense in assessing the integrity and ethical business practices of third parties and have provided the above as a guideline.
7. Employees should seek advice from the LCD whenever particular questions arise relating to third parties that the Company has appointed or is considering appointing.

8B(i): Dealing With Contractors And Suppliers

1. In line with the general principles of the CoBE, PETRONAS is committed to uphold the highest standard of ethics and integrity in all aspects of its procurement activities.
2. PETRONAS OPU should avoid dealing with any contractors or suppliers known or reasonably suspected of corrupt practices or known or reasonably suspected to pay bribes.
3. PETRONAS OPU must ensure that all procurement activities are in line with the procurement policies and procedures that are applicable in your jurisdiction, which include:
 - Due diligence of contractors and suppliers are undertaken before they are registered/ licensed with PETRONAS.
 - Contractors and Suppliers are made aware of and understand the CoBE and that they will comply accordingly.
 - All commercial contracts and Invitations to Bid (ITBs) incorporate the provisions relating to business conduct, conflict of interest and fighting corruption and unethical practices.
 - In Malaysia, the General Terms and Conditions of License for contractors incorporate the provisions relating to business conduct, conflict of interest and fighting corruption and unethical practices.
 - All commercial contracts with major contractors and suppliers to incorporate a provision where PETRONAS retains the right to audit third party compliance with the CoBE and PETRONAS ABC Manual provisions.

4. PETRONAS OPUs must conduct due diligence on prospective contractors and suppliers to confirm whether or not these external parties have in place anti-bribery programmes and that they will not engage in any improper practices.
5. Screening should be conducted on the company, its directors and top management and this can be done through the due diligence process and procedures as established in your jurisdiction. The scope and extent of the due diligence required will vary depending upon the circumstances of each proposed transaction.
6. PETRONAS OPUs should also monitor significant contractors and suppliers as part of their regular review of the performance of the third party. PETRONAS has the right to terminate their services in the event that these third party pay bribes or act in a manner which is inconsistent with the CoBE and ABC Manual.
7. If any red flags are raised, these issues must be resolved. If it is not possible then the company must be barred from being on the list of registered or licensed contractors/ suppliers and/or disqualified from participating in any PETRONAS tender exercise. For further guidance on the implementation of the ABC Manual and the due diligence process applicable to contractors and suppliers as set out under PETRONAS Third Party Risk Management, please consult your respective Procurement and Legal Department.

8B(ii): Due Diligence Checklist For Contractors And Suppliers

1. PETRONAS and its Group Companies, in particular, the procurement function must follow the following procedures when dealing with Contractors and Suppliers:-
 - Perform a risk assessment using a risk-based approach;
 - Undertake due diligence on the third party depending on the level established by the risk analysis; and
 - Preparing and maintaining appropriate written documentation of the due diligence and risk assessment performed.

8C: Mergers, Acquisitions & Investments

1. PETRONAS must undertake due diligence in evaluating Mergers and Acquisition transactions and investments to ensure compliance with anti-bribery and corruption laws.

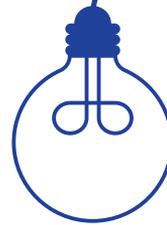
8C(i): Due Diligence – Pre Acquisition

1. Anti-bribery due diligence is considered on a proportionate basis for all investments but on a risk-based approach, with the level of due diligence being proportionate to the investment and the perceived likelihood of risk of bribery.
2. The level of anti-bribery due diligence for the transaction is commensurate with the bribery risks.
3. Anti-bribery due diligence starts sufficiently early in the due diligence process to allow for adequate due diligence to be carried out and for the findings to influence the outcome of the negotiations or stimulate further review if necessary.
4. The partners or board provide commitment and oversight to the due diligence reviews.
5. Information gathered during the anti-bribery due diligence is passed on efficiently and effectively to the company's management once the investment has been made.

8C(ii): Due Diligence – Post Acquisition

1. To conduct due diligence on a proportionate basis immediately after purchase to determine if there is any current bribery and if so, takes immediate remedial action.
2. To ensure that the target company has or adopts an adequate anti-bribery and corruption programme equivalent to its own.
3. Bribery detected through due diligence is reported to the authorities.

Did You Know?



When conducting Anti-Bribery Due Diligence, we must consider the following:

- Has bribery taken place historically?
- Is it possible or likely that bribery is currently taking place?
- If so, how widespread is it likely to be?
- What is the commitment of the board and top management of the target company to countering bribery?
- Does the target company have in place an adequate anti-bribery programme to prevent bribery?
- What would the likely impact be if bribery, historical or current, were discovered after the transaction had completed?

8D: Joint Venture Partners

1. In view of the possibility that PETRONAS may be held responsible for the illegal activities of its co-venturers, we need to ensure that JV in which PETRONAS has a controlling interest adopts the ABC Manual.
2. Where PETRONAS neither controls nor operates the JV or where PETRONAS holds a minority interest, we should:
 - make reasonable efforts to influence the JV Partner to adopt the ABC Manual (or substantially equivalent standards and principles) and to comply with all applicable anti- bribery and corruption laws and to establish controls substantially similar to PETRONAS standards to prevent bribery;
 - be alert to warning signs which may arise in the conduct of the business. Any such warning signs must be reported to the Legal Department or the LCD and appropriate action to be taken; and
 - require (or where this right does not formally exist, request) that the majority partner or JV entity to provide written representation of anti-bribery compliance on an annual basis.

Part 9: Recruitment of Employees

9A: Recruitment of Employees

1. PETRONAS, being a diversified business entity, provides equal opportunity for any qualified and competent individual to be employed by the company from various multicultural and multiracial background, sourced from both PETRONAS sponsorship programme and externally, local and internationally.
2. The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.
3. Subject to the requirements of applicable law, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision-making obligations.
4. If you find or suspect that another person subject to this policy has violated or about to violate this policy or applicable law, whether deliberately or inadvertently, you must forthwith report the same, in writing, to your HoD/Corporate Division/Business Division/OPU or your HR Department.

Did You Know?



- Any candidate to be employed with family/ household relationship to a PETRONAS staff or director would need to disclose the relationship, have it properly recorded and be made transparent.
- We should not conceal any information where there might be a conflict of interest. If you are unsure, please consult your HoD, Head of OPU, HR Department or the LCD.

**Part 10:
PETRONAS
Whistleblowing
Policy**

10A: PETRONAS Whistleblowing Policy

1. PETRONAS encourages openness and transparency in its commitment to the highest standard of integrity and accountability.
2. If you make a report or disclosure about any actual or perceived bribery or corruption in good faith, belief, without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, you will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that you were mistaken. In addition, employees who whistleblow internally will be also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable.
3. If you wish to direct your concerns regarding a PETRONAS department/ unit or employee, contractors, sub-contractors, consultants, agents, representatives, or other service providers, in lieu of contacting your HoD, HR Department, the LCD or PETRONAS contact person, you may also contact the following whistleblowing channel platforms:
 - a. Online submission via <https://www.petronas.com/whistleblowing>
 - b. Email to whistle@petronas.com
 - c. In writing to P.O Box No 11646, Pejabat Pos Besar Kuala Lumpur

Please also refer to our [Whistleblowing Policy](#) available on PETRONAS website for further information.

10B: Procedural Matters

10B(i): Consequences of A Breach

1. Adherence to this ABC Manual is critical to the smooth running of its business or enterprise and is for the common good of PETRONAS and its employees.
2. Any conduct which is not in accordance with the principles set out in this ABC Manual will be dealt according to Part IV of the CoBE and other applicable local laws.

10B(ii): How to Make a Report on any Breach

1. Any alleged or suspected improper conduct must be disclosed using the procedures provided for in the PETRONAS Whistleblowing Policy as adopted for your jurisdiction, a copy of which is available from your HR Department.

10B(iii): Further Clarification

1. Should you require further clarification with regards to this ABC Manual, depending on the subject concerned, you should consult your HoD, HR Department, the LCD or PETRONAS contact person.
2. You may also email your queries to cobe@petronas.com.

10B(iv): Registering any Conflicts of Interests, Gifts and Corporate Hospitality

1. All conflicts of interests (potential or real) and matters related to giving or receiving gifts/ entertainment / corporate hospitality will be registered according to the policies and procedures of the respective HR Department of the said Business or Operating Units. Please liaise with your Human Resource personnel for further information on the procedures for registration.

PETROLIAM NASIONAL BERHAD (PETRONAS)

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Legal Compliance Department

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For any queries on CoBE and ABC Manual, please contact CoBE Hotline at:

cobe@petronas.com.my

www.petronas.com