



PETRONAS

PETRONAS Code of Conduct and Business Ethics

Country Supplement: **MEXICO**

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

Part I: Core Values and Culture

1. Application 4

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

1. Serious Pecuniary Indebtedness5
2. Borrowing Money 6
3. Living Beyond Official Emoluments and Legitimate Private Means..... 6

B - Information Security..... 8

C - Workplace Culture and Environment

1. Absence Without Leave or Without Reasonable Cause 8
2. Dress Code 9

D - Disciplinary Process and Sanctions

1. Disciplinary Process 9
2. Disciplinary Punishments 10
3. Punishing Authority 10
4. Appeal Procedure 10

E - Conflicts..... 11

Country Supplement: **Mexico**

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 subsidiaries in Mexico) or any provision thereof shall form an integral part of your contract of employment.

- 1.2.** This Code is prepared in English and Spanish and may appear in other languages. In the event of a conflict of interpretation, the Spanish version will govern.

Part II: 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 favor of the Official Assignee 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.
- 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. Borrowing Money

- 2.1** You may borrow from banks, insurance companies, co-operative societies or borrowing companies licensed under the National Banking and Securities Commission (CNBV) 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 our private advantage; or
 - c) the aggregate of your debts does not or is not likely to cause you serious pecuniary indebtedness as defined under Section 1.
- 2.2** You may not borrow from any other person engaged in the business of money lending.
- 2.3** You must comply with the limitations on borrowing as set out in the Code.

3. Living Beyond Official Emoluments and Legitimate Private Means

- 3.1** 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.

3.2 Failure to make the asset declaration as required under Section 3.1 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.

3.3 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 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 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 license permits; and
- iv. any other movable property, including all types of motor vehicles, jewellery, club memberships, household furniture and sports equipment.

B : Information Security

You must comply with the PETRONAS Information Security Policy in effect from time-to-time.

C : 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 three (3) working days in a period of thirty (30) 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 three (3) working days without reasonable excuse in a period of thirty (30) days, said employee is deemed to have broken his/her contract of service and in such circumstances PETRONAS will have the right to rescind his/her service. In addition, PETRONAS will be entitled to recover from the former employee concerned all sums due from the employee to PETRONAS up to applicable legal limits.

2. Dress Code

For the purposes of Part III Paragraph 4 of the CoBE in Mexico, the following shall apply to PETRONAS employees in Mexico:

All employees should be neatly, appropriately and decently attired during office working hours. Provocative and improper attire is not allowed. When working, you must dress in a manner appropriate to the business environment and your job. Consult your Human Resource Department for the dress code policy applicable to your company.

D : Disciplinary Process and Sanctions

1. Disciplinary Process

- 1.1** Where the circumstances warrant, employees accept that PETRONAS may suspend an employee with full salary pending the investigation and/or inquiry into alleged acts of misconduct committed by the employee for up to eight (8) working days.
- 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 as provided by the Internal Work Regulations in effect.

2. Disciplinary Punishments

The Punishing Authority may after due inquiry impose at its discretion any or a combination of the following punishments against the employee or even terminate employee's employment relationship for cause depending on whether his/her misconduct can be deemed as justified grounds of termination under the law:

- i. written warning;
- ii. suspension without pay for a period of one (1) to eight (8) days as determined by the Punishing Authority in accordance with the Internal Work Regulations in effect;
- iii. withholding the employee's salary 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 ex-gratia;
- vii. any other types of punishment as the Punishing Authority deems fit;

3. Punishing Authority

For the purpose of this Part V, "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 to the Appeal Authority within 30 days from the date of service or posting of the letter communicating the decision of the Punishing Authority.

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- 4.2** Considering the facts and the employee's behavior, the Appeal Authority can either:
- a) reverse the finding of guilt, or
 - b) reduce the punishment.
- 4.3** The Appeal Authority shall consider all facts on the basis of the written submissions by the aggrieved employee and existing evidence.
- 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.

B : Conflicts

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.

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