

COUNTRY SUPPLEMENT:
PHILIPPINES



PETRONAS

PETRONAS CODE OF CONDUCT AND BUSINESS ETHICS

The PETRONAS Code of Conduct and Business Ethics Country Supplement: Philippines is a specific reference for use in Philippines. 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 with notice and without revision of the Country Supplement. Moreover, the provisions of the Code may be modified by PETRONAS to adapt them to local laws and conditions.

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PART I: VARIATIONS TO PETRONAS CODE OF CONDUCT AND BUSINESS ETHICS

The policies set out under the PETRONAS Code of Conduct and Business Ethics (the "Code") (as the same is amended and varied from time to time) shall apply to and form part of this Country Supplement as though set out in full herein, mutatis mutandis save in respect of the following sections which are added and varied for the purpose of this Country Supplement, as follows:

1. PUBLIC OFFICIALS

The following paragraph be added as Section 12.9 under Part IIB: Fighting Corruption And Unethical Practices:

"Whenever permitted by your Head of Operating Unit, any gift you may give to government officials must only be of small or insignificant value offered or given as a mere token of gratitude according to local customs or usage as specified under the Anti-Graft and Corrupt Practices Act, Republic Act 3019."

2. INVENTIONS AND COMPUTER PROGRAMMES

Section 21.2 of Part IIF: Confidentiality Obligations/Intellectual Property/ Public Communications shall be

deleted and replaced with the following:

"Subject to the requirements of applicable law, the ownership of inventions, computer programs or results of technological research made by you whilst working for PETRONAS in the course of discharging your regularly assigned duties, with or without employing PETRONAS resources, data and/or time, will be vested with PETRONAS. Nevertheless, subject to the requirements of applicable law, PETRONAS may reward you as it may deem appropriate, in its discretion. The use of PETRONAS resources, data and/or time for inventions, computer programs, or technological research outside of regularly assigned duties is strictly prohibited."

3. PROHIBITION OF ACTION AS EDITOR OF NEWSPAPERS OR ANY FORM OF PUBLICATION & PARTICIPATION IN THE MEDIA

Section 30 and Section 31 of Part IIG: Conduct Contrary To Duty To Serve Diligently shall be deleted and

replaced with the following:

“Employees are not prohibited to engage in any form of free speech, provided that it does not interfere with his work. Otherwise, an employee must obtain the written consent of PETRONAS to engage in the following:

- a) Act as the editor, or take part directly or indirectly in the management of any publication, including newspapers, magazines or journals, except for the following: -
 - i) department or staff publications;
 - ii) professional publications; and
 - iii) publications of non-political or voluntary organisations.
- b) Participate in advertisement or broadcasting whether in the newspapers, magazines, radio or television or any other media.
- c) Contribute literary or academic articles to any publications (for example newspapers, magazines or journals).

An employee who engages in the foregoing activities requiring written consent of PETRONAS, but without

obtaining the prior written consent of PETRONAS shall, in addition to any other disciplinary consequences, have the time spent on such activities deducted from vacation leave.”

PART II: CONDUCT TENDING TO JEOPARDISE DUTY OF GOOD FAITH, FIDELITY, DILLIGENCE AND INTEGRITY

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 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 legitimate financial institutions and intermediaries, provided that:

- a) such legitimate financial institutions and intermediaries from which you borrow are not directly or indirectly subject to your official authority;
- b) such borrowings do not lead to public scandal or be subject to construal that you have abused your position for your private advantage; or
- 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 illegal money lending.

2.3.

You must comply with the limitations on borrowing 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 licence;
- ii. all types of residence such as houses, flats, apartments and condominiums; and
- iii. building, including a shop or portion of a shop, office space or stall.

In respect of movable property, assets include:-

- i. any form of cash wherever deposited or retained;

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

PART III: INFORMATION SECURITY

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

PART IV: 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 committed frequently and repeatedly, the employee will be deemed to have breached his/her contract of service with PETRONAS. The disciplinary process and consequences for this offence will make reference to the prevailing laws and regulations in the Philippines and/or PETRONAS' regulation and/or policy.

2. DRESS CODE

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

2.1.

Male Employees

- a) All male employees must wear long sleeved shirts with the exception of on Smart Casual Day, when short sleeved shirts are allowed. Shirts must be tucked in. Smart Casual Day is applicable on every Friday or any other day identified by PETRONAS.
- b) Male executives are no longer be required to wear neck ties to work except when required to do so for official business meeting and/or functions.
- c) Casual printed shirts, T-shirts, sweatpants, jeans, exercise pants, track bottom, all types of shorts, and any spandex or form fitting pants, such as cycling shorts, are not allowed.
- d) Footwear must be appropriate and suitable. Slippers, flat sandals/ slip-ons, loafers, thongs, flip-flops, sport shoes, athletic shoes, sneakers, rubber boots or clogs are not allowed. Exemption is given for those with medical reasons.

2.2.

Female Employees

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

2.3.

Uniformed Employees

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

2.4.

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.

2.5.

Cross-dressing

Cross-dressing is not allowed.

2.6.

Dress Code for Official Functions

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

2.7.

Hair for Male Employees

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

2.8.

For the Purpose of this Section:

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

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

“Provocative or improper attire” means inappropriate and unsuitable office attire.

This includes transparent, body hugging shirts/ blouses/ knitted blouses, low cut collar/necklines, bareback dresses, tight skirts/slacks/ pants, high slit skirts that reveal the thighs and short skirts.

PART V: 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.

1.3.

On the disciplinary process, you may refer to the relevant PETRONAS' regulation/or policy or to your Human Resource Department for further information.

1.4.

The Country Supplement is not a complete list of offenses and PETRONAS may supplement the same at any time. The provisions of this Country Supplement notwithstanding, PETRONAS reserves the right to impose disciplinary actions

and penalties based on its sound discretion, taking into account the specific circumstances of each case.

2. DISCIPLINARY PUNISHMENTS

The Punishing Authority may after due process impose any or a combination of the following punishments against the employee based on the gravity of the offenses committed:

- i. 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 ex-gratia;
- vi. downgrading or demoting the employee;

vii. any other types of punishment as the Punishing Authority deems fit;

viii. dismissal.

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 thirty (30) days from the date of service or posting of the letter communicating the decision of the Punishing Authority.

4.2.

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

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

4.3.

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

4.4.

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

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