

COUNTRY SUPPLEMENT:
SOUTH AFRICA



PETRONAS

PETRONAS CODE OF CONDUCT AND BUSINESS ETHICS

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PART I: DUTIES OF GOOD FAITH, FIDELITY, DUE DILIGENCE AND INTEGRITY AND FIDELITY

1. RESTRAINT OF TRADE

1.1.

This section replaces Part IIF paragraph 18.4 of the PETRONAS Code of Conduct and Business Ethics ("CoBE").

1.2.

The restraint of trade applies only to business opportunities that arise in favour of employees that have access to confidential information in relation to business opportunities.

1.3.

An employee may have established contacts and relationships with the Company's vendors, suppliers, contractors and business partners. Such an employee may not at any time during their employment at the Company, or for a period of six months after the cessation of their employment, whether by resignation or otherwise, make use of business opportunities arising from their employment at the Company or cause or attempt to cause the diversion of such business opportunity from being exploited by the Company or cause or attempt to cause the termination of contracts, agencies or other business relationships of the Company.

2. INSIDER DEALING

As well as complying with Part IIF section 20 of the CoBE, you are also required to comply with the Securities Services Act, 36 of 2004 (as amended).

3. PREVENTION AND COMBATING OF CORRUPT ACTIVITIES

3.1.

The Prevention and Combating of Corruption Activities Act, 12 of 2004, places a duty on all persons to report all known or suspected corrupt transactions (theft, fraud, extortion, and forgery), involving amounts of R100,000 or more, to the police. Failure to comply with this duty is a criminal offence.

3.2.

In line with best practices, this places a duty on all employees to immediately report all known or suspected corrupt transactions, irrespective of deemed value, to their Line Manager and/or the Forensic Department, who will manage the investigative and reporting requirements.

PART II: DISCIPLINE, DISCIPLINARY PROCESS AND SANCTIONS

4. ABSENTEEISM

Absence without Leave or Without Reasonable Cause

Absenteeism without Leave could be caused by injury, ill health or factors beyond the control of the employee. If an investigation to ascertain the facts indicates the cause of Absenteeism without Leave to be based on misrepresentation or any other form of misconduct, a disciplinary interview or enquiry will be conducted.

5. DISCIPLINARY PROCESS AND SANCTIONS

Categories of Misconduct:

Misconduct may be broken down into two main categories:

- (a) Misconduct of a minor nature (e.g. punctuality, excessive personal use of company telephone, inappropriate dress, etc.); and

- (b) Gross (serious) misconduct (e.g. theft, unauthorised possession of company property, assault, gross insubordination, gross negligence, etc).

6. POSSIBLE DISCIPLINARY SANCTIONS

The disciplinary procedure is progressive in nature. The purpose of discipline is to correct unacceptable behaviour. A first minor offence will result in a verbal or written warning, and should this fail to have the desired effect (that is, where the misconduct is repeated) the next level of discipline will be applied. Once the employee's behaviour has been satisfactorily corrected, further disciplinary action is suspended.

In the case of minor misconduct, the employee will initially be counselled. If this is not effective, then disciplinary action will be embarked upon. For minor misconduct, all disciplinary steps will normally be applied sequentially; however each case will be judged on its own merits. For example, a minor offence could result

in a written warning for a first offence, if the offence is deemed to be serious enough.

In the case of gross misconduct, the steps will not normally be sequentially applied. The offence of theft (for example) could (and in fact normally will) result in immediate dismissal for a first offence.

The various stages of the disciplinary procedure are as follows:

i.) Verbal Warning

This is the lowest level of disciplinary sanction. It may be issued by the employee's immediate supervisor, for a first offence of minor misconduct. (A verbal warning may also be issued for a subsequent incident of minor misconduct, where all previous warnings have expired). The employee must understand clearly that the warning is part of the disciplinary procedure, and a record must be kept of the warning and placed in the employee's personal file. A verbal warning will normally be valid for one year.

ii.) Written Warning

A written warning would be issued by the employee's immediate manager, where a prior verbal warning for a similar offence has failed to achieve the required improvement, or where a verbal warning is considered

inadequate in view of the seriousness of the offence. A written warning can also be considered where the employee has a history of prior verbal warnings for similar offences which are allowed to expire before a further offence is committed.

A written warning will normally be valid for a period of one year. A copy of the written warning must be placed in the employee's personal file.

iii.) Final Written Warning

Issued by the employee's immediate manager after consultation with the appropriate Human Resources Manager, where a prior written warning has failed to achieve the required improvement, or where a lesser warning is considered inadequate in view of the seriousness of the offence. A final written warning can also be considered where the employee has a history of prior written warnings for similar offences which are allowed to expire before a further offence is committed.

A final written warning will normally be valid for a maximum of one year. A copy of the final written warning must be placed in the employee's personal file.

iv.) Termination

Where a final written warning has failed to achieve the required improvement, or where a lesser sanction is considered inadequate in view of the seriousness of the offence. The contract of employment will be terminated and a copy of the termination letter will be placed in the employee's personal file.

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