



PETRONAS Code of Conduct and Business Ethics

Country Supplement: **CANADA**

The PETRONAS Code of Conduct and Business Ethics Country Supplement: Canada is a specific reference for use in Canada. 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 PETRONAS Code of Conduct and Business Ethics. Moreover, the provisions of the Code of Conduct and Business Ethics may be modified by PETRONAS to adapt them to local laws and conditions.

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Country Supplement: **Canada**

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 “Code” or “CoBE”), the PETRONAS Code of Conduct and Business Ethics Country Supplement for Canada (“Country Supplement”) and the PETRONAS Code of Conduct and Business Ethics Guide (“CoBE Guide”) are applicable to PETRONAS’ subsidiaries in Canada. Unless otherwise expressly stated, this Country Supplement is intended to supplement and be read in conjunction with the CoBE and the CoBE Guide. The CoBE, Country Supplement and CoBE Guide (collectively “CoBE Documents”) are applicable to those employed by PETRONAS in Canada, as well as PETRONAS’ directors, third party contractors, sub-contractors, consultants, agents, representatives and others performing work or services on behalf of PETRONAS (collectively “Covered Person” or “Covered Persons”) working for or on behalf of PETRONAS in Canada.
- 1.2** Each Covered Person is expected to read, understand and become familiar with the CoBE (as supplemented by this Country Supplement) and, in particular, to comply with it in the relevant parts. Any questions should be addressed to the Human Resources Management Department or the Legal Department, as applicable. Any possible violations of the CoBE Documents should be reported in accordance with the procedures described in Part IIIH Section 32 of the CoBE.

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- 1.3** Any employee who does not comply with the CoBE (as supplemented by this Country Supplement) is acting outside the scope of his or her employment or authority and will be subject to disciplinary action, up to and including termination of employment for cause. Covered Persons performing work or services for or on behalf of PETRONAS group companies will comply with the relevant parts of the CoBE Documents when performing such work or services. Failure by a contractor, sub-contractor, consultant, agent, representative or other service provider to comply with the principles and standards set out in the CoBE Documents may result in the termination of the Covered Person's relationship with PETRONAS and other adverse consequences.
- 1.4** The CoBE Documents neither constitute, nor should be construed to constitute, a contract of employment for a definite term or a guarantee of continued employment.
- 1.5** PETRONAS reserves the right to modify, revise, cancel or waive the provisions of the CoBE and this Country Supplement from time to time at PETRONAS' sole discretion.
- 1.6** The CoBE Documents are prepared in English and may appear in other languages. The CoBE Documents will be made available in other accessible formats, if requested, in accordance with applicable accessibility legislation.

2. Definitions

- 2.1** Part I paragraph 3.3 of the Code shall in Canada be deleted and replaced with the following:

“For the purposes of this Code, the term “family/household” includes your spouse(s), adult interdependent partner, common law spouse, children (including stepchildren and adopted children), parents, step-parents, siblings, stepsiblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of your household.”

- 2.2** Part I paragraph 3.5 of the Code shall in Canada be deleted and replaced with the following:

“The term “PETRONAS” means PETROLIAM NASIONAL BERHAD (PETRONAS) and its subsidiaries and controlled companies. The expression “PETRONAS” is used for convenience where references are made to PETRONAS companies in general. The companies in which PETROLIAM NASIONAL BERHAD (PETRONAS) has direct or indirect shareholding are distinct legal entities.

Whenever the term “PETRONAS’ is used throughout this Country Supplement, it shall be interpreted to mean the relevant PETRONAS subsidiary, affiliate or associate or group or subsidiaries, affiliates, or associates with which you have a contract of employment, letter of appointment, contract for services, or equivalent document (as such documents may be amended or supplemented during periods of secondment or otherwise). Nothing in this Country Supplement is intended to, or shall be deemed to, establish any direct relationship of employment, appointment, engagement or service between you and any other PETRONAS subsidiary, affiliate or associate for which a contract of employment, offer letter, letter of appointment, contract for services or equivalent document has not been issued.”

Part II: Duties Of Good Faith, Fidelity, Diligence And Integrity

Part IIA: Conflict Of Interest

1. Duty Regarding Avoidance of Conflict of Interest

- 1.1** In addition to the duties regarding avoidance of conflict of interest set out in Part II Section 1 of the CoBE, PETRONAS expects employees to act in the best interest of PETRONAS and to be fully engaged in discharging their job responsibilities. Employees are expected to devote all of their working hours to the performance of their job related duties. Any outside business, activity, or interest, which an employee is engaged in during working hours will be considered a conflict of interest and is prohibited. Employees are free to pursue a business, activity, or interest outside of working hours if these activities do not otherwise create a conflict of interest. Where a conflict of interest or legal issue may arise, employees should obtain prior approval from the Human Resources Department of PETRONAS.
- 1.2** Employees are prohibited from engaging in any business that is competitive with, or contrary to, any activity or interest of PETRONAS. Employees are prohibited from having any position with, or a substantial financial interest in, any other business enterprise that might conflict with the performance of their job related duties with PETRONAS or that might influence, or reasonably be thought by others to influence the judgment or actions of employees in the conduct of PETRONAS' business.
- 1.3** For the avoidance of doubt, all other Covered Persons are also required to comply with the duties regarding avoidance of conflict of interest as set out in Part IIA of the CoBE when performing work or services for or on behalf of PETRONAS group companies. Failure by a Covered Person to comply with the relevant provisions may result in the termination of the Covered Person's relationship with PETRONAS and other adverse consequences, subject to the applicable laws in Canada.

Part IIB: Fighting Corruption And Unethical Practices

1. Solicitation, Bribery And Corruption

- 1.1** In addition to the duties regarding fighting corruption and unethical practices as set out in Part IIB of the CoBE, it is essential that all Covered Persons comply with the laws that govern dealings with agents, customer representatives, and others, especially in their dealings with foreign and domestic public officials. Canada has strict laws prohibiting bribery of public officials.
- 1.2** As well as complying with Part IIB of the CoBE, you are also required to comply with the Criminal Code of Canada and the Canadian Corruption of Foreign Public Officials Act (“CFPOA”) (as amended).
- 1.3** Part II paragraph 12.8 of the CoBE shall in Canada be deleted and replaced with the following:
- “For the purposes of this Code, the terms “government official” and “public official” are used interchangeably and include, without limitation, candidates for public office, officials of any political party, any official or employee of a public international organisation and officials of state-owned enterprises other than PETRONAS.”

Part IID: Assets Of PETRONAS

1. Responsibility For Assets, Facilities, Resources And Records

- 1.1** Part IID paragraph 16.4 of the CoBE shall in Canada be deleted and replaced with the following:

“Any amounts owing by Covered Persons to PETRONAS, as a result of the Covered Persons’ theft, wilful misconduct or gross negligence, or PETRONAS’ overpayment to the Covered Person, relating to assets, facilities, resources or records belonging to PETRONAS, may be set-off against, and shall reduce amounts otherwise payable by PETRONAS to that Covered Person, subject to the provisions of the *Employment Standards Code (Alberta)*, or other applicable employment legislation in any jurisdiction PETRONAS operates in Canada.”

Part IIF: Confidentiality Obligations/ Intellectual Property/ Public Communications

1. Confidentiality Obligations

- 1.1** Nothing in the CoBE (as supplemented by this Country Supplement) changes any common law or contractual non-solicitation and non-competition duties owed by Covered Persons to PETRONAS. Covered Persons recognize that during their engagement with PETRONAS they may become aware of Confidential Information of PETRONAS and covenant and agree that both during and after the engagement the Covered Person will hold the Confidential Information absolutely secret, undisclosed, in trust and in confidence, and will not use the Confidential Information, or disclose it to any other person, against the interests of PETRONAS, without the prior written consent of PETRONAS.

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- 1.2** For the avoidance of doubt, the definition of “Confidential Information” contained in Part IIF Section 18 of the CoBE shall be deemed to include, but is not limited to the following:
- a) the names, addresses, ordering history or volume, tastes and preferences, of customers, clients, affiliates, employees, suppliers or other business associates of PETRONAS;
 - b) information which relates to such persons’ businesses or activities;
 - c) information which relates to proprietary rights of such persons;
 - d) information relating to past, present and contemplated products, services, methods of production, business processes, marketing, distribution, installations, facilities, equipment of such persons;
 - e) data, correspondence, documentation or other information of any kind or form whatsoever related to such persons’ assets or business;
 - f) information which is or relates to the technology or techniques used by PETRONAS;
 - g) prices, discounts, financing programmes, credit terms or other contractual terms available to, offered by or requested by one or more customers or clients;
 - h) information which is instructional, information or promotional materials or manuals;
 - i) originals, and copies or representations of, any Confidential Information;
 - j) enhancements, modifications, improvements or changes to any Confidential Information; and
 - k) business plans of PETRONAS.

2. Data Protection

- 2.1** In addition to the requirements as set out in Part IIF: Section 19 of the CoBE, PETRONAS is committed to maintaining the accuracy, security and privacy of personal information in accordance with applicable laws including all applicable federal or provincial legislation and regulations and the orders and guidance of any court, regulatory body or other lawful authority (collectively, "Privacy Laws"). Nothing in the CoBE (as supplemented by this Country Supplement) will limit PETRONAS' rights and obligations pursuant to such Privacy Laws.
- 2.2** Covered Persons shall adopt and follow the privacy policies and procedures of PETRONAS.

Part IIG: Conduct Contrary To Duty To Serve Diligently

1. Public Service, Recreational, Sports, Union and Community Activities

- 1.1** Part IIG Paragraph 28.2 of the CoBE shall in Canada be deleted and replaced with the following:
- "Employees, including officers and directors, are required to obtain written approval from PETRONAS prior to becoming involved in the management of or accepting an appointment to the board of directors, standing committee, or similar body of any outside company, organization (with the exception of religious, social, fraternal or charitable entities provided such appointments do not interfere with work activities or give rise to a conflict of interest), or governmental agency. Requests for approval in this situation should be sent to the Human Resources Department."

Part III: Workplace Culture and Environment

1. Significance Of Safe, Secure And Conducive Workplace Environment

- 1.1** PETRONAS is committed to maintaining a safe workplace environment free of discrimination, harassment and violence.
- 1.2** As well as complying with Part III Section 1 of the CoBE, you are also required to comply with any local anti-harassment, anti-violence, and anti-discrimination and accommodation policies and other Canadian employment-related policies of PETRONAS.

2. Non-Business Workplace Relationships

- 2.1** In addition to the requirements as set out in Part III, Section 6 of the CoBE, in order to avoid conflicts of interest, managers and other employees shall not participate in the screening and selection process if they have a close personal relationship to a candidate or are a relative to a candidate.
- 2.2** PETRONAS will exercise sound business judgment in the placement of related employees in accordance with the following guidelines:
 - a) Individuals who are related by family/household are permitted to work in the same PETRONAS facility provided no direct reporting or supervisory /management relationship exists; and
 - b) Individuals related by family/household are not permitted to work in the same department or in any other positions in which PETRONAS believes an inherent conflict of interest may exist.

3. Occupational Health And Safety And Environment

- 3.1** In addition to the requirements as set out in Part III Section 7 of the CoBE, PETRONAS and the Covered Persons are responsible for using good judgment to help ensure a safe and healthy workplace for all Covered Persons.
- 3.2** Covered Persons must read, be familiar with and comply with PETRONAS' Occupational Health and Safety Policy and applicable local policies and programs of PETRONAS.

4. Substance Misuse (Drug And Alcohol Abuse)

- 4.1** Part III Section 8 of the CoBE shall in Canada be deleted and replaced with the following:
- a) PETRONAS is committed to providing and maintaining a safe and healthy workplace for the benefit of PETRONAS' employees and our customers. PETRONAS regards any misuse of alcohol or drugs in the workplace, or which may impair fitness for work by Covered Persons to be an undesirable practice. Covered Persons using any alcohol or drugs in an improper or illegal manner in the workplace or in a manner that impairs their fitness for work create an increased risk to the safety of themselves and their co-workers. In order to further this commitment, as well as to safeguard company assets and the environment, all Covered Persons are to adhere to the Drug and Alcohol Policy (the "A&D Policy") as adopted in your jurisdiction with respect to the use and abuse of alcohol and drugs.
 - b) It is the responsibility of all Covered Persons to read, be aware of, and comply with, the requirements of the A&D Policy as violation of the A&D Policy may result in disciplinary action up to and including termination of employment or the non-complying party's relationship with PETRONAS. Furthermore, any illegal substances will be turned over to the appropriate law enforcement agency and may result in criminal prosecution.

Part IV: Discipline, Disciplinary Process and Sanctions

1. Importance Of Good Conduct And Discipline

- 1.1** In addition to the requirements as set out in Part IV, Section 1 of the CoBE, PETRONAS expects all Covered Persons to perform their duties and responsibilities in a satisfactory manner, consistent with established performance standards. PETRONAS also expects Covered Persons to conduct themselves in a manner that adheres with the CoBE (as supplemented by this Country Supplement), other established PETRONAS' policies, rules and regulations, employment agreements, any applicable collective agreement, and all statutory laws and regulations applicable to PETRONAS' business operations. Failure to observe such policies, rules and regulations can result in disciplinary action up to and including termination of employment or the non-complying party's relationship with PETRONAS, as applicable.
- 1.2** In addition to the forms of misconduct outlined in the CoBE and any employment or collective agreement, as applicable, the following acts will be considered misconduct, which may lead to disciplinary action, up to and including termination:
- a) the continued failure by a PETRONAS employee to substantially perform his or her duties according to the terms of his or her employment after PETRONAS has given the employee reasonable notice of such failure and a reasonable opportunity to correct it;
 - b) the conviction of the PETRONAS employee of an offence under the Criminal Code, fraud or a violation of securities law or regulation; or
 - c) wilful misconduct by a PETRONAS employee.

1.3 Where the circumstances warrant and subject to applicable legislation, PETRONAS may suspend PETRONAS employees with or without pay pending the investigation and/or inquiry into alleged acts of misconduct committed by the employee.

1.4 If the investigation and/or inquiry reveals concrete and cogent evidence in support of the alleged misconduct, PETRONAS may institute disciplinary action against the said employee up to and including termination of employment.

2. Disciplinary Process And Sanctions

2.1 In addition to any discipline provided for in any applicable agreement or policy, PETRONAS may, after due inquiry, impose any or a combination of the following disciplinary action against a PETRONAS employee:

- a) written warning;
- b) suspension with or without pay for a period to be determined by PETRONAS;
- c) non-payment of bonus or ex-gratia;
- d) demoting the employee;
- e) any other types of punishment as the Punishing Authority deems fit; or
- f) dismissal.

2.2 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, and "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

2.3. Appeal Procedure

- 2.3.1. An employee who disagrees with the decision of a disciplinary action has the right to appeal in writing within 30 days from the date of service or posting of the letter communicating the decision of the Punishing Authority.
- 2.3.2. 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 punishment; or b) reducing the punishment.
- 2.3.3. 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.

B : Information Security

You must comply with the PETRONAS information security policy in effect from time-to-time, which may be obtained from PETRONAS.

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 is without leave and without reasonable excuse and for which the employee has not requested and obtained accommodation, the employee may be subject to discipline, in accordance with the applicable discipline policy of PETRONAS and subject to applicable legislation. For all other Covered Persons absence without leave or reasonable excuse may lead to termination of the Covered Persons' contract with PETRONAS.

2. Dress Code

- 2.1 For the purposes of Part III Section 4 of the CoBE, the Dress Code of PETRONAS (as established by PETRONAS for Canadian employees) shall be adopted and be applicable to all PETRONAS employees in Canada.

D: 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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