

Anti-Bribery & Corruption Policies

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INTRODUCTION

Petroleum Sarawak Berhad and its subsidiaries (“PETROS”) takes a **zero-tolerance stand against all forms of bribery and corruption**. PETROS is committed to Professionalism, Respect and Integrity in all its business dealings and relationships by its directors, employees, service providers and other business partners, wherever it operates.

This Anti-Bribery and Corruption (“ABC”) Manual which contains the Group’s Policies and Procedures sets out PETROS’ principles in dealing with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of doing business. It:

- Sets out responsibilities of all our employees, officers and directors to observe and uphold our stance on zero tolerance to bribery and corruption.
- Provide information on how we expect our employees and those working for us to conduct themselves.
- Provide guidance on how to recognise bribery and corruption and to set out the procedure on how to raise concerns on breaches of this policy without fear or reprisal.
- Ensure that PETROS has adequate procedures in place to prevent and detect bribery and corruption.
- Protects PETROS against the possible penalties and repercussions resulting from acts of bribery and corruption.

These Policies should be read in conjunction with other related internal policies, guidelines and manuals.

Scope

These ABC Policies are applicable to every employee and director of PETROS and shall apply to those subsidiaries within PETROS Group. It is also applicable to contractors, sub-contractors, agents, representatives and service providers of any kind performing work of services, for or on behalf of PETROS.

Gifts, Entertainment & Corporate Hospitality

No Gift Policy

PETROS practices a “*No Gift Policy*” and does not permit the offering, giving, requesting or receiving of any gifts, entertainment and corporate hospitality (“**GEH Benefit**”) which could be corrupt, or could be perceived to be corrupt. It is the responsibility of Directors and employees to inform third parties who are involved in any business dealings with PETROS on the “*No Gift Policy*” and to adhere with this GEH Policy.

1.0 GEH Benefits

The guiding principles with regard to the receipt or giving of gifts, entertainment and corporate hospitality are set out below:

- a. **Gifts** are items or articles given voluntarily, without the expectation of anything in return. Employees and Directors or any external third parties (including family members of the employees and Directors) are prohibited from exchanging gifts in any form or accepting or providing gratuitous services from any third party including but not limited to PETROS’ contractors or their sub-contractors of any tier, suppliers, bankers, dealers, government intermediaries, IP licensees, distributors, retailers, dealers, agents, consultants or customers, as this could place such employees or Directors in a position where their independent and impartial business judgement in the best interest of PETROS may prejudice, influence or undermine their duties of good faith, fidelity, diligence and integrity.
- b. **Entertainment** is the provision of an event which can pleurably occupy a person for example, a sporting event, theatre or concert. It is not unusual during business and to foster constructive relationships, for employees and Directors to be entertained or to offer entertainment by or to third parties. As such, employees and Directors are allowed to entertain third parties through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients subject to parameters set out in this GEH Policy. Common sense and moderation should be exercised by the employees and Directors when accepting or providing business entertainment. Any unreasonable, excessive, lavish/extravagant or disreputable entertainment that would reflect unfavourably on PETROS must be avoided.
- c. **Corporate Hospitality** is where a company entertains third parties by inviting them to their corporate events or activities in order to establish network or keep a good relationship and these corporate events include sporting events, gala dinners, concerts or activity-based events such as golf tournaments. Employees and Directors are prohibited from soliciting corporate hospitality and they are not 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 third parties engaged in a tender or competitive bidding exercise. If there is any doubt on the appropriateness of a corporate hospitality offered by a third party, the employee or Director should either decline the offer or consult the Integrity Team.

2.0 Prohibited GEH Benefits

- a. Employees and Directors are not permitted to offer, give, solicit, accept or receive any GEH Benefit:
 - i. which is in breach of any applicable law;
 - ii. which is offered, given, requested or received with the intention of influencing someone to act improperly, or of rewarding an improper act.
- b. Employees and Directors are not permitted to request any GEH Benefit.
- c. Employees and Directors are not permitted to offer or give any GEH Benefits to public officials including to their family members. “*Public officials*” include those in government departments, government owned or controlled commercial enterprises, international organisations, political parties and political candidates.
- d. GEH Benefits which are more likely to be regarded as corrupt include:
 - cash or cash equivalent vouchers (this could be in the form of vouchers, discounts, coupons, shares and commission)
 - inappropriate, lavish or excessive gift assets with a re-sale value which is more than nominal, e.g. watches, jewellery, television, computer
 - loans
 - personal services
 - Meals or drinks at restaurants or bars perceived as lavish and expensive
 - hospitality for family members
 - entertainment at night clubs or any entertainment outlet having facilities such as a bar and disco or other entertainment
 - provision of sexual favours
 - over frequent entertainment
 - gift and hospitality that is or can be linked to important business decisions during sensitive decision periods
 - sponsorship of overseas holiday trips
 - per diem payments offered as an alternative to gifts, meals, lodging, entertainment or travel-related expenses (unless required by contract or local government regulation)

3.0 Permitted GEH Benefits

- a. **Delegation of Authority Manual:** The values of Permitted GEH Benefits are subject to the terms of the Delegation of Authority Manual and internal approvals must first be obtained from the Approving Authority (save and except for the Group Chief Executive Officer (“**GCEO**”) and Executive Vice-Presidents) as prescribed under the Delegation of Authority Manual.
- b. **Giving of GEH Benefits:** Subject to section a. above, employees may offer or give GEH Benefits in connection with PETROS’ business (provided that they are not Prohibited GEH Benefits) in the form of a gift, corporate hospitality and / or permitted entertainment of a value deemed modest and appropriate to the occasion and within prescribed internal thresholds.
- c. **Receipt of GEH Benefits:** Subject to approval by the Executive Committee, an employee may receive (but not request) GEH Benefits in connection with PETROS’

business (provided that they are not Prohibited GEH Benefits) in the form of a gift, corporate hospitality and / or permitted entertainment of a value deemed modest and appropriate to the occasion and within prescribed internal thresholds.

- d. **Exercise Proper Judgement:** GEH Benefits which are not likely to be regarded as corrupt include:
- company branded gifts of low re-sale value (e.g. a paperweight, pen, framed photograph, or a miniature of the company's product)
 - PETROS providing and paying for coffee, tea, soft drinks, biscuits and sandwiches for its own employees/personnel and the personnel of another organisation(s) during a meeting
 - Subject to the Delegation of Authority Manual and Permitted GEH Benefits, PETROS paying for its own employees/personnel and the personnel of another organisation(s) to have a business lunch or dinner at a restaurant which provides a reasonable but not extravagant meal
 - Subject to Delegation of Authority Manual and Permitted GEH Benefits, PETROS paying for its own employees/personnel and the personnel of another organisation(s) to attend a project commencement or completion ceremony, with a reasonable, but not extravagant level of food being provided.

Even in the above circumstances, employees and Directors are expected to exercise proper judgement. When in doubt, employees and Directors should consult the Integrity Team prior to dispensing the GEH Benefits.

4.0 GEH Benefits requiring Prior Consent

- a. Except as permitted under item 3.0, an employee may not offer, give, request/solicit or receive any GEH Benefit in connection with PETROS' business. There may be exceptional non-corrupt circumstances where a divergence to this GEH Policy is required. In this case, prior approval should be sought for this divergence from the GCEO and, if appropriate, the GCEO may consult with the Integrity Team and Chairman of the Board. The reasons for the request and the approval should be documented and the GCEO and the Integrity Team must be satisfied that the GEH Benefit is appropriate, and is not corrupt, and could not reasonably be perceived to be corrupt.
- b. Interactions with public officials are heightened concerns due to the increased risk of violations of this GEH Policy and any GEH Benefit to any public official are prohibited unless the prior consent of the GCEO is obtained.

Recording of GEH Benefits

All GEH Benefits given by employees or Directors in connection with PETROS' business will be recorded and maintained as part of PETROS' accounting records. These records will include details of the amount spent, the giver, the beneficiaries and the reasons.

All GEH Benefits received by employees or Directors in connection with PETROS' business will be recorded on PETROS' Gifts & Hospitality Register. The following GEH Benefits are exempt from the registration requirement:

- i. coffee, tea, sandwiches and other light refreshments during a business meeting;
- ii. branded company gifts or mementos of negligible value (e.g. USB sticks, pens, calendars, meeting photographs).

The HR department shall maintain appropriate records of the Gifts & Hospitality Register and track the GEH Benefits and immediately inform the Integrity Team if there are red flags for further action to be taken. The HR department shall maintain all records of all requests made by employees and approvals granted by the Integrity Team including the basis for his approval that the GEH Benefit was appropriate, and was not corrupt, and could not reasonably be perceived to be corrupt.

Failure to record in the Gift & Hospitality Register or inaccuracies in the recording may result in disciplinary sanctions.

Guidelines

Employees and Directors should take account of the following guidelines when deciding whether it is appropriate to offer, give or receive GEH Benefits:

- a. **Consider the intention behind the GEH Benefits.** If it could be intended to influence someone to act improperly, or be a reward for acting improperly, it should not be offered, given or accepted.
- b. **Consider the perception.** Do not offer, give or accept the GEH Benefits if it could reasonably be perceived to be corrupt.
- c. **Consider the legal and regulatory environment.** Before offering, giving or accepting any GEH Benefit, ensure that the law of the territory, and the regulations of any other relevant organisation, allow such GEH Benefit. Some countries for example prohibit any public officials from receiving any GEH Benefit. Some organisations prohibit their personnel from receiving any GEH Benefit.
- d. **Consider the appropriate value of GEH Benefits.** The relative value will differ significantly according to the intentions of the recipient. The higher the relative value, the greater the danger of actual or perceived influence caused by the GEH Benefit.
- e. **Avoid cash and cash equivalent gifts.**
- f. **Be cautious about any GEH Benefit given to a person in a position to award contracts or approve permits, certificates or payments.** A GEH Benefit given to a person in such a position of influence is more likely to be regarded as a bribe than if it was given to a person with no relevant decision-making power.
- g. **Consider regional and cultural differences.** The practice of giving GEH Benefits varies between countries and regions. What may be normal and acceptable in one country or region may not be in another. The test to be applied is whether in all the circumstances the GEH Benefit is legal, reasonable and justifiable.
- h. **Be open and transparent about any GEH Benefits given or received.** Do not attempt to conceal them.
- i. **Seek advice.** In case of doubt, employees should ask the advice of his/her line manager or the Integrity Team and in the case of a Director, the Chairman of the Board.
- j. **Politely decline unacceptable GEH Benefits.** In the event that employees or Directors are requested to provide, or are offered, a GEH Benefit which is not permitted within the

parameters of this GEH Policy, the request or offer should be politely declined on the basis that her/she is not allowed by PETROS' policy to offer or accept such GEH Benefit.

- k. **Consider the reputation of PETROS.** Do not offer, give or accept GEH Benefits if it is likely to affect or tarnish the reputation of PETROS.

Private Actions by Employees and Directors

Nothing in this GEH Policy restricts the right of employees and Directors, in their private capacity and in their own name and at their own cost, to offer, give or receive benefits as long as these:

- a. are not in any way connected with PETROS' business and not be perceived as such;
- b. are not in any way connected with any third party whom PETROS carries on business activities with, including contractors, suppliers, agents, consultants, joint venture partners, IP licensees, distributors, retailers, dealers or introducers/government intermediaries;
- c. are not arranged or paid on PETROS' premises, while on PETROS' business, or during PETROS' working hours; and
- d. are not paid for or refunded by PETROS.

Facilitation Payments & Kickbacks

PETROS prohibits the use of facilitation payments and kickbacks in its business and the making of facilitation payments and kickbacks are strictly prohibited.

PETROS strictly prohibits its employees and management from receiving or soliciting of facilitation payments and kickbacks from external parties.

The general principles with regard to facilitation payments and kickbacks are hereinafter set out:

- a. **Facilitation payments** are unofficial payments or other provisions made personally to an individual in control of a process or decision. It is given to secure, influence, facilitate or expedite the provision of services or performance of a routine or administrative duty or function to render benefits or unfair advantages to the party who made the facilitation payments. The reason underlying this prohibition is that facilitation payments is a form of bribery and corruption.
- b. **Kickbacks** are typically payments made in return for a business favour or advantage and may take the form of cash payments, a gift or anything of value. These kickbacks are fulfilled after the award of a contract and largely take place in purchasing, contracting procurement or any departments responsible for decisions to award contracts to third parties. A kickback is an illegal payment intended as compensation for preferential treatment or any other type of improper services received.

The only exception to the prohibition referred to in item (a) above, is where at any stage the employee feels that making the payment is necessary to safeguard his/her own, or another person's, safety or liberty.

Corporate Social Responsibility, Donations & Sponsorships

PETROS is committed to being a responsible member of the business community in which it operates and will provide support to those in need which may include donations or sponsorships of events, initiatives and activities.

The general principles with regard to activities related to corporate social responsibility, donations and sponsorships are set out below:

- a. **Corporate Social Responsibility (“CSR”)** programme or activities are voluntary integration of PETROS’ economic, social and environmental concerns into its business, reflected in its contributions, programs or activities directed towards bringing meaningful impact to lives wherever it operates taking into considerations its impact on the well-being of current and future generations. In undertaking CSR activities, PETROS will examine the legitimacy of the CSR activity and ensure that it is not made to influence a business outcome.
- b. **Philanthropy/charitable donations** have a narrower, more limited scope than CSR. It refers to one-off contributions/ donations (in cash/ in-kind) made to communities, charitable or nonprofit groups or individuals to provide temporary relief and promotes goodwill focusing on education, community wellbeing and environment. This also includes one-off collaborations with key stakeholders or via commercially driven initiatives, as an alternative platform to support business requirements. Other than the act of providing monetary support or in kind, sample of this covers causes such as community building, relief of natural disasters, company-wide fundraising efforts, pledge drives or blood donation drives are included in this category. There is no contractual obligations and branding return on investment agreement between both parties. Donations may be made on ad-hoc basis, however PETROS has little impact on how the money will be invested or used once it has been provided. PETROS will allow charitable donations if such donations are aligned to its business objectives and not considered to be a bribe with the intention of influencing someone to act improperly, or as a reward for having acted improperly.
- c. **Political donations** include the giving or providing, directly or indirectly, of cash, equipment, personnel time or other benefits to a political party, or to an individual who is standing for elected office, or to an individual or organisation who is nominated by or connected with a candidate for office, a political party or a member of a political party, PETROS does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.
- d. **Sponsorships** are activities that require PETROS to provide monetary or in-kind resources to another party in return for benefits that would be accorded to PETROS i.e. visible branding opportunities. It serves as platform to promote, PETROS brand, capability and leadership. Any sponsorship shall be formalized via a legally binding document. PETROS will allow sponsorships if such sponsorships are aligned to its business objectives and not considered to be a bribe with the intention of influencing someone to act improperly, or as a reward for having acted improperly.

Conflicts of Interest

Conflicts of interest occur when an individual or a corporation is in a position to exploit his or their own professional or official capacity in some way for personal or corporate benefit (“**Conflicts of Interest**”) and while there may be instances where there is no actual or potential Conflicts of Interest, employees must avoid any *apparent* Conflicts of Interest in their business activities or personal dealings where the public or third parties may view such activities or dealings with suspicion and misgivings. Directors and Employees of PETROS must be diligent in avoiding any appearance of a conflict which may be against PETROS’ interest.

Employees shall act with integrity, exercise good judgement and discretion when discharging their roles and responsibilities.

- a. Employees shall observe this Conflicts of Interest Policy and subscribe and adhere to the procedures requiring any declaration or written confirmation.
- b. A Director and employee shall abstain or withdraw from debating, voting or taking part in any decision-making processes or activities where Conflicts of Interest exist or might arise. In particular, the employee can decide to take the following actions when facing a Conflicts of Interest:
 - i. **Avoidance:** Conflicts of Interest or potential Conflicts of Interest could be avoided, for example by giving up a role with a competing business or disposing his/her shareholding in a supplier.
 - ii. **Disclosure:** Disclosure of Conflicts of Interest by completing the COI Declaration Form. The HR department shall inform the Line Management of the reported Conflicts of Interest and the Line Management shall decide (in consultation with their respective Senior Management, if necessary) if the relationship shall be allowed to go ahead, subject to due diligence checks being conducted.
 - iii. **Stepping back:** It may be appropriate for someone with a Conflict of Interest not to become involved in a decision that may be affected by the Conflict of Interest.
 - iv. **Refusal:** Rejecting the circumstance creating a Conflict of Interest will, in effect, eliminate the Conflict of Interest all together.

Situations Giving Rise to Conflicts of Interest

Employees are relied upon to exercise basic common sense in avoiding Conflicts of Interest. They are expected to act in a manner consistent with giving their full-time services to PETROS and to avoid situations which give rise to questions as to whether they have acted in the best interests of PETROS. On occasions, however, the question of whether Conflicts of Interest exist may be less clear and open to interpretation. Whenever such a case arises the employee concerned should consult his/her Line Management and/or the Integrity Team.

The following should, therefore, be regarded as being general guidelines which employees should comply with.

1.0 Contractual dealings with Employees

PETROS shall not purchase or lease property, equipment or materials from or enter into contractual arrangements, other than employment contracts, with its employees, except in exceptional circumstances and only then when authorised in writing by the GCEO.

2.0 Inside Information on PETROS' Business

- a. When an employee has, by nature of his/her position, in his/her possession of confidential information, such information, gained in the course of his/her employment, shall not be used for personal advantage or used improperly.
- b. An employee should not, without authority, disclose any confidential information about PETROS to unauthorised persons or use or appear to use such information for the benefit of himself/herself or others.

3.0 External employment and activities outside PETROS

- a. Employees shall not accept employment in or undertake work for any other company, firm or organisation whilst they are in employment with PETROS.
- b. Any external business appointment or undertaking whether as employee, executive director, active partner, advisor, agent, manager or consultant, whether on a paid or gratuitous basis may only be undertaken in exceptional cases with the GCEO's written permission.
- c. It is in the sole discretion of the GCEO to approve or disapprove of such outside business appointment or undertaking.
- d. All external business appointments and undertakings will have to meet the following conditions:
 - i. No interference with the employee's ability to devote his/her fully time and attention during working hours to his/her responsibilities for PETROS; and
 - ii. No engagement in a business activity that is in competition with PETROS.
- e. Employees of PETROS may not accept outside non-executive directorships or become silent partners in entities, which are either on PETROS' list of authorised contractors/vendors or their sub-contractors of any tier which have any form of business dealings with PETROS directly or indirectly.
- f. Should employees become involved in such directorships or partnerships referred to in paragraph 5.3 above, or in situations where, say through the change in status of a business in which they hold a non-executive directorship or of which they are a silent partner, they have an obligation to inform the GCEO immediately in writing of the change in circumstances.

4.0 Family members and close personal relationships

- a. Employees are prohibited from offering, soliciting, accepting, or exchanging gifts in cash or any form or gratuitous services for themselves or their family members.

- b. Employees shall not attempt to influence the decision-making processes of PETROS for personal gain or for any improper advantage for any family, relative, friend or other third party related to the employee. Family shall be interpreted broadly to include the employee's extended family as well as the employee's spouse's extended family.
- c. Employees shall disclose any arrangement or circumstance including family or his/her personal relationships with a third party, which might dissuade the employees from acting in the best interest of PETROS.
- d. Employees whose families have interests, whether this be in the form of directorship, partnership, shareholdings, or through agencies, in entities, which are on PETROS' list of authorised contractors or their sub-contractors of any tier which have any form of business dealings with PETROS whether directly or indirectly, and who are involved in any decisions regarding the dealings (whether directly or indirectly) with such entities in the course of their duties with PETROS, should inform the Line Management or in the event of Senior Management, the immediate superior, of such interests and where appropriate, the employee shall complete the COI Declaration Form.

5.0 Equity Ownership in Entities having a business relationship with PETROS and financial interest

- a. Employees shall not attempt to influence the decision-making processes of PETROS with a company or other entity that is owned or controlled by them.
- b. Employees must declare potential Conflicts of Interest such as outside business appointments or undertakings, directorships, ownership of equity in entities, family interests, contractual dealings, local statutory or public appointments, ownership of shares or partnership in business ventures and must bring it up for discussion with their Line Management, or in the event of senior management, the immediate superior, if in doubt of whether a potential conflict may arise.
- c. Employees may not own, either directly or indirectly, e.g. through their families, shares or other forms of beneficial interest in:
 - i. Privately owned entities which derive the major part of their income from contractual or other business arrangements with PETROS;
 - ii. Privately owned entities which are listed in the PETROS' list of authorised contractors or their sub-contractors of any tier, even if the entities concerned do not derive most of their income directly or indirectly from contractual or other business arrangements with PETROS; or
 - iii. Privately owned entities supplying materials, equipment, properties and/or services to PETROS whether directly or indirectly.
- d. Should an employee become directly or indirectly, e.g. through his/her family, the owner of equity in such entities which have the aforesaid relationships with PETROS referred to in paragraph 5.0 (c) above, then the employee has an immediate obligation to inform his/her Line Management, or in the event of senior management, the immediate superior, in writing of the changed circumstances. The Line Management or immediate superior will, if necessary, inform the Senior Management and/or the Integrity Team, or if necessary, the GCEO for a determination on the matter.

6.0 Gifts, Entertainment and Hospitality

- a. Conflicts of Interest may arise where an employee receives or offers a gift, entertainments or hospitality that constitutes an inappropriate incentive for the contractors or their sub-contractors of any tier, suppliers, bankers, dealers or customers, to act in a certain way. The Policy on Gifts, Entertainment and Hospitality does not permit the offering or acceptance of gifts or entertainment by employee unless it is reasonable, proportionate and for a legitimate business purpose.
- b. Employees shall not accept any gifts or cash or the offer of gratuitous services from PETROS' contractors or their sub-contractors of any tier, suppliers, bankers, dealers or customers regardless of whether an actual or potential Conflicts of Interest arises or whether they be offered/made directly or indirectly or whether they be made to the employee or to his/her family.
- c. All gift, entertainments or hospitality received by employees or Directors in connection with PETROS' business must be recorded in PETROS' Gifts & Hospitality Register as soon as possible after the offer is made.

7.0 Public Service, Recreational, Sporting and Community Activities

- a. Employees invited to serve in local bodies, or as an appointed or elected club officials must be able to balance their outside activities with full-time employment in PETROS. There must be no interference with the employee's ability to devote his/her full time and attention during working hours to his/her responsibilities for PETROS. Such employees must give priority to their responsibilities in PETROS and be able to discharge their dual responsibilities satisfactorily both in respect of the time taken up by the outside activity and the compatible nature for the duties involved.
- b. Employees wishing to serve on both statutory or public bodies must obtain the GCEO's written permission.
- c. Employees who consider it sufficiently important for them to take time off during working hours to undertake some outside activity or duty must obtain permission from their Line Management beforehand.

8.0 Joint ventures and subsidiaries

A Director who serves on the board of PETROS' joint venture company or subsidiary is acting as a director of, and has a responsibility to, that joint venture or subsidiary. The Director must be aware of the possibility of Conflicts of Interest between his/her responsibilities as a director of a joint venture and the interests of PETROS as a shareholder in the joint venture.

9.0 Board Memberships

- a. Directors must:
 - i. disclose to the Board (through the Company Secretary) any actual, potential or apparent Conflicts of Interest which may exist or be thought to exist as soon as they become aware of the issue including:

- any proposed appointment to the boards of other companies
 - all of their other interests in other enterprises or activities (whether as a shareholder of above 5% of the voting shares of a company, or other form of significant participation in the other enterprise or activity); or
 - any proposed directorships or executive positions in any other companies, as soon as practicable or their connection to immediate relatives that are employees at PETROS;
 - take any necessary and reasonable measures to resolve the Conflict of Interest; and
 - comply with the law on provisions on disclosing interests and restrictions on voting.
- b. If a Conflict of Interest or potential Conflict of Interest exists, it is required that the conflicted Director shall be absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other Directors who do not have a material personal interest in the matter have passed a resolution that states that those Directors are satisfied that the interest should not disqualify the Director from being present.

Procedures to Report a Conflict of Interest

Employees dealing with suppliers, contractors, customers, competitors, IP licensees, distributors, retailers, dealers or any person doing or seeking to do business with PETROS shall make prompt and full disclosure of any actual, potential or perceived Conflicts of Interest by completing the COI Disclosure Form and/or consult with their Line Management. If the employee is in doubt whether the relationship can influence a decision making, the employee is encouraged to declare such actual, potential or perceived Conflicts of Interest to the Line Management.

The HR department, upon receipt of a COI Declaration Form shall consult with the Line Management, who shall manage and resolve the reported Conflicts of Interest, and if necessary, consult with Senior Management and/or the Integrity Team. With regard to the disclosure of sensitive or highly confidential information, the Senior Management and/or Integrity Team shall refer the matter to the GCEO for his deliberation.

- a. If such dealings involve tenders and awards, the Line Management shall report the matter to the Group Tender Committee (“**GTC**”) Chairman. The GTC Chairman, upon receiving a Conflicts of Interest report, shall discuss between the GTC members and if necessary, consult with the Integrity Team. Approval (with or without conditions imposed) or disapproval of the situation under review shall be documented in writing in a conflicts report by the GTC.
- b. In carrying out any investigations on a reported Conflicts of Interest, the Integrity Team in consultation with Line Management or Senior Management and where applicable, the GTC Chairman, shall discuss the matter with the employee. The Integrity Team, Line Management, Senior Management or the GTC Chairman should:
 - i. clarify facts and evaluate the situation;
 - ii. explain the confidentiality of information disclosed;
 - iii. remain impartial in judgement;
 - iv. communicate an appropriate mitigation measures to employee; and
 - v. discuss the decision and give feedback to the employee.

- c. In addressing the Conflicts of Interest, there should be an assessment of the risks to business interest and the impact of the conflicts on PETROS. The table below sets out the possible treatments for Conflicts of Interest which may be used as a guide by the Line Management, Senior Management, Integrity Team and/or GTC Chairman.

Conflict of Interest	Possible Treatments
Absence of a Conflict of Interest	The employees will be notified in writing and a record should be kept with HR department of the decision made or actions taken. The employee should be asked by the HR to review and update the conflicts report annually.
Actual but temporary Conflict of Interest	Suspend the employee's role in decision making and assign the role to other employees. If the employee's job includes responsibilities over a customer, supplier contractor (or any relevant third party), it may be necessary to recuse himself/herself or reassign job duties or authorities to eliminate the potential Conflicts of Interest.
Actual but lasting Conflict of Interest	To be resolved on a case-by-case basis. The employee will be notified of the decision in writing and shall work with the employee to promptly resolved the matter. A record should be kept by HR department of the decision made or actions taken.
Potential/apparent Conflict of Interest	Assess actuality, if no action is required, the Conflict of Interest will be reviewed periodically by the Line Management and HR department. Employee must continue to note the Conflicts of Interest or potential Conflicts of Interest so long as it continues.

- d. If the GTC Chairman is involved in any Conflicts of Interest, then the GTC Chairman is required to report such Conflicts of Interest to the GCEO. The GTC Chairman shall recuse himself from chairing the particular GTC meeting on the tenders or awards concerned. The GTC members and the GTC Chairman shall not preside on any items in which there is potential Conflicts of Interest. It is compulsory for each GTC member to make a declaration when there is any potential Conflicts of Interest before each tender and exclude themselves from any tender evaluation and deliberation. This has to be recorded formally and the report shall be kept with the HR department.

Third Party Dealings

Objective

To ensure that third parties acting for or on behalf of Petroleum Sarawak Berhad (PETROS) are aware of PETROS' business expectations and ethical standards.

To allow Senior Managers (SM) of the relevant divisions or department in PETROS, the Executive Vice Presidents (EVP), Vice-Presidents (VP), General Managers (GM), General Counsel (GC), Chief Financial Officer (CFO), the Group Chief Executive Officer (GCEO) and the Board of Directors (the "**BOD**") access to necessary information in identifying suitable third parties to meet the business requirements of PETROS.

To provide the means for the SM (the "**Line Management**"), EVP, VP, CFO, and GC (together referred to as the "**Senior Management**"), the GCEO and the BOD to make informed decisions in managing third party risks.

To adhere to any legal and regulatory requirements that have an impact on the performance and operations of PETROS.

Scope

This Third Party Dealings Policy ("**Third Party Policy**") cover the processes of PETROS' dealings with third parties generally. Compliance of this Third Party Policy is mandatory for third parties who contract with PETROS. This Third Party Policy complements the contracting and procurement procedures set out in the Contracting and Procurement Procedure Manual (the "**CPPM**") and where applicable, shall be read together with the CPPM.

In relation to any subsidiary of PETROS ("**PETROS Group**"), this Third Party Policy shall apply to those subsidiaries within PETROS Group. Unless the context otherwise requires, references in this Third Party Policy to "PETROS" shall include such subsidiaries.

A Third Party is any person with whom PETROS carries on business activities (the "**Third Party Business Activities**"), including contractors, suppliers, agents, consultants, joint venture partners, IP licensees, distributors, retailers, dealers and introducers/government intermediaries ("**Third Party**" or "**Third Parties**", as the case may be).

The Third Parties must subscribe to PETROS' *zero tolerance* on bribery and corruption and this Third Party Policy forms part of PETROS' Anti-bribery and Corruption Policies and Procedures (the "**ABC P&P**").

Compliance with this Third Party Policy is mandatory for all Third Party dealings except in so far as the Third Party Business Activities are already covered under the CPPM. Any case of non-compliance may be subject to PETROS' internal investigations and may result in disciplinary actions being taken.

Policy

PETROS is committed to uphold the highest standard of ethics and integrity in all aspects of its business activities and operations.

PETROS shall only conduct its dealing with Third Parties who have no history of corrupt practises or improper business practices.

PETROS shall conduct due diligence on all potential Third Parties before selecting and entering into contracts, transactions and relationships in accordance with this Third Party Policy and in doing so, PETROS shall conduct an objective, in-depth assessment of the Third Party's ability to perform the contract or transaction and shall not rely solely on the Third Party's experience or prior knowledge of the Third Party.

All employees, Line Management and Senior Management (together referred to as "Management"), GCEO and BOD and Third Parties shall observe this Third Party Policy, and all Third Parties shall subscribe and adhere to the procedures requiring any declaration, certification or written confirmation as prescribed in this Third Party Policy.

Where employees, Management or BOD have a direct or indirect interest in any contract or transaction with a Third Party or where a situation of potential conflicts of interest may arise, he or she shall abstain from any related decision-making process. If in doubt, employees, Management and BOD are to refer to the Policy on Conflicts of Interest for guidance as to what constitutes potential conflicts of interest.

Roles and Responsibilities

The BOD shall:

- i. adopt this Third Party Policy as part of the ABC Policies;
- ii. ensure that an effective process is in place to manage risks related to Third Party relationships in a manner consistent with PETROS' strategic goals and organisational objectives; and
- iii. approve contracts with Third Parties in accordance with the Delegation of Authority Manual.

The GCEO shall:

- i. ensure that this Third Party Policy is implemented in all Third Party Business Activities;
- ii. communicate the importance of this Third Party Policy to employees and ensure proper training of employees;
- iii. ensure that the Management takes appropriate action to remedy significant deterioration in performance or address changing risks or material issues identified through ongoing monitoring; and
- iv. approve contracts with Third Parties in accordance with the Delegation of Authority Manual.

Senior Management shall:

- i. implement and apply this Third Party Policy to all Third Party Business Activities;
- ii. engage with Third Parties on prospective Third Party Business Activities and ensure that PETROS has adequate resources to control and manage the activities and contractual requirements under the contract or transaction;
- iii. consider any request for a waiver by any Third Party of any provision of this Third Party Policy (in consultation with the General Counsel) and any exception or waiver granted to the Third Party from any provision in this Third Party Policy must be considered in the light of PETROS' business needs, risk, size, urgency and complexity of each contract or transaction.
- iv. ensure ongoing monitoring of Third Parties, respond to issues when identified and escalate significant issues to the GCEO;
- v. hold accountable employees within business lines or functions who manage direct relationships with Third Parties;
- vi. terminate arrangements with Third Parties that do not meet expectations or those relationships that no longer align with PETROS' strategic goals or objectives;
- vii. review reports by the Line Management on any issues related to non-compliance of this Third Party Policy or the ABC Policies and to escalate such issues to the Integrity Team, as appropriate;
- viii. ensure that any joint venture or business partnership in which PETROS has controlling interest, agrees to PETROS business ethics under the ABC Policies.

Line Management shall:

- i. develop a business plan to manage the relationship with the Third Party and ensure that the proposed business plan commensurate with the level of risk and complexity of the prospective Third Party Business Activities;
- ii. conduct due diligence exercise in accordance with section Due Diligence below and review due diligence reports on Third Parties;
- iii. perform ongoing monitoring and regular reviews to monitor the performance of the Third Parties under the relevant contracts or transactions (see Post Award Procedures a. Third Party Ongoing Monitoring);
- iv. escalate significant issues including any issues related to non-compliance of the ABC Policies to the Integrity Team, as appropriate;
- v. notify the Third Party of any significant operational issues that may affect the contract or transaction;
- vi. make available the ABC Policies and Code of Conduct & Business Ethics to all Third Parties;

- vii. maintain all documents pertaining to contracts or transaction with Third Parties and all employees; and
- viii. ensure that all employees who manage direct relationships with Third Parties maintain strict confidentiality and disclosure of information is on a “need to know basis”, and no information is to be shared or discussed with unauthorised persons or personnel.

The General Counsel shall:

- i. maintain a record of all contracts and other transactional documentation relating to the Third Party Business Activities;
- ii. review or draft contracts/agreements with Third Parties in consultation with the Line Management;
- iii. consider any request for a waiver by any Third Party of any provision of this Third Party Policy (in consultation with the Senior Management) and any exception or waiver granted to the Third Party from any provision in this Third Party Policy must be considered in the light of PETROS’ business needs, risk, size, urgency and complexity of each contract or transaction; and
- iv. review any issues raised by the Management related to material breaches of the contracts or non-compliance with the ABC Policies.

Due Diligence

PETROS shall ensure that Third Parties subscribe to PETROS’ standards of business ethics and integrity.

The Line Management shall conduct due diligence exercises to assess the integrity of the prospective Third Party before entering into contracts and transactions where:

- i. the threshold value of the contracts or transaction exceeds RM100,000.00 (the “**Threshold Value**”); or
- ii. regardless of the Threshold Value, the Management views that the prospective Third Party or contract or transaction presents more than a higher risk of corruption or improper business practices, taking into account the type of relationship with the prospective Third Party, corruption risk associated with the jurisdiction, interaction with government officials, or known adverse information about the Third Party or where *red flags* have been identified;
- iii. and the scope and extent of the due diligence required will vary depending upon the with the level of risk and complexity of the Third Party relationship and the nature of the proposed contract or transaction.

The Due Diligence Exercise (see **Due Diligence and Third Party Selection Criteria** below) is a means of ensuring the adequacy and completeness of the due diligence exercise on prospective Third Parties.

If at any point during the Due Diligence Exercise or in dealings with Third Parties, there are conflicts of interest or *red flags* raised, these warrant further investigation by the Line Management and the *red flags* must be sufficiently addressed before the engagement of the Third Parties.

If any *red flags* cannot be addressed or resolved to the satisfaction of the Line Management or Senior Management, there must be contractual provisions which grant PETROS the right to terminate or suspend the contract or disqualify the Third Party from tendering for future contracts or remove the Third Party from the approved vendor list. Examples of common *red flags* involving Third Parties include, without limitation:

- i. the transaction involves a country known for high incidence of corrupt payments;
- ii. family, business or other '*special*' ties with government or public officials;
- iii. 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;
- iv. convoluted payment arrangements such as payment in cash, payment to the Third Party or to accounts in other countries or requests for upfront payment for expenses or other fees;
- v. cash payments, or payments without proper paper trail or without compliance with normal internal controls;
- vi. payments to be made through offshore accounts;
- vii. Third Party's identity is not be disclosed as part of the business transaction;
- viii. inadequate credentials for the nature of the engagement or lack of an office or an established place of business;
- ix. the Third Party is suggested or recommended by a government official, particularly one with discretionary authority over the business at issue;
- x. the Third Party objects to anti-bribery and corruption representations and warranties in agreements with PETROS;
- xi. due diligence results reveal that the Third Party is a shell company; or has some other unusual corporate structure; or has obscure/opaque beneficial shareholding ownership that may facilitate corruption;
- xii. Third Party's commission or fee is excessive or includes unexplained amounts or that the large commission payments do not appear to have provided any significant services;
- xiii. Third Party with a poor or unverifiable reputation or with direct or indirect links to the government or the authorities (foreign or local);
- xiv. private meetings requested by contractors or companies hoping to tender for contract;
- xv. Third Parties not following or breaching the ABC Policies including this Third Party Policy;
- xvi. any employee found abusing the decision-making process of PETROS; and
- xvii. any unexplained preferences by Management for certain contractors, suppliers, service providers, technical providers, vendor or sub-contractors.

The Line Management shall use good judgement and common sense in assessing the integrity and ethical business practices of the Third Parties and shall seek advice from Senior Management whenever they are in doubt, have suspicions or reservations regarding any Third Party.

Joint Venture Partners

In view of the possibility that PETROS may be held responsible for the illegal activities of its joint venture partners, the Senior Management shall consider, to the extent practicable, if any joint venture in which PETROS has controlling interest shall incorporate and implement anti-bribery and corruption measures in proportion to the scale, nature, risk and complexity of the joint operations or partnership.

Where PETROS neither controls nor operates the joint venture or where PETROS holds a minority interest, the Senior Management shall:

- i. make reasonable efforts to influence the joint venture partner to adopt the ABC Policies and comply with all applicable anti-bribery and corruption laws and to establish controls substantially similar to PETROS' anti-bribery and corruption policies and procedures;
- ii. be alert to warning signs which may arise in the conduct of the Third Party Business Activities. Any such warning signs must be reported to the GCEO and appropriate action to be taken; and
- iii. require (or where this right does not formally exist, request) that the joint venture entity provide written representation of anti-bribery and corruption compliance on an annual basis or at such other intervals as decided by the Senior Management.

Declaration Form

Prior to the engagement or commencement of any business or professional relationship, the Line Management shall ensure that Third Parties sign a **Declaration Form** in which the Third Parties shall declare (the "**Declaration**") among others that they understand and will comply with all laws relating to anti-bribery and anti-corruption in Malaysia and they acknowledge that PETROS has the right to terminate or suspend their contract and disqualify them from entering future contracts with PETROS if they are found to be in breach of this Third Party Policy or the ABC Policies.

Procedures

This section provides the main procedural steps and requirement for PETROS' dealings with Third Parties generally. In relation to the engagement of Third Parties for contracting and procurement activities, PETROS shall comply with the CPPM, save where any procedural matter is not sufficiently covered or dealt with in the CPPM, this Third Party Policy shall be apply to the CPPM, to the extent applicable. In the event of conflict between the CPPM and this Third Party Policy, the CPPM shall prevail for all contracting and procurement activities.

1.0 Pre-Award Procedures

a. Planning

- i. Before entering into a Third Party relationship, the Line Management shall develop a business plan to manage the relationship. The Line Management shall ensure that the proposed business plan commensurate with the level of risk and complexity of

the Third Party relationship.

- ii. The Line Management shall prepare the business plan including the contract period timelines, the associated budget and the inherent risks identified.
- iii. The Line Management shall propose to disqualify Third Parties that have a history of breaching laws and regulations, involved in money laundering activities, bribery and corruption, use of forced, child and illegal workers, and breaching environmental laws and regulations.
- iv. The Line Management shall present the business plan to the relevant Approving Authority responsible for the area of decision making as set out in the Delegation of Authority Manual for approval.
- v. The Line Management shall prepare a request for proposal or similar documents detailing the terms and conditions of engagement and submit to the pre-selected third parties, if necessary. A copy of a non-disclosure agreement (“**NDA**”) shall be included for execution concurrently at the time of acceptance of the request for proposal or similar documents containing the terms and conditions of engagement, if required.

b. Due Diligence and Third Party Selection

- i. The Line Management shall prepare a **Due Diligence Programme** as a means to ensure the adequacy and completeness of the due diligence exercise.
- ii. The degree of due diligence shall commensurate with the level of risk and complexity of the Third Party relationship, and the nature of the transaction.
- iii. The Line Management shall carry out *know your customers* procedures (KYC) and complete the **Preliminary Third Party Dealings Checklist** and more extensive due diligence when Third Party relationships involve critical activities such as joint ventures, divestment, mergers and acquisitions.
- iv. The Line Management shall assess the identified risks during the due diligence and inform the Senior Management of the identified risks, if any.
- v. If the results of the due diligence do not meet the expectations of the Line Management, the Line Management (in consultation with Senior Management) shall recommend that the Third Party take appropriate action to address any inadequacies or shortfall (to the extent such action is possible or feasible) or find an alternate Third Party or discontinue the activity.
- vi. The Senior Management shall review the results of the due diligence to determine whether the Third Party is able to meet the requirements under the contract or transaction.

c. Contract Negotiation

- i. Upon the selection of a Third Party, the Line Management (in consultation with General Counsel) shall negotiate a contract that sets out the rights and responsibilities of each party to the contract. Unless an industry’s *standard forms of contract* are used for a particular type of transaction or where third party

engagements fall within the purview of the CPPM, the Line Management may consider the following contractual terms to be included in the contract with the prospective Third Party:

- **Nature and Scope of Arrangement:** ensure that the contract specifies the nature and scope of the arrangement. For example, a Third Party contract should specifically identify the content, format of the service, product, or function provided.
- **Performance Measures or Benchmarks:** specify performance measures that define the expectations and responsibilities for both parties including conformance with regulatory standards or rules.
- **Responsibilities for Providing, Receiving, and Retaining Information:** ensure that the contract requires the Third Party to provide and retain timely, accurate, and comprehensive information such as records and reports that allow PETROS to monitor performance, service levels, and risks.
- **The Right to Audit:** ensure that the contract establishes PETROS' right to audit, monitor performance of the Third Party, and relevant subcontractors, at intervals consistent with PETROS's in-house functions.
- **Responsibility for Compliance with Applicable Laws and Regulations:** ensure the contract addresses compliance with the specific laws, regulations, guidance, and self-regulatory standards applicable to the Third Party Business Activities including anti-bribery and corruption measures applicable to the Third Party.
- **Cost and Compensation:** fully describe compensation, fees, and calculations for services, as well as any fees based on activity and for special requests.
- **Ownership and Licence:** state whether and how the Third Party has the right to use PETROS's information, technology, and intellectual property, such as PETROS's name, logo, trademark, and copyrighted material and indicate whether any records generated by the Third Party becomes PETROS' property.
- **Confidentiality and Integrity:** require the Third Party to execute the NDA (if applicable), prohibit the Third Party and its subcontractors from using or disclosing PETROS' information, except as necessary to provide the contracted activities or comply with legal requirements.
- **Indemnification:** consider including indemnification clauses that specify the extent to which PETROS will be held liable for claims that cite failure of the Third Party to perform and carefully assess indemnification clauses that require PETROS to hold the third party harmless from liability.
- **Insurance:** stipulate that the Third Party is required to maintain adequate insurance, notify PETROS of material changes to coverage, and provide evidence of coverage where appropriate and the types of insurance coverage may include fidelity guarantee coverage, liability coverage, hazard insurance, and intellectual property insurance.
- **Dispute Resolution:** consider whether the contract should establish a dispute resolution process (arbitration, mediation, or other means) to resolve problems between PETROS and the Third Party in an expeditious manner, and whether the

third party shall continue to provide activities to PETROS during the dispute resolution period.

- **Limits on Liability:** determine whether the contract limits the Third Party's liability and whether the proposed limit is in proportion to the amount of loss PETROS might experience because of the Third Party's failure to perform or to comply with applicable laws and consider whether a contract would subject PETROS to undue risk of litigation, particularly if the Third Party violates or is accused of violating intellectual property rights.
 - **Default and Termination:** ensure that the contract stipulates what constitutes default (including the occurrence of corrupt acts on the part of the Third Party), identifies remedies and allows opportunities to cure defaults (if possible), and stipulates the circumstances and responsibilities for termination and provide for the timely return of PETROS' data and other resources.
 - **Sub-contracting:** stipulate when and how the Third Party should notify PETROS of its intent to use a sub-contractor and specify the activities that cannot be sub-contracted or whether PETROS prohibits the Third Party from sub-contracting activities to certain locations or specific sub-contractors and the Third Party to detail the contractual obligations such as reporting on the sub-contractor's conformance with performance measures, periodic audit results, compliance with laws and regulations, and other contractual obligations.
 - **Foreign-Based Third Parties:** include in contracts with foreign-based Third Parties choice of law covenants and jurisdictional covenants that provide for adjudication of all disputes between the parties under the laws of a single, specific jurisdiction and understand that such contracts and covenants may be subject, however, to the interpretation of foreign courts relying on local laws.
- ii. Upon completion of the contract negotiation, the General Counsel shall review the draft contract made available by the Third Party or draft the Third Party contract in ensuring the enforceability of all aspects of the proposed contract and the Line Management shall ensure that such contract includes conditions, representations, warranties, undertakings or indemnities as proposed by the General Counsel. Where legal expertise is not available internally, the General Counsel may seek external legal advice and services.
 - iii. The Line Management shall present the draft contract (as approved by the General Counsel) to the relevant Approving Authority responsible for the area of decision making as set out in the Delegation of Authority Manual for approval before its execution.

d. Award of Contract

- i. The Approving Authority shall execute the contract on behalf of PETROS.
- ii. Prior to the engagement or commencement of any business or professional relationship, the Line Management shall ensure that Third Parties sign the Declaration Form.

2.0 Post Award Procedures

a. Ongoing Monitoring

- i. After entering into a contract with a Third Party, the Line Management shall oversee and monitor the Third Party, commensurate with the level of risk and complexity of the relationship. Regular on-site visits may be done to understand fully the Third Party's operations and ongoing ability to meet contract requirements.
- ii. The Line Management may obtain and review status updates/reports on progress of work at appropriate intervals on Third Party consultant/agents.
- iii. The Senior Management shall ensure that the Line Management and/or other personnel that directly manage Third Party relationships monitor the Third Party Business Activities. Line Management shall pay particular attention to the quality and sustainability of the Third Party's controls, and its ability to meet service-level agreements, performance metrics and other contractual terms, and to comply with legal and regulatory requirements.
- iv. The ongoing monitoring of Third Party relationships shall cover the due diligence activities conducted as the level and types of risks may change over the lifetime of Third Party relationships. This monitoring may result in changes to the frequency and types of required reports from the Third Party, including service-level agreement performance reports, audit reports, and control testing results.
- v. In reviewing the Third Party reports, some key areas of consideration for ongoing monitoring are referred to in **Third Party Ongoing Monitoring**.
- vi. The Line Management who directly manage Third Party relationships shall escalate to the Senior Management significant issues or concerns arising from ongoing monitoring, such as an increase in risk, material weaknesses and repeat audit findings, deterioration in financial condition, security breaches, data loss, service or system interruptions, or compliance lapses.
- vii. Additionally, Senior Management shall ensure that PETROS' controls to manage risks from Third Party relationships are tested regularly, particularly where critical activities are involved.
- viii. Based on the results of the ongoing monitoring and internal control testing, the Line Management shall respond to issues when identified including escalating significant issues to the Senior Management. Where changes to the terms of the contract are required, the Line Management shall (in consultation with the General Counsel) assess the changes in respect of risks, compliance and legal requirements and present the changes to the Senior Management, who shall in turn obtain the BOD (or the relevant Approving Authority responsible for the area of decision making as set out in the Delegation of Authority Manual) approval before its execution.

b. Termination

- i. PETROS may terminate the Third Party relationship for reasons due to any of the following, including, without limitation:
 - expiry or satisfaction of the contract;
 - desire to seek an alternate Third Party;
 - desire to bring the activity in-house or discontinue the activity;
 - breach of terms of contract by Third Party.

- ii. The Line Management shall ensure that relationships are terminated in an efficient manner and decide if the Third Party Business Activities are to be transitioned to another Third Party or discontinued altogether.
- iii. The Line Management shall prepare the proposal for termination of contract with any Third Party after seeking legal advice from the General Counsel, where applicable.
- iv. Senior Management shall review and approve the proposal within its authority or otherwise, review and recommend its proposal to the relevant Approving Authority for approval.
- v. Upon receipt of the approval from the Approving Authority, the Line Management shall issue a termination letter or notice to the Third Party within a reasonable time prior to the termination.

Training & Communications

Policy

PETROS adopts a *zero tolerance* policy on all forms of bribery and corruption as part of its Anti-Bribery and Corruption Programme (“ABC Programme”).

PETROS will provide appropriate anti-bribery and corruption training to employees, Directors and Business Associates and in particular:

- i. employees involved in business or operations where there is a potential higher risk of bribery and corruption such as purchasing, contracting, distribution, sales and marketing would receive particular attention in view that bribery is prevalent in those high-risk sectors; and
- ii. members of the Integrity Team responsible for implementing the ABC P&P would receive special training.

PETROS will communicate its Anti-Bribery and Corruption Policies & Procedures (“**ABC P&P**”) to employees, Directors and Business Associates so that they are aware and will comply with them.

Disciplinary Action for Non-Compliance

If there is failure by any employee to complete any training required of him/her, this shall be investigated by the Integrity Team and reported to the General Counsel and HR Department for deliberation and may result in disciplinary action as appropriate, up to and including termination of employment.

Maintaining Records

The HR department will:

- i. monitor and maintain the records to ascertain which personnel have not taken the training, and personal intervention may be required from Executive Committee or senior management to ensure that training is completed;
- ii. keep track of employees, Directors and Business Associates who have received the ABC Manual, those who have signed the compliance Declaration, and those who have not. HR will follow up in relation to those personnel who have not received the policy or who have not signed the Declaration.
- iii. These records should be maintained for the appropriate period as required by law.

Enforcement and Disciplinary Action for Non-Compliance

1. PETROS views corruption and bribery very seriously. Investigations shall be conducted based on suspicions and/or reports of possible violation of these ABC Policies. All investigations made by the Integrity Team shall reported to the General Counsel and HR department for deliberation and appropriate action to be taken including the conduct of any domestic inquiry.
2. All investigation reports made shall be treated in a confidential manner. Disclosure of information of the investigation to non-related party in the investigation shall be viewed as serious disciplinary misconduct.
3. Employees and Directors who violate this Policy would be appropriately dealt with by PETROS.
4. If an employee is faced with a concern or situation which could involve facilitation payments or kickbacks, he/she may make a report to his/her the line manager or the Integrity Team.
5. All investigations shall be treated in a confidential manner. Disclosure of information of the investigations to a non-related party in the investigation shall be viewed as serious disciplinary misconduct.
6. In relation to employees, where a violation is confirmed, the HR department in consultation with the General Counsel and Integrity Team shall carry out disciplinary action which would range from a warning for a minor offence to dismissal for a serious offence.
7. The Head of Integrity will determine whether it is necessary to escalate the matter to the Board Audit and Risk Committee for a decision to be taken if the matter should be reported to the authorities including Malaysian Anti-Corruption Commission or any other enforcement agencies or authorities.

Reviews and Changes to Policies

The Integrity Team shall periodically review the ABC Policies and may recommend to Board Audit and Risk Committee any amendments to these Policies.



Anti-Bribery & Corruption Policies

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