

By resolution dated 15.8.2012, the Board of Directors of MISC BHD officially adopted the PETRONAS Code Of Conduct And Business Ethics ("the CoBE") as the Company's own.

The CoBE which is being implemented to the PETRONAS Group Worldwide, is an effort by PETRONAS to revise and combine its employees' Code of Conduct and Discipline and the PETRONAS Guidelines for Business Conduct for it to be in tandem with the advent of local and international legislation coupled with a higher international transparency standards. The CoBE further inculcates the observation of the Company's Shared Values i.e. Loyalty, Professionalism, Integrity and Cohesiveness, amongst its employees.

For the purpose of its implementation in MISC the CoBE will herein be referred to as the MISC Code of Conduct And Business Ethics.

The MISC Code of Conduct and Business Ethics Country Supplement: Malaysia is a specific reference for use in Malaysia. It does not describe all applicable laws or MISC 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. MISC reserves the right to modify, revise, cancel or waive any policy, procedure or condition without notice and without revision of the Code. Moreover, the provisions of the Code may be modified by MISC to adapt them to local laws and conditions.

# COUNTRY SUPPLEMENT: Malaysia

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# COUNTRY SUPPLEMENT:

# Malaysia

## PART I: CONDUCT TENDING TO JEOPARDISE DUTY OF GOOD FAITH AND FIDELITY

### 1. SERIOUS PECUNIARY INDEBTEDNESS

#### 1.1.

For the purpose of this Section, the term “serious pecuniary indebtedness” means the state of an employee’s indebtedness which, having regard to the amount of debt incurred by him/her has actually caused financial hardship to him/her.

An employee will be deemed to be in serious pecuniary indebtedness where:-

- a) he/she is a judgment debtor, for as long as the judgment sum remains unsettled; or
- b) he/she is a bankrupt or an insolvent wage earner, for as long as he/she remains as a bankrupt or for as long as any judgment sum against him/her in favour of the Director General of Insolvency remains unsatisfied, as the case may be.

#### 1.2.

Serious pecuniary indebtedness from whatever cause will be regarded as necessarily impairing the efficiency and effectiveness of an employee.

#### 1.3.

An employee will avoid habitual indebtedness unless he/she proves that such indebtedness or insolvency is the result of circumstances beyond his/her control and does not result from extravagances or dissipation.

#### 1.4.

An employee will be required to disclose the full extent of his/her serious pecuniary indebtedness to MISC at the earliest opportunity when such indebtedness is known to him/her.

#### 1.5.

An employee who obtains an annulment of his/her bankruptcy may be treated as having fully restored his/her credit standing.

### 2. BORROWING MONEY

#### 2.1.

You may borrow from banks, insurance companies, co-operative societies or borrowing companies licensed under the Malaysian Banking and Financial Institutions Act 1989 or incur debt through acquiring goods by means of hire purchase agreements or other arrangements, provided that:

- a) such banks, insurance companies, co-operative societies or borrowing companies from which you borrow are not directly or indirectly subject to your official authority;

- b) such borrowings do not lead to public scandal or be subject to construal that you have abused your position for our private advantage; or
- c) the aggregate of your debts does not or is not likely to cause you serious pecuniary indebtedness as defined under Section 1.

## 2.2.

You may not borrow from any other person engaged in the business of money lending.

## 2.3.

You must comply with the limitations on borrowing set out in the Code.

# 3. LIVING BEYOND OFFICIAL EMOLUMENTS AND LEGITIMATE PRIVATE MEANS

## 3.1.

Where in the opinion of MISC an employee is or appears to be:-

- a) maintaining a standard of living which is beyond his/her official emoluments and other legitimate private means, if any; or
- b) in control of or in possession of pecuniary resources or property, movable or immovable, the value of which is disproportionate to, or which could not reasonably be expected to have been acquired by the employee with his/her official emoluments and any legitimate private means. Subject to the requirements of applicable law, MISC may call upon the employee to explain in writing how he/she is able to maintain the said standard of living or how he/she acquired his/her pecuniary resources or property and also may be required to make declaration of his/her assets which may include assets belonging to his/her family/household. Such declarations as aforesaid should be made to your Human Resource Department.

## 3.2.

Failure to make the asset declaration as required under Section 3.1 is viewed by MISC as a lack of commitment on the part of the employee to uphold MISC's policy on maintaining the highest standard of integrity, openness and transparency.

## 3.3.

For the purpose of this Section, "assets" includes property of any description, whether movable or immovable, as may be prescribed by MISC from time-to-time. In respect of immovable property, assets include:-

- i. land, including land occupied under temporary occupation licence;
- ii. all types of residence such as houses, flats, apartments and condominiums; and
- iii. building, including a shop or portion of a shop, office space or stall.

In respect of movable property, assets include:-

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

## **PART II: INFORMATION SECURITY**

You must comply with the MISC Information Security guidelines in effect from time-to-time, which may be obtained from the Information, Communication and Technology unit.

## **PART III: 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 MISC to whom he/she reports of his/her absence and the cause for his/her absence.

#### **1.2.**

Where the absence without leave and without reasonable excuse is for more than two (2) consecutive working days, the employee will be deemed to have breached his/her contract of service with MISC.

#### **1.3.**

Where an employee is absent for more than two (2) consecutive working days without reasonable excuse, as soon as possible thereafter a registered letter will be sent to the employee's last known address requiring him/her to provide explanation for his/her absence. Upon a lapse of seven (7) days after posting of the said registered letter, if nothing is heard of him/her or no satisfactory explanation is given by him/her, then the said employee is deemed to have broken his/her contract of service and in such circumstances MISC will have the right to terminate his/her service. In addition, MISC will be entitled to recover from the former employee concerned all sums due from the employee to MISC.

### **2. DRESS CODE**

All employees should be neatly, appropriately and decently attired during office working hours.

#### **2.1.**

Male Employees

- a) All male employees must wear long sleeved shirts with necktie with the exception of Casual Friday, where wearing a necktie is exempted and male employees are allowed to wear short sleeved shirt.
- b) Shirts must be tucked in at all times.
- c) 'Baju Melayu' attire, complete with 'samping' and 'songkok' is allowed on Fridays.
- d) Casual printed shirts, T-shirts, sweatpants, jeans, exercise pants, track bottom, all types of shorts, and any spandex or form fitting pants, such as cycling shorts, are not allowed.
- e) Footwear must be appropriate and suitable. Slippers, flat sandals/slip-ons, loafers, thongs, flip-flops, sport shoes, athletic shoes, sneakers, rubber boots or clogs are not allowed. Exemption is given for those with medical reasons.

## **2.2.**

### Female Employees

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

## **2.3.**

### Uniformed Employees

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

## **2.4.**

### Other Forms of Attire

Attire, other than those specified above, including the specified types of shoes, may be worn during office hours if it is a requirement of the job and said attire is approved by your Head of Department.

## **2.5.**

### Cross-dressing

Cross-dressing is not allowed.

## **2.6.**

### Dress Code for Official Functions

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

## **2.7.**

### Hair for Male Employees

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

## **2.8.**

For the Purpose of this Section:

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

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

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

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

# Part IV: Disciplinary Process and Sanctions

## 1. Disciplinary Process

### 1.1.

Where the circumstances warrant, MISC may suspend an employee on full or half pay pending the investigation and/or inquiry into alleged acts of misconduct committed by the employee.

### 1.2.

If the investigations reveal concrete and cogent evidence in support of the alleged misconduct, MISC may institute disciplinary action against the said employee.

## 2. Disciplinary Punishments

The Punishing Authority may after due inquiry impose any or a combination of the following punishments against the employee:

- i. written warning;
- ii. suspension with or without pay for a period to be determined by the Punishing Authority;
- iii. withholding the employee's increment for a period to be determined by the Punishing Authority;
- iv. no increment to the employee's salary for a period to be determined by the Punishing Authority;
- v. non-payment of bonus or ex-gratia;
- vi. downgrading or demoting the employee;
- vii. any other types of punishment as the Punishing Authority deems fit;
- viii. dismissal.

## 3. Punishing Authority

For the purpose of this Part IV, "Punishing Authority" shall refer to the officer of MISC who has been given the authority to mete out punishment against an employee as provided by the Human Resource Management Limits of Authority.

## 4. Appeal Procedure

### 4.1.

An employee who is aggrieved by the decision of a disciplinary action has the right to appeal in writing within thirty (30) days from the date of service or posting of the letter communicating the decision of the Punishing Authority.

#### **4.2.**

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

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

#### **4.3.**

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

#### **4.4.**

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

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