



MISC
CODE OF CONDUCT
AND
BUSINESS ETHICS
FOR THIRD PARTY SERVICE
PROVIDERS

26 November 2018

(This document was prepared for ease of reference for Third Party Service Providers. Reference is made to MISC's COBE which is the official document approved by MISC's Board of Directors)

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GENERAL BUSINESS PRINCIPLES

We at MISC are committed to making our company a leading provider in energy based maritime logistics and solutions. We will base our progress upon the lessons and experiences that transformed MISC into a versatile business entity, meeting the challenges of the new millennium, and maintaining the unique characteristics of an energy based maritime logistics and solutions company.

While we will maintain flexibility to adapt to changing conditions, the nature of our business requires a focused, long-term approach and the need to balance risks and rewards. We will consistently strive to improve through learning, sharing and implementing best practices. We will be disciplined and selective in evaluating the range of our capital investment opportunities. We will strive to apply and extend technology through business-driven research and technical support and assume leadership in selective areas. We will implement appropriate measures to protect our personnel, physical assets, intellectual property and reputation.

In our globalization quest, we will seek opportunities in regions of the world where we can create value. We will work with existing and new partners who share our values, philosophy and business approach.

To this end, we aspire to achieve superior financial and operating results while adhering to the highest standards of business conduct. These objectives provide the foundation for our commitment to those with whom we interact. MISC recognizes five core areas of responsibility:

Shareholders

We are committed to creating and enhancing long-term shareholder value using the principles of value-based management.

Employees

The high caliber of our workforce is a valuable competitive advantage. To build on this human capital we will strive to hire and retain the most qualified people available, offer them good and competitive terms and conditions of service, and maximize their opportunities for success through training and development. We are committed to maintaining a safe work environment

enriched by diversity and characterized by open communication, trust, fair treatment, and respect.

Customers

Success depends upon our ability to consistently satisfy changing customer preferences. We pledge to continuously provide products and services that conform to requirements of both our internal and external customers.

Business Partners

We will seek mutually beneficial relationships with our counterparts, contractors, suppliers, financial institutions, and other entities with whom we do business.

Communities

We pledge that MISC will be a responsible corporate citizen wherever it operates and will take into consideration the needs and aspiration of local communities.

Our measures of success are the extent to which we meet these commitments, the long-term value we create for our shareholders, the pride of our employees in their accomplishments, the satisfaction of our customers and all those with whom we do business, and the extent to which communities, both local and international, judge our activities as beneficial.

INTRODUCTION

This Code of Conduct and Business Ethics for Third Party Service Providers emphasizes and advances the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and well-being of the MISC group of companies. This Code is part of the MISC group's overall corporate enhancement programme. It reflects the increasing need for effective corporate governance compliance measures in the conduct of the group's business domestically and worldwide.

In the event of any doubts or questions concerning the application or interpretation of this Code, please seek advice from MISC.

PART I: CORE VALUES AND CULTURE

1. Application

- 1.1. MISC expects that all contractors, sub-contractors, consultants, agents, representatives and other service providers performing work or services for or on behalf of MISC group of companies (hereinafter referred to as “Third Party Service Provider(s)”) will comply with the relevant parts of this Code of Conduct and Business Ethics (the “Code” or “CoBE”) when performing such work or services. Failure by a Third Party Service Provider to comply with the principles and standards set out in this Code may result in the termination of the non-complying party’s relationship with MISC and other adverse consequences.
- 1.2. In the course of business dealings with MISC, if a law conflicts with a rule or policy set out in this Code, a Third Party Service Provider should comply with the law. If the Third Party Service Provider perceives that a provision of this Code conflicts with the law in the Third Party Service Providers’ jurisdiction, the Third Party Service Providers should consult MISC, rather than disregard the Code without consultation.
- 1.3. The provisions of this Code may be amended or waived by MISC from time-to-time at MISC’s sole discretion.
- 1.4. This Code does not identify or set out every law, policy or procedure that may apply to Third Party Service Providers in the performance of its services for MISC. Third Party Service Providers are responsible to inform itself concerning laws and other MISC policies and procedures that may be applicable, as a result of its engagement with MISC. This Code does not constitute legal advice.

2. Corporate Values and Culture

- 2.1. MISC is committed to the highest standards of integrity, openness and accountability in the conduct of the group’s business and operations. MISC seeks to conduct its affairs in an ethical, responsible and transparent manner.

3. Definitions

- 3.1. Where the context or construction requires, all words applied in plural will be deemed to include the singular, and vice versa; the masculine will include the feminine and neuter, and vice versa; and the present tense will include the past and the future tense, and vice versa.

- 3.2. References to “Third Party Service Provider(s)” in this Code refer to all contractors, sub-contractors, consultants, agents, representatives and other third parties performing work or services for or on behalf of MISC group of companies.
- 3.3. For purposes of this Code, the term “family/household” includes spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of the household.
- 3.4. For purposes of this Code, the term “employee” means any person who is in the employment of MISC including but not limited to executives, non-executives, secretaries, secondees and individuals on direct hire.
- 3.5. The term “MISC” means MISC Berhad and its subsidiaries and controlled companies. The expression “MISC” is used for convenience where references are made to MISC companies in general. The companies in which MISC Berhad has direct or indirect shareholding are distinct legal entities.

PART II: Duties of Good Faith, Fidelity, Diligence and Integrity

Part II A: Conflict of Interest

1. Duty Regarding Avoidance of Conflict of Interest

- 1.1. A conflict of interest arises in a situation where a Third Party Service Provider is in a family relationship, associates or friends with an employee of MISC and takes advantage of the employee's role at MISC for the Third Party Service Provider's personal benefit. The situation under which conflict of interest may arise includes, but is not limited to, when the employee exercises its authority and give preference to the Third Party Service Provider rather than to the interests of MISC.
- 1.2. Prior to engagement with MISC, Third Party Service Providers shall be required to declare to MISC on any situation of conflict of interest.

Part II B: Fighting Corruption and Unethical Practices

2. Solicitation, Bribery and Corruption

- 2.1. A Third Party Service Provider is prohibited from, directly or indirectly, soliciting, accepting or obtaining or agreeing to accept or attempting to obtain, from any party for itself or for any other party, any bribe or gratification as an inducement or a reward for doing or forbearing to do, or for having done or forborne to do, any act in relation to any of its business dealings, including MISC's affairs or business, or for showing favour or forbearing to show disfavor to any party in relation to any of its business dealings, including MISC's affairs or business.
- 2.2. A Third Party Service Provider may not directly or indirectly offer, promise or give any bribe as an inducement or a reward for doing or forbearing to do, or for having done or forborne to do, any act in relation to any of its business dealings, including MISC' affairs or business, or for showing favour or forbearing to show disfavour to MISC in relation to any of its business dealings, including MISC's affairs or business, whether in the form of a facilitation payment, kickback, donation, fee or any other form.
- 2.3. A Third Party Service Provider should satisfy itself concerning the status and probity of any contractor, subcontractor, agent, consultant, representative or other person engaged to act for or on behalf of MISC or in relation to any of its business dealings, including MISC's affairs or business, and confirm that the relevant party understands and accepts MISC's policies prohibiting improper solicitation, bribery and corruption. Contractors, sub-contractors, consultants, agents, representatives and others must comply with such policies when performing work or services for or on behalf of companies in the MISC group.

- 2.4. Even the appearance of conduct prohibited by this Section 2, or any other measure that is unethical or that will tarnish MISC's reputation for honesty and integrity, must be avoided.
- 2.5. If a Third Party Service Provider receives a request for a bribe or if offered a bribe by MISC and/or any other third party in the conduct of its business dealings for MISC, such circumstances shall be reported to MISC via MISC's Whistleblowing Channels. Please go to <https://whistleblow.misc.net.my/Whistleblowing/>
- 2.6. In this part, a "bribe" or a "gratification" is any gift, payment, benefit or other advantage, pecuniary or otherwise, offered, given, or received in order to secure an undue or improper result, award, decision, benefit or advantage of any kind.

3. Facilitation Payments

- 3.1. A Third Party Service Provider is prohibited from, directly or indirectly, giving, accepting or obtaining or attempting to give, accept or obtain facilitation payments from any person for itself or for any other person subject to this Code.
- 3.2. In this part, the term "facilitation payments" generally means payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.

4. Providing Gifts and Entertainment

- 4.1. In accordance with MISC No Gift Policy, MISC prohibits any Third Party Service Providers from giving entertainment or gifts to any employees of MISC in the course of business dealings with MISC. There are exceptions to the No Gift Policy as to when MISC can accept gifts as outlined in the MISC Anti-Bribery and Corruption Policy.

5. Public Officials

- 5.1. In the course of business dealings with MISC, a Third Party Service Provider is prohibited from offering gifts and entertainment, including travel-related expenses, to government officials or their family/household members for the purpose of improperly influencing the government officials to take action in favour of the Third Party Service Provider or to refrain from taking action adverse to the Third Party Service Provider.
- 5.2. In the course of business dealings with MISC, a Third Party Service Provider is prohibited from paying for non-business travel and hospitality for any government official or his/her family/household for the purpose of improperly influencing the government official to take action in favour of the Third Party Service Provider or to refrain from taking action adverse to the Third Party Service Provider.

- 5.3. A Third Party Service Provider must comply with local laws concerning lobbying in any jurisdiction where lobbying activities are performed by the Third Party Service Provider on behalf of MISC.
- 5.4. In the course of business dealings with MISC, a Third Party Service Provider may not offer or provide gifts or anything else of value to any person, such as an agent, consultant or contractor, if the Third Party Service Provider knows or suspects that a government official or his/her family member will be the indirect beneficiary or recipient.
- 5.5. A Third Party Service Provider must ensure that any agent, contractor, or other representative dealing with government officials as appointed on MISC's behalf are evaluated and informed of the provisions of this Code relating to restrictions on bribery and gifts to public officials.
- 5.6. A Third Party Service Provider may not take action to circumvent the prohibitions in this Section 5. A Third Party Service Provider must in every instance comply with the rules concerning solicitation, bribery and corruption set out in other sections of this Part II, as well as with applicable laws concerning bribery and corruption.
- 5.7. For purposes of this Code, the term "government official" includes, without limitation, candidates for public office, officials of any political party, and officials of state-owned enterprises other than MISC.

6. Money Laundering and Counterparty Due Diligence

- 6.1. A Third Party Service Provider must conduct appropriate counterparty due diligence against its prospective business counterparties in the course of its business dealings with MISC to determine the origin and destination of monies, property, and services arising from the business transactions. A Third Party Service Provider must report to MISC of any suspicious transactions or suspected incidents of money laundering or bribery in relation to its business with MISC.
- 6.2. In this part, "money laundering" is generally defined as occurring when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including the financing of terrorism. Offences covered by anti-money laundering legislation include prejudicing or obstructing an investigation and failing to report suspicious activity.

Part II C: National and International Trade

7. Antitrust /Competition Law

- 7.1. In the course of business dealings with MISC, a Third Party Service Provider must ensure that its actions towards business partners (e.g., customers and suppliers), competitors and governmental authorities at all times reflect fair and proper business practices and are in compliance with the

laws and regulations governing free and fair competition and monopolies. In this regard, a Third Party Service Provider shall fully comply with the competition laws of every country in which the Third Party Service Providers operates.

8. Export and Import Controls, and Economic Sanctions Programmes

- 8.1. In the course of business dealings with MISC, a Third Party Service Provider must ensure that relevant governmental approvals are obtained before exporting or importing goods, technology, software, or services across national borders for or on behalf of MISC.
- 8.2. Third Party Service Provider must not bring restricted goods into a country without declaring them and must not import prohibited goods. A Third Party Service Provider must meet import requirements when bringing goods or services into a country, ensuring duties, levies and taxes are paid and proper documentation is presented.
- 8.3. If a Third Party Service Provider is involved in business concerning any countries, activities, organisations and persons sanctioned under relevant laws, the Third Party Service Provider shall be required to make a declaration of its involvement with the sanctioned country and/or entity to MISC.

Part II D: Assets of MISC

9. Responsibility for Assets, Facilities, Resources and Records

- 9.1. Insofar as a Third Party Service Provider has possession of or is given access to assets, facilities, resources or records belonging to MISC, that possession or access is provided on the basis of trust and confidence that they are to be used for the furtherance of the interest of the businesses of MISC. These assets may be tangible—for example, equipment, including computer hardware, or cash—or they may be intangible, such as intellectual property and computer software.
- 9.2. A Third Party Service Provider is responsible for the safekeeping of all assets, facilities, resources and records belonging to MISC that are provided to the Third Party Service Provider for the performance of its obligations with MISC. The Third Party Service Provider must diligently give heed to and strictly comply with MISC policies and procedures as amended and updated from time-to-time on the use of all assets, facilities, resources and records.
- 9.3. A Third Party Service Provider must further take all necessary steps to prevent theft, loss, damage to, or misuse of assets, facilities, resources and records belonging to MISC, the occurrence of which should be reported immediately to MISC. Regardless of condition or value, assets, facilities, resources and records belonging to MISC may not be misused, taken, sold, lent, given away or

otherwise disposed of, or used for personal purposes, except with the appropriate specific authorisation of MISC.

- 9.4. Subject to applicable laws, a Third Party Service Provider may be liable for any loss of or damage to assets, facilities, resources and records arising from its willful misconduct or negligence or careless action or as a result of action taken without MISC's approval, and any financial loss suffered by MISC may be recovered from the Third Party Service Provider by any legal means. Within the limits of applicable law, MISC may at its discretion take any other action against the Third Party Service Provider as considered appropriate by MISC, including reporting to the public authorities.

Part II E: Confidentiality Obligations/Intellectual Property/Public Communications

10. Confidentiality Obligations

- 10.1. The business affairs and records of MISC comprising business, technical, financial, legal, personnel and contractual records and documents comprising telegrams, e-mails, letters, maps, reports, drawings, calculations, specifications, formulae, forms, licenses, agreements or other documents or computer software or files of whatever nature and information as to formulae, processes and manufacturing methods are all confidential information belonging to MISC. Such confidential information is strictly private and confidential and may not be utilised, discussed with, divulged to or disclosed to persons inside or outside MISC, except by persons authorised to do so. Third Party Service Providers shall take all necessary precautions with respect to maintaining confidentiality of such confidential information.
- 10.2. A Third Party Service Provider may not, either during or after its engagement with MISC, disclose, divulge or utilise without appropriate authorisation any such confidential information which may have come to its knowledge during its engagement with MISC under any previous contract of service with MISC and the Third Party Service Provider must, both during and after its engagement with MISC, take all reasonable precautions to keep all such confidential information secret.
- 10.3. Except so far as may be necessary for the purpose of performing its duties a Third Party Service Provider may not, without the consent of MISC, retain or make originals or copies of such confidential information or notices thereof, nor retain samples of specimens in which MISC may be or may have been interested and which have come into its possession by reason of its engagement with MISC. If upon termination of its engagement with MISC the Third Party Service Provider is in possession of any confidential information or any such samples or specimens as aforesaid, the Third Party Service Provider will deliver forthwith the same on or before the date of cessation of its engagement with MISC to MISC.

11. Data Protection

- 11.1. Third Party Service Providers must comply with applicable laws concerning the protection of personal privacy, including the protection of personal data.

12. Third Party Intellectual Property

- 12.1. A Third Party Service Provider must comply with all laws, regulations and contractual obligations regarding the valid intellectual property rights of other parties, including patents, copyrights, trade secrets and other proprietary information.

13. Publication of Materials

- 13.1. Except with written permission of MISC, Third Party Service Providers shall not publish or write any books or other works which are based on MISC's confidential information as described in Section 10.

Part II F: Disclosure Duties

14. Duty to Report Breaches and Violations

- 14.1. If a Third Party Service Provider finds or suspects that another person subject to this Code may have committed or may be about to commit any breach of any of his/her terms and conditions of service, of his/her engagement, or of this Code, or to violate other MISC policies or procedures or applicable law, whether deliberately or through inadvertence, a Third Party Service Provider may disclose such alleged or suspected improper conduct using the Whistleblowing Channels provided for in the MISC Whistleblowing Policy. Go to <https://whistleblow.misc.net.my/Whistleblowing/>

PART III: Workplace Culture and Environment

1. Significance of Safe, Secure and Conducive Workplace Environment

- 1.1. MISC is committed to providing, in collaboration with Third Party Service Providers, a safe, secure and conducive workplace culture and environment, where the values of mutual and reciprocal respect, trust and confidence are upheld and actively promoted.

2. Unlawful Discrimination

- 2.1. MISC will not tolerate unlawful discrimination in the workplace or on the job.
- 2.2. A Third Party Service Provider must comply with laws in its local jurisdiction that prohibit workplace discrimination.

3. Sustainable Development

- 3.1. MISC is committed to sustainable development in order to help meet the world's growing energy needs through economical, environmental and socially responsible efforts.
- 3.2. A Third Party Service Provider should aim to create lasting social benefits; safeguard the health and safety of employees, contractors and neighbours; minimise disruptions to the community; lower emissions; minimise impact on ecosystems and biodiversity; and use energy, water and other resources more efficiently.

4. Sexual Harassment

- 4.1. The promotion of the physical, emotional and psychological well-being of employees is an important objective of MISC. In this regard, MISC is committed to providing a conducive working environment where its employees' and Third Party Service Providers' right to protection from all forms of sexual harassment and unsolicited or unwarranted sexual overtures and advances is accorded due recognition.
- 4.2. Any act of sexual harassment, unsolicited and unwarranted sexual overtures and advances by a Third Party Service Provider's employee against any of MISC's employees will be treated as a misconduct by the Third Party Service Provider and may be reported to the relevant public authorities.
- 4.3. For the purpose of this Section, "sexual harassment" means:-

Any unwelcomed conduct of a sexual nature in the form of verbal, non-verbal, visual, psychological or physical harassment: -

- a) that might, on reasonable grounds, be perceived by the recipient as placing a condition of a sexual nature on his/her employment; or
- b) that might, on reasonable grounds, be perceived by the recipient as an offence or humiliation, or a threat to his/her wellbeing.

Sexual harassment in workplace includes any employment related sexual harassment occurring outside the workplace as a result of employment responsibilities or employment relationships. Situations under which such employment related sexual harassment may take place include, but are not limited to: -

- at work related social functions;
- in the course of work assignments outside the workplace;
- at work related conferences or training sessions;
- during work related travel;
- over the phone; and
- through electronic media.

5. Occupational Health, Safety and Environment

- 5.1. MISC is committed to providing a safe and healthy workplace for all employees and Third Party Service Providers working at its facilities and minimising the impact of its operations on the environment.
- 5.2. Third Party Service Providers must conscientiously and diligently comply with all HSE requirements, measures, work rules and standard operating procedures set out in contracts, manuals, handbooks and documents issued by MISC as amended and updated from time-to-time and all applicable laws and regulations.

6. Substance Misuse (Drug and Alcohol Abuse)

- 6.1. The use of a substance of misuse (as defined in item 6.3) can impair performance at work and can be a threat to health, safety and the environment. Hence, it is MISC's policy that the unauthorised consumption, possession, distribution, purchase or sale of any substance of misuse within its premises or while conducting its businesses or being under the influence of any such substance while working is prohibited. In this respect, all persons covered by this Code must diligently heed and comply with the policies and procedures on substance misuse issued by MISC as amended and updated from time-to-time, copies of which are available from MISC.
- 6.2. To ensure adherence to this policy, MISC may conduct unannounced testing and searches for substances of misuse in accordance with its policies and subject to the requirements of applicable laws. Any Third Party Service Provider who is found to have unauthorised possession of any

substance of misuse or who test positive for any substance of misuse shall be barred from access to and working in MISC's premises at MISC's discretion. Subject to local laws in the jurisdiction of operation, Third Party Service Providers are required to consent to testing and searches conducted by any persons or laboratory authorised by MISC by signing relevant documents issued by MISC. Further, any Third Party Service Providers who undergo such testing must give consent to the release of the results to MISC.

6.3. Under this Code, "substance of misuse" includes any illegal drugs, alcoholic beverages containing ethanol, legal psychoactive drugs obtained or used without legal prescription, and legally prescribed psychoactive drugs consumed beyond their therapeutic or prescribed uses.

6.4. Third Party Service Providers are required to demonstrate that substance misuse control programmes are part of their HSE management to ensure that substance misuse among their employees is adequately controlled and meets MISC standards.

Note: Further reference can be made to MISC's COBE Guidelines and MISC's Anti-Bribery and Corruption Manual