

COUNTRY SUPPLEMENT:
INDONESIA



PETRONAS

PETRONAS CODE OF CONDUCT AND BUSINESS ETHICS

The PETRONAS Code of Conduct and Business Ethics Country Supplement: Indonesia is a specific reference for use in Indonesia. It does not describe all applicable laws or PETRONAS policies, or give full details on any particular law or policy. It does not constitute legal advice. It does not constitute or create a contract of employment. PETRONAS reserves the right to modify, revise, cancel or waive any policy, procedure or condition without notice and without revision of the Code. Moreover, the provisions of the Code may be modified by PETRONAS to adapt them to local laws and conditions.

CONTENTS

COUNTRY SUPPLEMENT: INDONESIA

1. Language	2
2. Serious Pecuniary Indebtedness	2
3. Borrowing Money	2
4. Living Beyond Official Emoluments and Legitimate Private Means.....	3
5. Information Security	4
6. Absence Without Leave or Without Reasonable Cause	4
7. Dress Code	5
8. Disciplinary Process	7
9. Disciplinary Punishments.....	7
10. Punishing Authority.....	7
11. Conflicts	8

COUNTRY SUPPLEMENT: INDONESIA

1. LANGUAGE

1.1

For the purpose of Part 1 paragraph 1.4 of CoBE, the CoBE is prepared in both English and Bahasa Indonesia. In the event of a conflict, the Indonesian version will govern.

2. SERIOUS PECUNIARY INDEBTEDNESS

2.1

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 Receiver (Kurator) remains unsatisfied, as the case may be.

2.2.

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

2.3.

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.

2.4.

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

2.5.

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

3. BORROWING MONEY

3.1.

You may borrow from banks, non-bank financial institutions or borrowing companies registered under Bank Indonesia or the Indonesian Financial Services Authority (BAPEPAM-LK/Otoritas Jasa Keuangan-OJK) or incur

debt through acquiring goods by means of hire purchase agreements or other arrangements, provided that:

- a) such banks, non-bank financial institutions 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 2.

3.2.

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

3.3.

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

4. LIVING BEYOND OFFICIAL EMOLUMENTS AND LEGITIMATE PRIVATE MEANS

4.1.

Where in the opinion of PETRONAS 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; or
- c) experiencing an allegation or issue of corruption or malpractice as a result of employee's lifestyle.

Subject to the requirements of applicable law, PETRONAS 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.

4.2.

Failure to make the asset declaration as required under Section 4.1 is viewed by PETRONAS as a lack of commitment on the part of the employee to uphold PETRONAS' policy on maintaining the highest standard of integrity, openness and transparency.

4.3.

For the purpose of this Section, "assets" includes property of any description, whether movable or immovable, as may be prescribed by PETRONAS from time to time.

- a) 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.

- b) 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.

5. INFORMATION SECURITY

You must comply with the PETRONAS Information Security Policy in effect from time to time.

6. ABSENCE WITHOUT LEAVE OR WITHOUT REASONABLE CAUSE

6.1.

An employee who is absent will, at the earliest opportunity, inform the officer of PETRONAS to whom he/she reports of his/her absence and the cause for his/her absence.

6.2.

The disciplinary process and consequences for absence without leave or without reasonable cause will make reference to the prevailing laws and regulations in Indonesia (which law currently applicable is Law No 13 of 2003 concerning Manpower) and/or PETRONAS' regulation and/or policy.

6.3.

Should there be any termination of employment resulting from the disciplinary process as mentioned above, PETRONAS will be entitled to recover from the former employee concerned all sums due from the employee to PETRONAS.

- b) Male executives are no longer be required to wear neck ties to work except when required to do so for official business meeting and/or functions.
- c) Casual printed shirts, T-shirts, sweatpants, jeans, exercise pants (sport pants), track bottom, all types of shorts, and any spandex or form fitting pants, such as cycling shorts, are not allowed.
- d) 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.

7. DRESS CODE

All employees should be neatly, appropriately and decently attired during office working hours. Provocative and improper attire is not allowed.

7.1.

Male Employees

- a) All male employees must wear appropriate long sleeved shirts. Shirts must be tucked in, except Batik.

7.2.

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) 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.

7.3.

Uniformed Employees

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

7.4.

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.

7.5.

Cross-dressing

Cross-dressing is not allowed.

7.6.

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 PETRONAS Dress Code.

7.7.

Hair for Male Employees

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

7.8.

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.

8. DISCIPLINARY PROCESS

8.1.

Where the circumstances warrant, PETRONAS may conduct investigation and/or inquiry into alleged acts of misconduct committed by the employee.

8.2.

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

8.3.

The disciplinary process and consequences will refer to the prevailing laws and regulations in Indonesia (which law currently applicable is Law No 13 of 2003 concerning Manpower) and/or PETRONAS' regulation and/or policy.

9. DISCIPLINARY PUNISHMENTS

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

- i. postponement of the employee's increment for a period to be determined by the Punishing Authority;
- ii. no increment to the employee's salary for a period to be determined by the Punishing Authority;
- iii. non-payment of bonus or ex-gratia;
- iv. downgrading or demoting the employee;
- v. any other types of punishment as the Punishing Authority deems fit in accordance with the prevailing laws and regulations in Indonesia (which law currently applicable is Law No 13 of 2003 concerning Manpower) and/or PETRONAS' regulation and/or policy.

10. PUNISHING AUTHORITY

For the purpose of this Section 9 and 10, "Punishing Authority" shall refer to the officer of PETRONAS who has been given the authority to mete out punishment against an employee as provided by the Human Resource Management Limits of Authority. In this case, Punishing Authority shall be the highest designation within the PETRONAS business unit.

Notwithstanding the prevailing laws and regulations concerning manpower in Indonesia, the decision of Punishing Authority shall be final and binding within the organisation

and there is no appeal forum provided in relation to this matter. Any unsettled dispute between the employee and PETRONAS shall be settled in accordance with the prevailing laws and regulations concerning manpower in Indonesia.

11. CONFLICT

In the event that any of the policies in this Country Supplement and the Code shall be inconsistent, ambiguous and contradict with one another, the policies of the Country Supplement shall prevail, in so far as it relates to the application of the relevant laws, rules and regulations of the country.

PETROLIAM NASIONAL BERHAD (PETRONAS) (20076-K)

Legal Compliance Department

Group Legal, Level 65
Tower 1, PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia

cobe@petronas.com.my

www.petronas.com