



STANDARD HR PROCEDURE

CODE OF CONDUCT AND
BUSINESS ETHIC

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CODE OF CONDUCT AND BUSINESS ETHICS

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Section 1.0: INTRODUCTION

1.1 General

CARIMIN Group is committed to establish a corporate culture that propagates ethical conduct throughout its business operations. This includes adopting best practices in corporate governance, observing high standards of behavior and integrity when conducting our business activities with authorities, shareholders, partners, customers, suppliers and other stakeholders.

The Group adopts a Code of Conduct and Business Ethics ("**our Code**") to formalize and commit its ethical values and standards. Our Code will form part of our core values as described in our Vision and Mission Statement and this procedure defines various policies and present guidance on how our employees can adopt the Code while executing their respective job and responsibilities.

Each employee has a role to play in embracing and upholding our Code that would further enhance our Group's positive reputation developed over the decade.

1.2 Managing Director's Message

We shall always remember to uphold our individual reputation, credibility and integrity. Our Code is an extension of that, reminding us to always conduct business or our assigned responsibilities with the best of our abilities whilst maintaining an ethical standard.

As a responsible corporate citizen, CARIMIN strongly opposed to all forms of corruption. This procedure is intended to help all employees be aware of the perils of corruption and outline the boundaries which would ultimately help us carry out our responsibilities professionally and effectively.

Section 2.0: ABOUT THE CODE OF CONDUCT AND BUSINESS ETHICS

2.1 Purpose

Our Code sets out standards that is required to be adhere to by all employees and is not exhaustive. The Company will continue to develop new, specific policies and/or procedures, directives and/or guidelines from time to time.

2.2 Definitions

- 2.2.1 Company** : Refer to Carimin Petroleum Bhd and its subsidiaries.
- 2.2.2 Employees** : Refers to all who are under the employment of the Company including permanent contract, fixed term contract and daily rated basis.
- 2.2.3 Customers** : A person, company, or other entity which procure goods and/or services from the Company.
- 2.2.4 Vendors** : A company or other entity which supplies goods and services to the Company.
- 2.2.5 Business associate:** A person who performs a function or activity on behalf of a covered entity. It excludes a person who is part of the covered entity's workforce.
- 2.2.6 Conflict of interest:** Situation in which a person has a private or personal interest sufficient to appear to influence the objective exercise of his or her official duties.
- 2.2.7 Intellectual Property:** Intellectual property ("IP") is a property right derived from creations of the mind through intellectual or discovery efforts in industrial, scientific, literary and artistic fields which can be developed and protected.

2.3 Reporting and Responsible

2.3.1 Employees may report any breach of compliance with our Code to the following persons:-

- a. any Head of Department or
- b. CEO/COO/CFO; or
- c. the Managing Director;
- d. the Audit Committee Chairman of Carimin Petroleum Bhd

2.3.2 The Company is committed to uphold the Code by involving the highest level of management and to:-

- a. encourage employees to raise serious concerns in confidence;
- b. provide a formal channel for employees to raise concerns and receive feedback on actions taken;
- c. ensure that employees receive a response and allow them to pursue their concerns if not satisfied with the response given; and
- d. assure employees that there would be no possible reprisals or victimization if the disclosures was made in good faith.

Section 3.0 CONDUCTING BUSINESS WITH INTEGRITY

3.1 Conducting Business Ethically, Fairly and with Honesty

The Company shall conduct its businesses ethically, fairly, honestly and with integrity. All employees shall embrace the same core values.

3.2 Complying with Law

The businesses and activities of the Company shall be governed by the rule of law. Regulatory compliance is about complying with the law, by-laws, ordinances, rules, regulations, directives, license/permit conditions, codes, standards including terms and conditions of agreements and contracts.

All employees shall familiarise themselves with the relevant law, statutory requirements and specific conditions applicable to their job function and roles in addition to other regulatory obligations in the country or territories that we operate.

Failure to comply can impact our business and operations as there will be repercussions in terms of prosecution, fines, penalties, damages and losses to the Company.

3.3 Conflict of Interest

A conflict of interest arise when an employee's personal activities or relationships interfere with his or her objective in doing what is best for the Company. Conflict of interest, be it real, potential and even by appearance, can result in serious consequences for the employee and the Company. Conflicts of interest can occur in both direct and indirect situations.

All employees shall not engage in any activity that competes with or which place his/her personal interests in a position which conflict with the Company's interests. These interests include but are not limited to the following:-

- 3.3.1 **Outside Financial Interest** - Where employees have a financial or personal interest in a business transaction or in a customer, such an interest must be disclosed in writing immediately to the employees' immediate Head of Department and the Managing Director. Thereafter, employees shall not be directly involved in the said business transaction or the customer, so long as the interest continues to exist.
- 3.3.2 **Other Business Interest** - It is considered a conflict of interest if employees conducts and/or engages in any form of business other than the Company's business during office hours.
- 3.3.3 **Other Employment** - Employees shall not have any commitment of doing any part time employment or other business activities during his/her employment with the Company. To assess whether a second job will create a conflict of interest, they are required to declare and obtain approval from their Head of Department before accepting additional employment outside the Company.

3.3.4 Directorship - Acceptance of a directorship appointment in any company or non-profit organization shall be with a prior approval from the Managing Director, who will determine whether the directorship creates conflicts of interest.

3.3.5 Mixing personal relationships and business - for example, hiring a relative as vendor; buying goods or services from a family business or taking part in any Company business decision involving a company that employs a spouse, relative or friend. The definition of 'relative' per the MACC Act 2009 is as follows:

- a. A spouse of the employee
- b. A brother or sister of the employee
- c. A brother or sister of the spouse of the employee
- d. A lineal ascendant or descendent of the person
- e. A lineal ascendant or descendent of the spouse of the person
- f. A lineal descendant of the person referred to in paragraph (c)
- g. The uncle, aunt or cousin of the employee
- h. The son in-law or daughter in-law of the employee.

Section 4.0 ANTI-BRIBERY AND CORRUPTION

Any form of bribery and corruption is prohibited. All employees and any third party acting on the Company's behalf must not provide, offer or accept bribes, kickbacks, corrupt payments, facilitation payments, or inappropriate gifts, to Government Officials or any commercial person or entity, regardless of local practices or customs.

They must comply with all applicable anti-bribery laws and regulations, including, but not limited to, the Malaysian Anti-Corruption Commission Act (MACC Act 694-2009),

4.1 The MACC Act covers the following conduct:

- 4.1.1 giving and accepting gratification;
- 4.1.2 giving or accepting gratification by an agent;
- 4.1.3 corruptly procuring the withdrawal of a tender;
- 4.1.4 bribery of an officer of a public body;
- 4.1.5 bribery of foreign public officials;
- 4.1.6 using an office or position for gratification; and

4.1.7 dealing with, using, holding, receiving or concealing gratification or advantage in relation of any offence under the MACC Act.

4.2 The expression “gratification” under the MACC Act includes –

- 4.2.1 money, donation, gift, loan, property, financial benefit or other similar advantage;
- 4.2.2 any office, dignity, employment, contract of services; any payment, release or discharge of any loan, obligation or other liability;
- 4.2.3 any discount, commission, rebate, bonus or percentage;
- 4.2.4 any forbearance to demand any money or money’s worth or valuable thing;
- 4.2.5 any favor of any description, including protection from any penalty or proceedings of a disciplinary or criminal nature or forbearance from the exercise of any right, power or duty; and
- 4.2.6 any offer or promise of any gratification within the meaning of any of the preceding items.

Section 5.0 GIFTS AND ENTERTAINMENT

5.1 Payments to External Parties. Other than in the circumstances outlined in the Gifts and Entertainment section below, all employees are not allowed to directly or indirectly offer or make payments in cash or in kind to any party or person including but not limited to Government officials, business partners (e.g. suppliers and customers) or their spouses, dependents in an attempt to influence them in their business dealings.

5.2 Receipts by employees. Other than in the circumstances outlined in the Gifts and Entertainment section below, all employees and their spouses or dependents are not allowed to directly or indirectly solicit or accept payments, in cash or in kind, from any party or person having business dealings for the purpose of influencing individuals to confer benefits or reach favourable decisions.

5.3 Gifts. As a general rule, all employees shall not accept presents or gifts. However,

under certain circumstances, token gifts (not cash) in line with local custom and practice, are acceptable, (e.g. refusal may be taken as an offence by the giver) and the following guidelines apply:

5.3.1 All gifts received by the employees from the external parties must be declared and approved by MD.

5.3.2 Festive-related gifts are acceptable provided that the cost is reasonable, i.e. not more than RM300. However, it is advised that prior to the distribution of the gifts, the following must be examined:

- a. The recipient of the gift shall not be selective;
- b. Not an inducement and expecting preferential treatment of for future favours;
- c. All gifts received from external parties shall be informed to the MD.

5.4 Entertainment The Company recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a good way to network and build good business relationships.

5.5 However, it is important for employees to exercise proper judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard the Company reputation, but also to protect employees from allegations of impropriety or undue influence.

Section 6.0 POLITICAL AND CHARITABLE CONTRIBUTION

6.1 Employees shall not hold office in any political party but may be an ordinary member. Employees may hold office in a registered society if the same does not in any way interfere with the performance of his/her contract of employment. Employees shall not in the course of performance of his/her contract of employment promote the activity of such organization or society or political party.

6.2 The Company shall not make or offer monetary or in-kind of political contribution to any political parties, political parties' officials or candidates for political office. Contributions to charitable funds and bodies shall be made only with the written approval of the Managing Director.

6.3 Employees must comply with local laws concerning lobbying in the jurisdictions in which our Company engages in lobbying and must conduct themselves in a manner which is in accordance with local laws and consistent with the values and principles of the Code.

Section 7.0 PROTECTING THE COMPANY'S ASSETS, INFORMATION AND INTEREST

7.1 Information Communication Technology

All Company's computer and other information and communication technology ("ICT") facilities must be safeguarded against theft, damage and improper usage. The Company do not permit the usage of ICT facilities involving sensitive and illegal matters, infringement of intellectual property rights, unauthorised access and risking the integrity of the Company's facilities.

All employees must use the ICT facilities responsibly and primarily for the business purposes for which they are intended. The ICT facilities include access to the internet, intranet, email services and all other ICT hardware, software, systems and peripherals.

7.2 Confidentiality, Privacy and Protection of Company Assets

All employees must take measures to avoid unauthorized disclosure of any information particularly confidential and/or sensitive information or personal information to competitors, customers, suppliers or other third parties unless authorised by the Company. Confidential or proprietary

information obtained or received from third parties shall be protected and where appropriate their consent is obtained prior to dissemination of such information. In general any confidential, proprietary or personal information must not be disclosed or discussed outside the scope for which the information was provided.

All employees have an obligation to continue to preserve the confidential, proprietary and personal information even after the appointment / employment has ceased, unless disclosure is required by law or regulatory authority.

Employees shall not use the Company's building, vehicles, machinery, tools or appliances for any purpose other than for the Company's businesses and shall ensure that the Company's property is safe and secured. Any employees who has knowledge or is aware of any abuse is obligated to report it to the Management immediately failing which he/she may be considered a party to it. Misappropriation of assets owned by an employee, customer or supplier will not be tolerated. Any misappropriation shall be reported immediately and properly investigated. Appropriate disciplinary and/or legal action will be taken.

In recognizing the importance of respecting the privacy rights of individuals, all employees will be subjected to the provisions relating to protection of personal data (i.e. Malaysian Personal Data Protection Act 2010). Any breach of the PDPA act may result in penalties, legal action and negative publicity.

7.3 Intellectual Property

Intellectual property ("IP") is a property right derived from creations of the mind through intellectual or discovery efforts in industrial, scientific, literary and artistic fields which can be developed and protected. Examples of IP include patent, trademark, copyright, industrial design, trade secrets and know-how. In accounting or financial terms, it is regarded as an intangible asset.

If the Company acquire or develop any valuable IP rights, all employees have a responsibility to protect these assets.

IP rights shall belong to the Company on ideas, products, services or anything that our employees create or develop during the course of their employment (e.g. a report, advertising campaign, web pages, software, a product, service, process or concept, a brand, a song, etc.). The Company is entitled to the exclusive benefit of the works created and may require that the relevant employee to waive his/her rights to those works.

Section 8.0 PROCEDURAL MATTERS

8.1 Proper Documentation and Authorisation

The Company must ensure all business transactions are documented properly. Employees shall comply with the policies and standard operating procedures that are formalized. Shall there be any ambiguity, it must be referred to the Management for clarification or approval.

The Company has a Limit of Authority (LOA) in place to govern the authorizations required for its business operations. All employees are expected to be aware and comply with the LOA and shall not make any attempt to circumvent or bypass the authority limit.

However, where there is no policy or procedure to transact a particular matter, it shall be carried out based on the best business practice criteria, fully documented and duly authorized by the relevant HOD(s).

8.2 Whistleblowing

The Company encourages openness and transparency in its commitment for integrity and accountability. Employees who make report or disclose any

perceived bribery or corruption in good faith, without malicious intent will be accorded protection of confidentiality and against detrimental action to the extent reasonably practicable.

8.3 Records Retention

All employees and department is expected to know of the Company's record retention requirement based on the statutory requirements. .

Section 9.0 WORK PLACE AND SOCIETY ENGAGEMENT

9.1 Equal Opportunity and Workplace Diversity

The Company provides equal employment opportunity and anti-discrimination in the workplace. We strive to ensure employment opportunities do reflect gender, ethnicity and age of the Malaysian demographics.

9.2 Workplace Health & Safety

The Company strives to provide a safe and healthy work place. The Company and its employee will endeavor to prevent injuries at work besides encouraging healthy work ethics. This is achieved with continuous health and safety programs, implementation of safe work rules and regulations at sites.

9.3 Prevention & Eradication of Drug, Alcohol & Substance Abuse

The Company views all cases of illegal drugs or indulging in alcohol and other substance abuses at the workplace as a serious matter. Appropriate actions shall be instituted against anyone who presents to work under the influence of illegal substances or, possesses, distributes, or sells illegal drugs in the work place.

9.4 Energy Usage

As a responsible corporate citizen, care is taken to ensure an efficient use on all forms of energy consumption. Continuous effort in made on improving and commitment given to the principles of sustainable development. In embracing this principle, energy conservation, recovery and reuse is adopted for our business operation by:

- 9.4.1 Establishing the energy data base and developing indices for monitoring and control.
- 9.4.2 Identifying, evaluating and implementing feasible energy conservation opportunities.
- 9.4.3 Complying with the legal requirements and codes of practice on energy conservation and management.
- 9.4.4 Educating, training and creating awareness on energy conservation and management issues.
- 9.4.5 Ensuring energy efficiency is an integral part of all new business initiatives.
- 9.4.6 Promoting energy ownership across every facet of our organisation.

9.5 Corporate Social Responsibility (CSR)

The Code also requires the Company and its employees to participate in activities that can contribute to the society. We recognise the importance of balancing the various stakeholder's expectation and attempt to integrate its CSR activities as part of its business operations by:

- 9.5.1 developing and participating in community programs that can enhance the quality of life especially those related to healthcare, education, sports and the environment;
- 9.5.2 protecting the health and safety of all individuals affected by our activities by providing safe and healthy working environment;
- 9.5.3 actively managing the environmental impact in all our operations and activities.