



PETRONAS

PETRONAS
ECONOMIC
SANCTIONS AND
EXPORT CONTROL
POLICY &
GUIDELINES

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PART I - PETRONAS ECONOMIC SANCTIONS AND EXPORT CONTROL POLICY STATEMENT

POLICY STATEMENT

As a company with operations in various jurisdictions, PETRONAS Group Companies (“**PETRONAS**”) is subject to various international economic sanctions and export control regulations. Being a global player, PETRONAS observes good business conduct and is committed to adhere to relevant economic sanctions and export control regulations wherever it operates, guided by the PETRONAS Code of Conduct and Business Ethics (“**COBE**”).

The PETRONAS Economic Sanctions and Export Control Policy and Guidelines aims at putting forth:-

- i. PETRONAS's position in adhering to the applicable economic sanctions and export control regulations, which is consistent with international norms and standards;
- ii. principles and measures that PETRONAS adopts vis-à-vis economic sanctions and export control that include how PETRONAS identify, mitigate and manage economic sanctions risk in the jurisdiction where it operates;
- iii. the guidance on the application of economic sanctions and export control as reflected in the Guidelines; and
- iv. the consequences of failing to comply with the Policy and the economic sanctions and export control regulations as a whole.

PETRONAS requires all our employees and third party performing work for or on behalf of PETRONAS to strictly adhere to this Policy and Guidelines at all times.

PART II - PETRONAS

ECONOMIC SANCTIONS AND

EXPORT CONTROL

GUIDELINES

PETRONAS ECONOMIC SANCTIONS AND EXPORT CONTROL

GUIDELINES

1. SCOPE OF APPLICATION

This Policy and Guidelines are applicable to all PETRONAS employees and third party performing work for or on behalf of PETRONAS across all jurisdictions in which it operates and will extend to any additional jurisdictions where PETRONAS commences operations (“**Employees**”). Employees include persons employed by PETRONAS on a full-time, part-time, casual, contract, or volunteer basis, and shall include executive and non-executive members of the boards of directors.

The Policy and Guidelines are not intended to provide exhaustive commentary on the procedures that should be adopted in any individual case. If the laws in a particular jurisdiction conflicts with the present Policy, the local laws in the particular jurisdiction prevail.

2. GUIDING PRINCIPLES

The implementation of this Policy and Guidelines are guided by the following principles:

- **Adherence to international norms and standards**

PETRONAS respects and is committed to adhere to the applicable economic sanctions and export control regulations consistent with international norms and standards in the jurisdictions where it operates.

- **Screening of entities**

Where appropriate, PETRONAS exercises due care in the screening of individuals and other entities in which it transacts to ensure PETRONAS is not in breach of any economic sanctions and export control regulations.

Employees should diligently and systematically identify potential economic sanctions issues, including transactions with prohibited countries and the presence of persons in UN sanctions lists, the Specially Designated Nationals List (“**SDN List**”)¹ maintained by the U.S. Department of the Treasury’s Office of Foreign Assets Control, or other lists of sanctioned persons, throughout the life of a transaction or business relationship – particularly before

¹ Specially Designated Nationals List <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

accepting, authorizing or making payments of any kind. Screening should occur in particular each time PETRONAS's business enters into a new transaction or renews a transaction. It is a good practice to perform screening periodically during the life of the transaction.

- **Due care and diligence**

PETRONAS exercises due care and diligence in designing and refining business rules and processes to ensure that no transaction involves a potential breach of applicable economic sanctions and export control regulations.

- **Compliance Unit**

The Policy and Guidelines are maintained and revised by a competent compliance unit i.e. Corporate Governance and International Compliance Unit (“**CGIC**”) to ensure compliance with current requirements of applicable economic sanctions and export control regulations. CGIC will continuously monitor the Policy and Guidelines and provides relevant training and awareness sessions to its Employees.

PETRONAS undertakes that CGIC will constantly be abreast of and well equipped to handle inquiries and issues, internally or externally in respect of economic sanctions and export control regulations.

Owing to the nature and complexity of economic sanctions and export control which is likely to involve other relevant internal stakeholders, CGIC will be engaging and liaising with other relevant departments in PETRONAS

- **National authorities**

CGIC will communicate with national authorities as appropriate in the event of potentially prohibited activities and transactions.

3. ROLES AND RESPONSIBILITIES

- Read the Policy and Guidelines and understand your role in assisting PETRONAS to achieve its risk and compliance agenda;
- Comply with the principles set forth in the Policy and Guidelines;
- Attend all engagement and training sessions conducted by PETRONAS on economic sanctions and export control regulations; and

- Report any concerns or potential violations of economic sanctions and export control regulations, or any serious doubts or uncertainties, to respective legal department or CGIC immediately.

For further understanding on the application of economic sanctions and export control, please refer to the Supplement to Guidelines. Where necessary, additional Supplements to Guidelines may be introduced. Please note however that the Supplements to Guidelines are not intended to be exhaustive and may be amended from time to time.

Any inquiries in respect of any issues relating to economic sanctions and export control may be directed to your legal department or CGIC on a case to case basis.

4. BASIC CHECK-LIST VIS-À-VIS ECONOMIC SANCTIONS

I. Awareness of the law

Economic sanctions laws and regulations are constantly changing and evolving, and different jurisdictions have different restrictions. Which economic sanctions programs may be applicable, in addition to United Nations and Malaysian sanctions (applicable worldwide) may depend on factors such as the nationality of the counterparty, the location of performance and the PETRONAS entities involved, the currency of the transactions, the nature of the activities, and the nationalities of suppliers and other third parties relevant to a transaction. Further details of the application of a particular sanction regime may be obtained from the relevant authorities that administer and enforce the economic sanctions. When in doubt, please contact the respective legal department or the CGIC for any economic sanctions related questions.

II. Know Your Customer / Screen Transaction Parties

Conduct due diligence to verify the true identity of all parties, including counterparties to a transaction, and ensure that no parties to a transaction are intermediaries of or owned by a sanctioned country, entity or individual. All significant customers and vendors must be screened against the relevant sanctioned country lists under the applicable jurisdictions as well as the SDN List at the time of onboarding, and this includes any partner in a joint venture or investment.

III. Obtain contractual assurances

When entering into contract, it is a good business practice for PETRONAS to obtain contractual assurances to ensure that other parties to the transaction are not directly or indirectly linked or connected to sanctioned countries, entities or individuals and that no sanctioned party has a direct or indirect interest in the transaction.

IV. Operate with transparency

Do not conceal the real identity of any party to a transaction in order to evade sanctions. Under no circumstances may an employee or third party performing work for or on behalf of PETRONAS conduct its business in a manner so as to avoid sanctions obligations. Similarly, PETRONAS and its employees and third party performing work for or on behalf of PETRONAS are prohibited from advising customers on how transactions should be structured or presented to evade applicable sanctions. This includes, but is not limited to, advising customers and counterparties to amend their instructions to include details that may be false or misleading, changing or removing or omitting information from a transaction that would otherwise lead to detection.

V. Ask questions

Seek advice from your respective legal department or CGIC whenever you have concerns about the legality of a prospective transaction.

VI. Report possible concerns

Consult your respective legal department or CGIC immediately if you are asked to deal with sanctioned countries, entities or individuals.

5. BASIC CHECK-LIST VIS-À-VIS EXPORT CONTROL

I. Be aware of controlled goods

Only certain items are subject to export control. Most developed countries maintain a common list of “dual-use” controlled goods and technologies. In most cases, the original vendor would be able to provide information on whether particular items are subject to export controls, and the vendor may ask for assurances with regard to export controls when supplying an item. If you are involved in exporting goods

or technologies, you should understand which items are typically controlled and be aware of the need to examine whether licensure is required.

If you are unsure whether an item is subject to export controls, you must consult with your respective legal department or CGIC before proceeding. It is possible that you may require an authorization or license to export or re-export controlled items. If you are unsure whether a license or authorization is required, you must consult your respective legal department or CGIC before proceeding with the controlled item.

II. Identify which country's export controls apply

Typically, export control regulations include the country where the items or technology to be exported are located and the original country of origin – many goods that are controlled upon the original export remain controlled upon re-export from a third country.. You should identify which country's export control that apply as it gets more complicated when the item is re-exported.

If you are unsure about which country's export controls, if any, apply to an item, you must consult with your respective legal department or CGIC before proceeding with the goods. In the event an exporter is engaged, you must ensure your exporter is aware of the applicable export controls to your goods.

III. Comply with relevant export control whenever exporting or re-exporting controlled items.

Export controls can apply broadly almost anywhere and everywhere. For example, export control may apply even when you are transferring controlled items or disclosing controlled information within PETRONAS.

Before shipping any potentially controlled equipment or technical data, including in particular high-technology or specialized items, you should understand the export control regime(s) that may apply. You should be familiar with controls applicable to transactions typical for your function, and you should consult your respective legal department or CGIC in unfamiliar transactions. You must conduct sufficient diligence to understand the ultimate end-user and end use of any item or technology proposed to be exported; prohibited transactions

conducted through intermediaries are still prohibited. If export-controlled goods are being supplied to any third party, it is a good business practice to obtain contractual assurances that the recipient will abide by all applicable export controls.

6. CONSEQUENCES OF VIOLATING ECONOMIC SANCTIONS AND EXPORT CONTROL REGULATIONS

Violation of economic sanctions and export control regulations may result in serious consequences including:-

- i. serious legal and reputational consequences;
- ii. exposing PETRONAS to civil and criminal fines and loss of export privileges; the financial ramifications for violations may be significant should be taken seriously;
- iii. exposing individual employees / third party performing work for or on behalf of PETRONAS to civil penalties and even imprisonment;
- iv. affecting PETRONAS's banking relationships and financing activities which may potentially jeopardize its ability to transact business;
- v. severe reputational consequences for PETRONAS worldwide that may potentially cause other companies or third parties to be unwilling to deal with PETRONAS for fear of being penalized for dealing with PETRONAS.

7. MISCELLANEOUS

a) Oversight of the Policy and Guidelines

CGIC has the authority to interpret and apply this Policy and Guidelines, and if necessary assisted by external legal or compliance personnel. All PETRONAS Employees should familiarize themselves with the Policy and Guidelines particularly the provisions which are relevant to their functions.

b) Review

All activities and transactions which may potentially violate the applicable economic sanctions and export control regulations should be reviewed by the respective legal department or CGIC.

c) Reporting of issues

If at any time PETRONAS Employees have reason to believe that there may be or has been a significant risk of violation of applicable economic sanctions and export control regulations, they must immediately halt all ongoing activity, if any, and report the matter to respective legal department or CGIC. PETRONAS Employees should also discontinue all ongoing activity and notify the respective legal department or CGIC if they are unsure, for instance, whether economic sanctions may apply or the movement of controlled goods complies with relevant export controls.

d) Violations

Any violations or potential violations of any provision of the Policy and Guidelines, in part or in whole, will be investigated by the Management of PETRONAS. Any behavior that results to the violation of economic sanctions and export control regulations is against PETRONAS's policy and any Employee engaging in such activities or transactions should expect to face disciplinary action by PETRONAS. Action will be taken according to the nature, severity, and scope of the offense. In case of doubt, please contact your legal department or CGIC.

8. FURTHER GUIDANCE

The Policy and Guidelines are not intended to provide exhaustive answers to all questions or inquiries in respect of economic sanctions and export control. The Policy and Guidelines are intended to provide a general framework on PETRONAS's position when dealing with sanctions and export control issues.

Further details with respect to sanctions and export control are provided in the Supplement to Guidelines. Where necessary, additional Supplements to Guidelines may be introduced. Whilst the Supplements to Guidelines are by no means exhaustive, the purpose of the Supplements to Guidelines are to provide general understanding of the legal concepts and common issues that may arise vis-à-vis economic sanctions and export controls.

If you have any questions about the Policy or Guidelines or your responsibilities under the Policy or Guidelines, please contact your legal department or CGIC at sanctions@petronas.com.my

SUPPLEMENT TO GUIDELINES

(Please note that the content of this Supplement may not be exhaustive and intended to be informational only)

ECONOMIC SANCTIONS

From time to time, government and intergovernmental entities impose economic sanctions measures against certain countries, entities, and individuals to achieve a variety of foreign policy and national security objectives, or as a result of the decisions of international organizations such as the United Nations.



Economic sanctions are trade measures that restrict or prohibit the ability of persons to engage in specified economic activities with the sanctioned entity. They may restrict only certain types of transactions, such as arms sales, or prohibit all dealings altogether.

What are economic sanctions?

- i. **trade measures issued;**
- ii. **by an entity such as a sovereign state, an international organization or a supranational entity;**
- iii. **that restrict or prohibit the ability of persons to engage in specified economic activities with the targets of the sanctions.**

Economic sanctions are generally intended to:-

- i. encourage a change in the behavior of a country or regime, support enforcement when international peace and/or national security has been threatened and diplomatic efforts have failed, and to prevent and suppress activities related to terrorism;
- ii. deter and punish a range of activities such as international crime, nuclear development, terrorism, and abuses of fundamental human rights;

As an international oil and gas company with global operations and extensive presence on international financial markets, PETRONAS and its Employees must pay particular attention to sanctions laws and regulations in the United States and the European Union. U.S. and EU economic sanctions are particularly relevant given their role in the global economy.

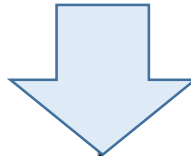
Employees must monitor PETRONAS transactions to comply with applicable economic sanctions regimes. The locations of the PETRONAS business and supporting activities are particularly important in determining which sanctions programs apply. For example, a PETRONAS entity organized under the laws of the United Kingdom must observe the UK and EU sanctions laws, whether it is the primary party to a contract or supporting another PETRONAS entity.

In many instances, a single transaction will be subject to the laws of more than one country. For example, goods sold or manufactured in one country may be resold from the inventory to a different country, and may be subject to the laws of both countries.

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ENFORCEMENT OF UN SANCTIONS

(UN Sanctions are implemented and enforced through national laws)



OVERVIEW

Application

- EU sanctions are only applicable to EU nationals regardless of where they are living or working, as well as companies incorporated in the European Union;
- Any person or entity doing business (either in whole or in part) within the territory of the European Union; and
- Activities taking place within the territory of the European Union.

Mere use of the Euro or the British pound does not generally subject PETRONAS to compliance with EU sanctions

Enforcement

Enforcement and interpretation of EU sanctions are not centralized. Some regulations are enforced by EU Member States some are enforced by the European Commission.



OVERVIEW

Application

The United Nations issues sanctions through the United Nations Security Council. UNSC sanctions apply to all Members of United Nations which include Malaysia.

Enforcement

The United Nations Charter gives power to the Security Council to take enforcement measures to maintain and restore international peace and security. Since all resolutions specifically on "international peace and security" are deemed binding upon all members of the United Nations.



OVERVIEW

Types

- Primary sanctions – sanctions which apply to U.S. persons or U.S. related activities
- Secondary sanctions – sanctions which apply to all other parties and activities without any link to the U.S.

Application

- Primary sanctions

Primary U.S. sanctions apply to U.S. persons and/or prohibited activities occurring in the U.S. or involving U.S. origin services and goods.

e.g. U.S. sanctions against Sudan, Russia and Myanmar.

Non-U.S. persons may perform the prohibited activity provided the activity does not have any U.S.-related element. This include:-

- Actions within the U.S.;
- Involvement of U.S. person in the decision making;
- Use of U.S. origin / services;
- U.S. dollar transactions cleared in the U.S.

- Secondary sanctions

Secondary sanctions target foreign companies not subject to U.S. jurisdiction that engage in certain targeted activity or with certain entity. These sanctions are called "secondary sanctions" because violations could result in the said foreign company itself becoming a sanctioned entity.

SANCTIONS REGIMES

A. U.S. SANCTIONS

The United States maintains economic sanctions for national security and foreign policy purposes against a number of third countries, entities and individuals. There are several key U.S. government agencies involved in administering and enforcing U.S. sanctions and these include the Office of Foreign Assets Control (“**OFAC**”) under the U.S. Department of the Treasury and the Department of Justice.

There are two types of sanctions administered by the U.S. namely:-

- i. **Primary sanctions** – sanctions which apply to U.S. persons or activities with a U.S. nexus.
- ii. **Secondary sanctions** – sanctions which apply foreign entities engaged in targeted activities not subject to U.S. jurisdiction.

You should consider both types of U.S. sanctions before entering into any transaction.

U.S. sanctions affect various countries in the world. Some sanctions affect transactions with targeted countries or territories based simply on their location (which may prohibit all transactions or impose some lesser degree of restriction) as well as specific sanctioned persons, while others are limited to activities linked to specific targeted entities or individuals. Countries and territories subject to territorial U.S. sanctions include Crimea, Cuba, Iran, Myanmar, North Korea, Sudan, and Syria. Other programs are list-based, although some such as Russia or Zimbabwe include prominent individuals or entities that are subject to sanctions that may affect many transactions in the country. Regardless of the program involved, U.S.-sanctioned persons may be located anywhere.

It is to be noted that the U.S. sanctions programs evolve rapidly and may be amended from time to time. In doubt, it is a good practice to verify the U.S. sanctions program directly from the OFAC’s website² or other related key U.S. government agencies website on a regular basis to ensure that your sanctions lists are current and that you have complete information regarding the latest restrictions affecting countries and parties with which you plan to do business.

² Office of Foreign Assets Control (OFAC) <https://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>

A.1 WHO AND WHAT IS SUBJECT TO U.S. SANCTIONS LAWS?

Primary Sanctions

“Primary” sanctions administered by OFAC apply to persons and activities within U.S. jurisdiction. The presence of any of the following elements may bring an activity within U.S. jurisdiction:

- U.S. persons, including all U.S. citizens and permanent residents, wherever located, and non-U.S. persons when they are located in the United States;
- Activities occurring within the U.S.;
- Transactions involving U.S. dollar payments clearing through the international financial system, regardless of the nationality of the parties involved or where the payments take place; and
- Transactions involving goods or services procured in the United States for purposes of the transaction.

Note: U.S. persons include all legal entities organized under U.S. laws, non-U.S. entities with a branch or office in the United States, and a U.S. entity's non-U.S. office or branch if it is not a separate legal entity (and, in the case of transactions involving Cuba, entities owned or controlled by U.S. persons or entities)

If a transaction falls within U.S. jurisdiction, you should be particularly alert to the following types of transactions, which could violate U.S. sanctions laws and subject PETRONAS to penalties:

- Transactions with countries or territories subject to complete or partial territorial sanctions (currently, Crimea, Cuba, Iran, Sudan, or Syria), entities controlled by their governments, or persons or entities located or resident³ in those countries or territories, whether or not they are on the SDN List;
- Transactions with persons listed on U.S. sanctions lists, their 50% or greater direct or indirect subsidiaries⁴, ; and

³ In the case of Cuba, sanctions also apply to Cuban citizens located or resident outside of Cuba.

⁴ Transaction with entities owned 50% or more by one or more SDNs are also sanctioned, whether or not that entity is separately listed.

- Transactions with intermediaries and other third parties acting on behalf of sanctioned persons and entities described above.

Notwithstanding the limitations on jurisdiction above, PETRONAS Employees should be vigilant to the following types of transactions which could potentially expose PETRONAS to operational and reputational risk and penalties regardless of whether there is any U.S. nexus:-

- Transactions with countries subject to comprehensive U.S. territorial sanctions, entities controlled by their governments, or persons or entities located or resident in those countries;
- Transactions with U.S.-listed-sanctioned persons and entities controlled by them through a chain of subsidiaries owned 50% or more; and
- Transactions with intermediaries and other third parties acting on behalf of sanctioned persons and entities.

Secondary Sanctions

In addition to primary sanctions, the United States maintains secondary sanctions, which target non-U.S. persons and companies that engage in certain targeted activity outside U.S. jurisdiction. These sanctions presently apply primarily in Iran and, to a lesser extent, Syria and Cuba, but they are an increasingly frequent tool.

These sanctions are called “secondary sanctions” because they do not involve direct enforcement action; rather, persons engaged in targeted activities might themselves be sanctioned by the United States.

For many years, the majority of U.S. secondary sanctions have targeted dealings with Iran. However, pursuant to the Joint Plan of Comprehensive Action, (the “**JCPOA**”), the P5+1 powers (comprised of the United States, United Kingdom, China, France, Russia, and Germany) agreed to ease sanctions on Iran in return for restrictions on Iran’s nuclear program. The relief provided under the JCPOA took effect on January 16, 2016. The JCPOA eased, but did not eliminate, U.S. secondary sanctions focused on Iran.

Example of U.S. Sanctions Program: The JCPOA and Current Sanctions against Iran

Pursuant to the JCPOA, the majority of U.S. secondary sanctions against Iran have been terminated, including sanctions related to Iran’s oil, gas and petrochemical sectors, as have most EU and UN sanctions. In particular, secondary sanctions targeting dealings with the Iranian energy sector and most (but not all) Iranian financial institutions have been lifted. Importantly, OFAC sanctions against Iran remain in place, meaning all transactions involving Iran within U.S. jurisdiction are prohibited. In addition, while the EU has lifted general restrictions and prohibitions

on dealing with Iran, it still maintains a list of sanctioned Iranian persons and entities.

In addition, important secondary sanctions remain in place. Although a substantial number of Iranian persons and entities have been removed from the SDN List, non-U.S. persons and entities remain exposed to secondary sanctions if they knowingly engage in a significant transaction with any remaining SDN in Iran or any SDN outside of Iran designated in connection with Iranian WMD or terrorism activities or the Iranian Revolutionary Guard Corps. As a result, Employees should continue to screen Iranian counterparties against the SDN List. Similarly, the secondary sanctions program against "Foreign Sanctions Evaders" remains in place, and transactions that conceal any interest of a U.S.-sanctioned Iranian or Syrian person in the transaction may result in sanctions (even if the transaction itself does not violate sanctions). For further details on Iran sanctions, please consult your legal department or CGIC.

A.2 PENALTIES FOR VIOLATING U.S. SANCTIONS

U.S. sanctions are administered and enforced through series of laws, regulations and executive orders that impose economic and trade sanctions by different key U.S. government agencies. The three most prominent federal statutes are the International Emergency Economic Powers Act, the Trading with the Enemy Act and the Antiterrorism and Effective Death Penalty Act.

Generally, penalties for violating U.S. sanctions include:-

- **CIVIL / FINANCIAL PENALTIES**
- **REPUTATIONAL DAMAGE**
- **CRIMINAL PENALTIES**

The fines for violations can be substantial. Depending on the program, criminal penalties for willful violations can include fines ranging up to \$20 million and imprisonment of up to 30 years. Similarly, depending on the sanctions program, civil penalties range from \$250,000 or twice the amount of each impermissible transaction to \$1,075,000 for each violation.

Sanctions violations and penalties are often widely publicized; missteps can therefore have a lasting negative impact on a company's reputation and reduce profitability and shareholder value. Most violations are also calculated per transaction which violates a specific law.

Violations of secondary sanctions can result in a variety of consequences, ranging from restrictions on U.S. financial activities up to and including a complete freeze of property and ban on transactions within U.S. jurisdiction.

Example:-

E.g. Under the U.S. International Emergency Economic Powers Act, a civil penalty may be imposed for a violation of U.S. sanctions in an amount not to exceed the greater of USD 250, 000 or an amount twice the amount of the impermissible transaction.

The Act also imposes criminal penalties up to USD1 million with a maximum jail sentence of 20 years

B. EU SANCTIONS

I. Who/What is subject to EU sanctions laws?

European Union (“EU”) sanctions do not apply to everyone on a worldwide basis. The following persons and activities are subject to EU sanctions:

- EU nationals regardless of where they are living or working, as well as companies incorporated in the European Union;
- Any person or entity doing business (either in whole or in part) within the territory of the European Union; and
- Activities taking place within the territory of the European Union.

Any EU citizen working for PETRONAS is prohibited from participating in or approving any transaction directly or indirectly involving a person or entity subject to EU sanctions.

II. Overview of EU Sanctions

EU financial sanctions generally target individuals or entities that are linked to conduct that the EU opposes or seeks to discourage. Both the designated countries and designated persons and entities change regularly, so it is important to keep up to date.

In general, EU sanctions tend to be narrower than U.S. sanctions and to focus on particular activities (e.g., arms sales) or listed individuals and entities rather than countries or governments as a whole. EU sanctions are implemented and

enforced by individual EU Member States, which may result in uneven interpretation and enforcement of sanctions regulations.

As discussed above, PETRONAS employees must take the appropriate steps to verify the identities of parties to a transaction and whether any parties are acting as intermediaries for EU-sanctioned parties.

C. UNITED NATIONS SANCTIONS

PETRONAS strictly adheres to UN sanctions, particularly given that PETRONAS is a representative of Malaysia, a UN member state. Chapter VII of the United Nations Charter empowers the Security Council to take enforcement measures to maintain and restore international peace and security, and all resolutions specifically on “international peace and security” are deemed binding upon all members of the United Nations.

The United Nations Security Council can impose a broad range of sanctions which can entail measures such as travel bans, asset freezes, financial restrictions, and diplomatic sanctions. The Compendium of United Nations Security Council Sanctions Lists is located at <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>. The sanctioned entities included in these lists are subject to the relevant measure(s) imposed by the United Nations Security Council, and all United Nations member states are required to implement these measures in connection with listed sanctioned entities. However, the mechanisms of implementation and enforcement are matters of national law.

D. MALAYSIAN SANCTIONS

Malaysia does not maintain an autonomous sanctions regime. However, Malaysia enforces sanctions implemented by the United Nations, and these sanctions apply to all PETRONAS Employees and third party performing work for or on behalf of PETRONAS wherever they are located. PETRONAS shall not deal directly or indirectly with any person or entity listed on any UN sanctions list.

E. OTHER ECONOMIC SANCTIONS

In the event there are other economic sanctions relevant to the global economy, the Policy and Guidelines will be enhanced accordingly in accordance with PETRONAS Limits of Authority (“LOA”).

EXPORT CONTROLS

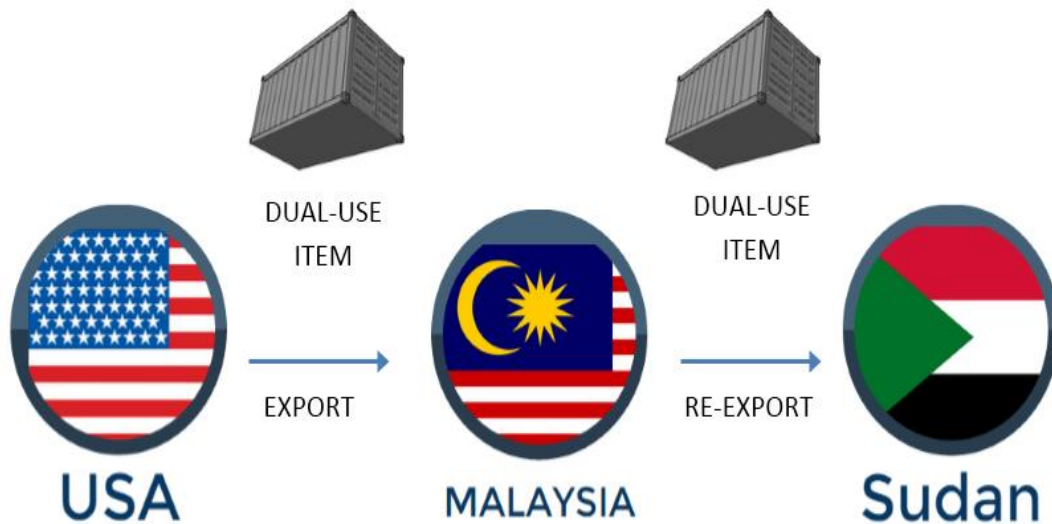
Export controls limit the transfer of goods and technologies between countries and, in some cases, persons of different nationalities. The relevant export controls may apply to the origin of the items (e.g. the item is produced in the United States) or items located in a specific jurisdiction (e.g. made-in-China products located in Germany). In addition, export controls generally do not depend on the nationality of the exporter. In general, economic sanctions regulate who may deal with whom, and export controls regulate what may be sent where.

Many jurisdictions, most notably the Organisation for Economic Co-operation and Development (OECD) member states, have imposed export controls. Pursuant to the Strategic Trade Act 2010, Malaysia regulates the export of dual-use goods and technologies.

Many goods are not subject to export controls (except to the extent that economic sanctions prohibit all transactions with a particular destination). However, it is important to be aware when one is dealing with controlled goods or technologies. Information about export restrictions can usually be obtained from the supplier or manufacturer.

Export controls also apply more broadly and may be intuitive. Export controls may apply to the export (shipment from the country of manufacture to another country), re-export (shipment from one destination country to another), and transfer (transfer to a different user within a country) of goods and technology. They may also apply even though no sale or transfer to a third party was made; PETRONAS's physically moving goods across a border is enough. Finally, technical information may be "exported" with no physical transfer at all if the information is imparted to a national of a different country.

Precisely what restrictions apply depend on the nature of the goods and technologies, the countries involved, and in some cases the end user or end use for which the goods are intended.



In the above diagram, U.S. export control laws apply to the dual-use item being exported to Malaysia. Depending on the classification of the item, the proper license is required to be obtained before the item is exported (unless the item is exempted from license) to Malaysia.

Once the item reaches the intended Malaysian port and is ready to be shipped to Sudan, the exporter must check *if the same dual-use item is covered under Malaysian export control laws*. At the same time, the exporter must also check *if a corresponding U.S. license for re-exportation of the item has been obtained*.

The mere fact that the Malaysian export license is obtained for the exportation of the dual-use item to Sudan does not exempt the application of U.S. export license and vice versa. Also, U.S. export control license requirements vary by country – requirements for Malaysia are less stringent than the requirements for Sudan.

The case above illustrates the importance of conducting proper diligence when exporting controlled items to different countries as export control laws vary by country.