
	STANDARD OPERATING PROCEDURE	Document Number BAB-CORF-COE-HUR- GDL-0001	Revision A1	Page 1 of 7
Title :	CODE OF ETHICS		Date : 01 Jan 2017	

CODE OF ETHICS




BUMIARMADA

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 BUMIARMADA	STANDARD OPERATING PROCEDURE	Document Number BAB-CORF-COE-HUR- GDL-0001	Revision A1	Page 2 of 7
Title :	CODE OF ETHICS		Date : 01 Jan 2017	

CONTENTS

1.0	INTRODUCTORY MESSAGE TO EMPLOYEE AND BUSINESS ASSOCIATES	3
2.0	BUSINESS ETHICS POLICY	4
3.0	CONFLICT OF INTEREST POLICY.....	5
4.0	GIFTS AND ENTERTAINMENT POLICY.....	7

 BUMIARMADA	STANDARD OPERATING PROCEDURE	Document Number BAB-CORF-COE-HUR- GDL-0001	Revision A1	Page 3 of 7
Title :	CODE OF ETHICS		Date : 01 Jan 2017	

1.0 INTRODUCTORY MESSAGE TO EMPLOYEE AND BUSINESS ASSOCIATES


In building an organization of TRUST, we have a strong commitment, individually and collectively to conduct our business and activities ethically, demonstrate integrity in our behaviours and maintain an outstanding level of corporate governance. Our reputation and ability to do business each day with the Group, with Governmental authorities and their agencies, contractors, associates, partners, suppliers and customers for long-term sustainability depends highly on trust. Our shareholders ultimately demand and value this commitment, which forms the cornerstone of building integrity in Bumi Armada Berhad Group of companies (BAGC).

It is our code of conduct, which must be followed by every individual in BAGC. It is a set of mandatory rules, which outlines standards to which we must all comply within our business dealings. It is also a practical guide, which helps you decide what to do if you encounter a situation where you may be unsure of what to do, or concerned about. As an employee and/or a leader, you must:

- read and understand the code;
- demonstrate visibly that you conduct your business affairs;
- support the efforts of your compliance and ethics leaders in making the code a part of your day-to-day activities of your team;
- make sure that each member of your team receives a copy of the code; and
- discuss the code with your team and satisfy yourself that they understand it.

As leaders, you will be evaluated on your effectiveness in acting as role models and taking proactive steps to ensure that a culture of compliance with the code is supported, encouraged and integrated into every aspect of your organization. This includes monitoring your team's compliance with the code and ensuring its consistent enforcement. The code will only mean something if everyone is committed to living by and implementing its requirements. That includes speaking up if one should find that any part of the code is compromised in some way or another. By applying the code we will demonstrate that we are a group united by strong values and a group, which we are proud to be a part of. To strive for a mutually beneficial relationship based upon the highest standards of ethical business behavior, we request your commitment and participation in preserving the transparency and integrity of our business conduct. All employees are required to submit a declaration form as per Appendix I to acknowledge their compliance with our Code of Ethics. Thank you for your part in the development and implementation of this important step.

LEON HARLAND
Executive Director / Chief Executive Officer

 BUMIARMADA	STANDARD OPERATING PROCEDURE	Document Number BAB-CORF-COE-HUR- GDL-0001	Revision A1	Page 4 of 7
Title :	CODE OF ETHICS		Date : 01 Jan 2017	

2.0 BUSINESS ETHICS POLICY

The preamble of this policy outlines the scope of implementation, monitoring and enforcement in the following areas:

i. Law

Employees and business associates have a duty to be informed of any laws relevant to their particular activities. In any case or if in doubt, issues that may be deemed legal in nature should seek the consultation of BAB Legal Department. However, mere compliance with laws may not always constitute ethical business behavior. BAB's goal is to achieve a standard that goes beyond this and may include avoiding the use of less than stringent enforcement regulations that may pose as an advantage to BAB's business dealings.

ii. Integrity In Business Dealings

It is recognized that employees will have interactions with person or persons within the organization and non-staff, which includes government officials, customers, suppliers and members of the community. In so doing, every employee must demonstrate sound ethical judgment in these interactions by following established standards set by each department.

iii. Record Keeping

Apart from good practice, the policy requires the keeping of records and accounts that accurately reflect business transactions and management of Group assets and resources. This is both at an individual and department level.

iv. Illegal Or Questionable Payments


This policy prohibits illegal payments or any other payments that could be deemed illegal that may risk violating our standards of business conduct. This includes entertaining any entitled or solicited claims from any parties including contractors and vendors, which are directly or indirectly related to any business transaction.

v. Failure to comply

These standards are non-negotiable and breaches of any standards either wholly or partly may constitute a serious misconduct that could be subjected to termination of employment without notice.

vi. Scope and applicability

This policy is applicable to all employees of Bumi Armada Berhad Group and its **Competitors, Contractors, Suppliers or Customers.**

 BUMIARMADA	STANDARD OPERATING PROCEDURE	Document Number BAB-CORF-COE-HUR- GDL-0001	Revision A1	Page 5 of 7
Title :	CODE OF ETHICS		Date : 01 Jan 2017	

3.0 CONFLICT OF INTEREST POLICY

This policy intends that every employee is obligated under the nature of employment, to place the company's interest priority at all times. This means that any personal interest should not be entertained in any dealings with third parties such as contractors, suppliers, customers and others doing or seeking to do business with BAB and should not raise any conflict with the interest of the Company. The following guidelines must be strictly followed to avoid conflict of interest.

What is meant by "conflict"? Conflict is deemed to exist when a person's activities on behalf of the Company cause him or her, or another party to obtain an improper gain or advantage regardless of whether such gain or advantage is negligible or seems to be negligible in nature to the Company's interests


i. Outside Business

The employment terms and conditions prohibits regular full-time BAB employees from holding any form of employment which is outside the scope of normal work except under the following conditions:

- 1.1 does not in anyway interfere or conflicts the full and faithful discharge of duties to the BAB Group.
- 1.2 where written notification to the employee's superior assuring that it does not have any conflict of interest with BAB Group's businesses is sanctioned by the superior.
- 1.3 where written consent is provided by BAB Group's Management.
- 1.4 where the use of the Company's time, facilities, equipment or supplies, prestige or influence of position does not seem to disadvantage the Company in any way whatsoever.

ii. Competitors, Contractors, Suppliers or Customers


Employees are prohibited to participate, either directly or indirectly, in a business that is a competitor, supplier, contractor or customer of BAB. Contractors and vendors are therefore prohibited from offering or enticing to offer any employment posts to BAB employees during their course of employment with the Company.

 BUMIARMADA	STANDARD OPERATING PROCEDURE	Document Number BAB-CORF-COE-HUR- GDL-0001	Revision A1	Page 6 of 7
Title :	CODE OF ETHICS		Date : 01 Jan 2017	

iii. Confidential Information

Any information whether commercial, or technical or which is deemed sensitive in nature or which may either directly or indirectly impact the Company's reputation is strictly prohibited from being divulged to any party whatsoever. Employees must exert diligence when dealing with information of the Company.

Any external party may not at any time ask or entice BAB employees to provide or release confidential/proprietary information, and should protect the confidentiality of information to which they have access in the normal course of carrying out their business relationship with BAB. (Each employee must sign a confidentiality agreement).

 BUMIARMADA	STANDARD OPERATING PROCEDURE	Document Number BAB-CORF-COE-HUR- GDL-0001	Revision A1	Page 7 of 7
Title :	CODE OF ETHICS		Date : 01 Jan 2017	

4.0 GIFTS AND ENTERTAINMENT POLICY

These are areas where sound ethical judgment is crucial in ensuring there is no breach of policy or risk of such breach:

i. Cash Gifts

Acceptance of cash gifts by BAB employees is not allowed at any time or in form.

ii. Non-Cash Gifts

Non-cash gifts to BAB employees are generally not allowed. However, where it may be customary in certain situations to accept gifts of such nature, a limited value of not more than RM50.00 per item may be allowed provided the employee has raised the matter with his superior and/or management and gained approval.

iii. Commissions etc

Gifts in the form of commissions, share in profits, gift certificates, travel or other payments, loans or advances; materials, services, repairs or improvements at no cost or unreasonably low prices; gifts of merchandise of more than nominal value are strictly prohibited.

iv. Entertainment

Entertainment must have a clear business purpose, must not be extravagant and must be capable of being reciprocated by BAB employees and should be infrequent.

v. Accurate Records

All involved persons should keep accurate, auditable records of any gifts or entertainment that has been received.

Sound and sensitive judgment must guide decisions about gifts and entertainment. BAB's basic policy is: **"if it is reasonably foreseeable that an act or omission may constitute, either directly or indirectly, a risk to the reputation of the company, then it is a matter that should be avoided altogether or raised at the appropriate levels as basic obligatory actions"**.