

APPENDIX 1



SUPPLIER CODE OF BUSINESS ETHICS AND CONDUCT (SUPPLIER COBE)

for VEB Group contractors, sub-contractors, suppliers, vendors, consultants, agents,
representatives and others

Table of Contents

1. INTRODUCTION	3
2. LAWS & REGULATIONS	3
3. VELESTO ENERGY BERHAD CORE VALUES (iLEAP)	3
4. BUSINESS ETHICS & CONDUCT	4
4.1. Solicitation, Bribery & Corruption	4
4.2. Public Officials	5
4.3. Social Media / Information Technology & Systems	5
4.4. Substance Misuse (Drug & Alcohol Abuse)	6
4.5. Money Laundering	6
4.6. Vendor Integrity Pledge (VIP)	6
5. VEB GROUP'S INTEGRITY & GOVERNANCE UNIT (IGU)	6

1. INTRODUCTION

Velesto Energy Berhad (VEB) Group is a multinational provider of drilling and oilfield services for the upstream sector of the oil and gas industry. We will continue to focus on building on the strengths of our core business as well as enlarging these strengths in the global arena to further tap into international opportunities.

Our vision is to be a leading player in the oil and gas industry, operating both domestically and globally, supported by proven track records, true spirit, quality services and healthy growth potential. We do this by inspiring vibrant ideas, nurturing potential, pioneering partnerships and delivering excellence in everything we do - the rewards of which contribute to the progress and well-being of all our stakeholders.

Our employees are guided by the Code of Business Ethics and Conduct (CoBE) in conducting our business. The CoBE is driven by our values and the highest standard of business ethics. The VEB Group's name and reputation are ultimately driven by our decisions and actions taken daily.

We recognise that contractors, sub-contractors, suppliers, vendors, consultants, agents, representatives and others play a crucial role in partnering with us to achieve our objectives. Therefore, we are now extending our CoBE to all our suppliers. We expect that contractors, sub-contractors, suppliers, vendors, consultants, agents, representatives and others performing work or services for or on behalf of VEB Group will familiarise with our core values and comply with the relevant parts of the CoBE when performing such work or services. Failure to comply may result in the termination of the non-complying party's relationship with VEB Group and other adverse consequences.

Therefore, we are introducing Supplier CoBE to be adopted by our suppliers in line with the Company Code of Conduct.

2. LAWS & REGULATIONS

We pride ourselves as a responsible corporate citizen who respects and observes the laws of the country wherever our business operates. Such compliance includes rules and regulations which are currently in force.

3. VELESTO ENERGY BERHAD CORE VALUES (iLEAP)

Our employees endeavour to uphold the Velesto Energy Berhad brand, which in essence, is our identity and image. The Velesto Energy Berhad brand should be reflected in the way our employees conduct themselves at work. It should permeate at every point of interaction our employees have with each other and the public.

Our employees shall be guided by our core value (iLEAP) that brings the Velesto Energy Berhad brand to life through behaviour, visual expression, tone and manner.

(i) Integrity

We **do the right things** at all times.

We act with **honesty** and adhere to the highest standards of moral and **ethical** values.

We are **accountable, open** and **responsible** in all that we do.

We earn people's **trust**.

(L) Leadership

We inspire to be the leader in our business.

We support and encourage our people to become a competent and recognised team in the industry.

We embrace **humility, clear communication, teamwork** and **respect**.

We **lead by example**.

(E) Excellence

We are **passionate** to do our best to exceed expectations.

We are **committed, disciplined** and **focused** to achieve excellence in everything we do.

We oblige **safety** as our utmost priority.

We continuously identify and innovate better ways to improve our own targets and beyond what people and **customers** expect of us.

We deliver value through performance, innovation and service **quality**.

(A) Agility

We are **strong** and committed to our objectives, and are able to **adapt to changes**.

We are **willing** to improve ourselves and our company.

We are **proactive** to create new and better ways to address challenges.

We are **resilient** and **committed** to create value.

(P) People- Focused

We **care** for our people who are the greatest assets to our organisation.

We **respect** and value the diversity of our people and their opinions.

We recognise the efforts and achievements; **appreciating and rewarding** our people when they do good things and **guide them** to improve when they perform below expectations.

We work as a **team**, respecting and supporting each other.

4. BUSINESS ETHICS & CONDUCT**4.1. Solicitation, Bribery & Corruption**

VEB Group strictly prohibits fraud and will take stern action against contractors, sub-contractors, suppliers, vendors, consultants, agents, representatives and others found to have committed acts of fraud. Stern actions may include suspension and blacklisting.

a) Fraud includes, but not limited to, the following:

b) Bribery and corruption;

c) Acts of dishonesty or misrepresentation;

d) Fraudulent acts;

e) Forgery of documents;

f) Misappropriation of funds;

g) Misuse of VEB Group's assets.

Contractors, sub-contractors, suppliers, vendors, consultants, agents, representatives and others shall not in any form or manner offer on behalf of VEB Group or receive offers of graft or bribe.

VEB Group will not tolerate solicitation, bribery and corruption and is committed to behaving professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. All deeds defined as “corrupt act” under the relevant laws in the jurisdictions where we operate will be adopted by VEB Group in its definition of “corrupt act”.

You shall confirm that the relevant party you engage on behalf of VEB Group or in relation to VEB Group’s affairs or business understands and accepts VEB Group’s policy prohibiting improper solicitation, bribery and corruption.

4.2. Public Officials

VEB Group prohibits the giving of entertainment of gifts that are illegal, unduly dangerous, indecent, sexually-oriented, inconsistent with VEB Group’s commitment to its core values or to improperly influence someone to act in favour or against VEB Group.

You must comply with local laws concerning lobbying in any jurisdiction in which VEB Group operates.

Contractors, sub-contractors, suppliers, vendors, consultants, agents, representatives and others dealing with government officials on VEB Group’s behalf must be evaluated and informed of the provisions of this Supplier CoBE relating to restrictions on bribery and gifts to public officials.

For the purpose of this Supplier CoBE, the term “government official” includes candidates for public office, officials of any political party and officials of state-owned enterprises.

4.3. Social Media / Information Technology & Systems

You must not upload, download, send or otherwise access or store pornography or other indecent or offensive material using VEB Group’s premises, equipment or systems. Sending or forwarding obscene, libellous, defamatory, offensive or racist remarks is strictly prohibited.

You must not send personal emails using VEB Group’s e-stationery or displaying VEB Group’s headers or footers, or otherwise suggesting that such communications are authorised by VEB Group.

You shall not use VEB Group’s IT systems to:

- Conduct fraud;
- View, download, copy, illegally share, process or post information in a way that infringes the relevant content provider’s intellectual property rights;
- Send chain letters, make solicitations for money or gifts, for charitable fundraising campaigns, political advocacy efforts, religious efforts or private non-VEB Group commercial purposes;
- Commit “cybercrime”, such as spam attacks, hacking, IT sabotage, spying, and creating or sending viruses;
- Send malicious runout or transmit derogatory or indecent materials;
- Engage in activities that could damage VEB Group’s business or reputation.

You must safeguard passwords and other means of shielding VEB Group’s information systems from unauthorised access.

Contractors, sub-contractors, suppliers, vendors, consultants, agents, representatives and others authorised by VEB Group to use VEB Group’s IT systems must comply with its policies and procedures in effect from time to time.

4.4. Substance Misuse (Drug & Alcohol Abuse)

Dependency on drugs and illegal substance without a legal prescription and/or consumed beyond its therapeutic or prescribed use is an act of crime. Stern action shall be taken on Contractors, sub-contractors, suppliers, vendors, consultants, agents, representatives and others who are found to be involved in substance abuse.

You are required to demonstrate that substance misuse control programs are part of your HSE management to ensure substance misuse among your employees is adequately controlled and meet VEB Group's standards.

4.5. Money Laundering

VEB Group prohibits any practices related to money laundering, including dealing in the proceeds of criminal's activities.

You are required to ensure your business operation and your business associates operates with legal and legitimate business and not from illegal source. You are expected to always conduct counterparty due diligence to understand the business and background of prospective business associates and to determine the origin and destination of money, property and services.

4.6. Vendor Integrity Pledge (VIP)

Vendor Integrity Pledge is an initiative by VELESTO to promote high standards of governance in the oil and gas sector.

VEB Group fully subscribes to VELESTO' objective and will require contractors, sub-contractors, suppliers, vendors, consultants, agents, representatives and others to sign and subscribe to the pledge before doing business with VEB Group. You shall abide by the pledge in the course of your relationship with VEB Group.

5. VEB GROUP'S INTEGRITY & GOVERNANCE UNIT (IGU)

In promoting the highest level of professionalism and ethics in the conduct of VEB Group's business, it is the Group's policy to welcome disclosures of suspected wrongdoings that include mismanagement, malpractices, corrupt practices, fraud, conflict of interest, abuse of authority or breach of any laws and regulations.

We assure whistle-blowers are accorded with the necessary protection and that they will not be at risk of any form of retribution. We further assure whistle-blowers that their identities are kept strictly confidential and that we prohibit any form of retaliatory or discriminatory actions against them for raising the alarm.

We will take stern action against anyone who discloses the identities of whistle-blowers or takes retaliatory actions against them.

If you wish to whistle-blow any suspected wrongdoing, you may disclose to Head, Integrity & Governance Unit:

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