
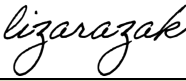







POLICY

ANTI-BRIBERY AND CORRUPTION

VEB/IG/L1-POL/02	
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<i>Approved by:</i>	
BOARD OF DIRECTORS	Board of Directors Meeting on 25/09/2020
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<h2>REVISION SUMMARY</h2>

Date	Revision	Description of Revision	Prepared	Reviewed	Approved
25/04/2022	01	Update on new President's name and signature	Mohammad Hafiz Saparani	Megat Zariman Abdul Rahim Nor Liza Haryati Abd Razak Lee Mi Ryoung	Board of Directors
25/09/2020	00	New issue	Mohammad Hafiz Saparani	Rohaizad Darus Maryam Salwaana Kamal Lee Mi Ryoung	Board of Directors



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1.0 SCOPE AND PURPOSE

The Anti-Bribery and Corruption Policy (“ABC Policy” or “the Policy”) covers Velesto Energy Berhad (“Velesto” or “Company”) and its subsidiaries (“Velesto Group” or “the Group”), Board of Directors, employees and Business Associates.

This policy strongly prohibits employees and the Board of Velesto Group from committing a corrupt act. It outlines Velesto Group’s commitment to conduct its business in accordance with all applicable laws, rules and regulations with the highest ethical standards. This commitment is embodied in Velesto Group’s Code of Conduct and Business Ethics. It iterates commitment to full compliance by Velesto Group to the Malaysian Anti-Corruption Commission Act 2009 (MACC) and any supplements thereto similar acts in relation to countering bribery and corruption.


2.0 REFERENCES

- Malaysian Anti-Corruption Commission Act 2009 and any supplements thereto.
- Velesto Code of Conduct and Business Ethics.


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3.0 DEFINITIONS AND ABBREVIATIONS

- 3.1 Any other person** Individual engaged by the company as consultants, service providers, contractors, vendors, suppliers including the general public.
- 3.2 Board** Board of Directors of Velesto and/or Board of Velesto's subsidiary company.
- 3.3 Bribery/ Corruption** Any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 ("MACCA"). In practice, it refers to the offering, giving, receiving or soliciting, directly or indirectly, anything of value or gratification to influence improperly the actions of another party.
- 3.4 Business Associate(s)** Refers to contractors, sub-contractors, advisors, vendors, suppliers, agents, consultants, joint venture partners, firm, company and etc. that had, has or intend to conduct business relations, transactions, dealings or activities with Velesto Group.
- 3.5 CoBE** Code of Business Conduct & Ethics
- 3.6 Gratification** "Gratification" is defined in the MACCA as follows:
- a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property, being in any description whether movable or immovable, financial benefit, or any other similar advantage;
 - b) Any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
 - c) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
 - d) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
 - e) Any forbearance to demand any money or money's worth or valuable thing;
 - f) Any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
 - g) Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).
- 3.7 Employee** Personnel employed by the Velesto Group, either on permanent or temporary basis, contract terms and personnel on secondment, including Senior Management.
- 3.8 Facilitation Payment** Payment made to secure or expedite the performance of activities or processes by a person performing a routine or administrative duty or function.
- 3.9 Misconduct** The failure to observe the Velesto's CoBE, laws and regulations, Velesto Group's policies and procedures including this Policy and all other duties of employment either expressed or implied.

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- 3.10 Money Laundering** Money laundering is a generic term used to describe any process that conceals the origin or derivation of the proceeds of crime so that the proceeds appear to be derived from a legitimate source.
- 3.11 Senior Management** Refers to the President, President's direct reports or Head of Divisions (HOD).
- 3.12 Third party(ies)** Refers to clients, contractors, vendors, suppliers, agents, consultants, joint venture partners, Business Associates, company and etc.
- 3.13 Wrongdoings** Contravention of laws and regulations, non-compliance of the Velesto Group's policies and procedures, unlawful or unethical conducts, corruptions, financial malpractices or an act that would endanger the safety and health of the employees and Board, the public and/or the environment.
- 3.14 Retaliation** Misconduct and any detrimental act, direct or indirect, recommended, threatened or taken against a Whistle Blower or witness because of the person's report or cooperation in the investigation.
- 3.15 Velesto or the Company** Velesto Energy Berhad.
- 3.16 Velesto Group or the Group** Velesto and its subsidiaries.

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4.0 POLICY STATEMENT

ANTI-BRIBERY AND CORRUPTION

POLICY STATEMENT

We are fully committed to embrace our Code of Business Conduct and Ethics and our core values (iLEAP) as we support the promotion and inculcation of culture of integrity, good ethical practices and the highest corporate governance within Velesto Energy Berhad (“VELESTO”).

We will not tolerate bribery and corruption in any form, and any activities related to it including, but not limited to, money laundering. We are committed to behaving professionally, fairly and with integrity in all business dealings and relationships wherever VELESTO and its subsidiaries (“Velesto Group”) operates.

We will meet or exceed all integrity standards and will fully comply with all applicable laws, regulations and requirements.

We are bound to adopt the Anti-Bribery and Corruption Policy, and the Integrity Framework and affirm that:


- All forms of bribery and corruption are prohibited.
- Any inappropriate giving and receiving of gifts, entertainment, travel, donation and sponsorships to influence business decisions are prohibited.
- Any facilitation payments in our transactions with third parties are disallowed.
- All our Business Associates, suppliers and third parties shall refrain from bribery and corruption.

We shall ensure that this policy is communicated to and understood by all stakeholders in a clear and timely manner.



Megat Zariman Abdul Rahim
President
Velesto Energy Berhad

Date: 25 April 2022

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PENCEGAHAN RASUAH PERNYATAAN DASAR

Kami komited sepenuhnya dalam menerapkan Kod Tatacara Perniagaan dan Etika serta nilai teras kami (iLEAP) dalam menggalakkan budaya integriti, amalan etika yang baik dan tadbir urus korporat yang tinggi di Velesto Energy Berhad ("VELESTO").

Kami tidak akan bertolak ansur terhadap rasuah dalam apa jua bentuk serta aktiviti yang berkaitan; termasuk tetapi tidak terhad kepada, pengubahan wang haram. Kami juga komited dalam melaksanakan kerja secara profesional, adil dan berintegriti dalam semua urusan perniagaan dan perhubungan di mana sahaja VELESTO dan anak-anak syarikatnya ("Kumpulan Velesto") beroperasi.

Kami akan berusaha mematuhi atau melebihi semua piawaian integriti dan mematuhi sepenuhnya undang-undang, peraturan serta keperluan yang diguna pakai.

Kami tertakluk untuk mengguna pakai Dasar Pencegahan Rasuah serta Rangka Kerja Integriti dan kami berikrar bahawa:


- Rasuah dalam apa jua bentuk adalah dilarang.
- Pemberian dan penerimaan hadiah, hiburan, pelancongan, derma dan tajaan yang tidak wajar bagi mempengaruhi sesuatu keputusan perniagaan adalah dilarang.
- Bayaran untuk mempermudah transaksi dengan pihak ketiga adalah tidak dibenarkan.
- Semua rakan perniagaan, pembekal dan pihak ketiga adalah dilarang sama sekali terlibat dalam rasuah.

Kami akan memastikan bahawa pernyataan dasar ini disebarikan dengan sebaiknya dan difahami dengan jelas dan tepat pada waktunya oleh semua pihak yang berkepentingan.



Megat Zariman Abdul Rahim
 Presiden
 Velesto Energy Berhad

Tarikh: 25 April 2022

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5.0 POLICY DETAILS

5.1 DISCLOSURE


- 5.1.1 Bribery and corruption in all its forms as it relates to Velesto Group activities are prohibited.
- 5.1.2 Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment. Velesto Group's Board employees and its Business Associates shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of Velesto Group or the persons involved in the transaction.
- 5.1.3 The Anti-Bribery and Corruption Policy ("ABC Policy") applies equally to its business dealings with Government ("public sector"), entities and commercial ("private sector"), and includes their directors, employees, agents and other appointed representatives. Even the possible appearance of bribery or corruption is to be avoided.
- 5.1.4 The ABC Policy applies to all countries where Velesto Group operates, without exception and without regard to regional customs, local practices or competitive conditions.
- 5.1.5 No Board members, employee or Business Associate will suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.
- 5.1.6 Velesto Group is also committed to conducting due diligence checks on prospective personnel, particularly when it relates to appointments of positions that is exposed to high risk of bribery or corruption.

5.2 COMPLIANCE WITH LOCAL AND INTERNATIONAL LEGISLATION

- 5.2.1 Velesto Group is committed to conducting its business ethically and in compliance with all applicable laws and regulations in the countries where it does business.
- 5.2.2 These laws include but are not limited to the Malaysian Penal Code (revised 1977) (and its supplements), the Malaysian Anti-Corruption Commission Act 2009 and its supplements, the Companies Act 2016 and any related international laws where the Velesto Group perform business activities. These laws prohibit bribery and acts of corruption, and mandate that companies establish and maintain accurate books and records and sufficient internal controls.
- 5.2.3 In cases where there is a conflict between mandatory laws and the principles contained in this and other organisation policies, the law shall prevail.


5.3 RECRUITMENT OF EMPLOYEES

- 5.3.1 Recruitment of Velesto Group's employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed.
- 5.3.2 The potential individual shall undergo required background checking, interviewing processes and medical screening before being employed by the Group.

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5.4 RESPONSIBILITIES OF EMPLOYEES AND THE BOARD

- 5.4.1 Velesto Group's Board and employees (Senior management and staff) are required to carry out responsibilities and obligations relating to the Group's anti-bribery and corruption, which include the following:
- a) Be familiar with applicable requirements and directives of the policy and communicate them to subordinates;
 - b) Promptly record all transactions and payments in Velesto Group's payment databases accurately and with reasonable detail;
 - c) Clarify with IGU if any questions about this policy arise or if there is a lack of clarity about the required action in a particular situation;
 - d) Always raise suspicious transactions and other "red flags" (indicators of bribery or corruption) to immediate superiors for guidance on the next course of action;
 - e) Be alert to indications or evidence of possible violations of this policy;
 - f) Promptly report violations or suspected violations through appropriate channels;
 - g) Attend required anti-bribery and corruption training as required according to position; and
 - h) Not misuse their position or Velesto Group's name for personal advantage.
- 5.4.2 When dealing with Business Associates or third parties, all Board members and employees of the Group shall not:
- a) Express unexplained or unjustifiable preference for certain parties;
 - b) Make any attempt at dishonestly influencing their decisions by offering, promising or conferring advantage;
 - c) Exert improper influence to obtain benefits from them;
 - d) Directly or indirectly offer or make promise or corrupt payments, in cash or in kind for a specific favour or improper advantage from them.
- 5.4.3 During an active or anticipated procurement or tender exercise, personnel participating in the exercise in any way whatsoever, shall not:
- a) Receive gifts or hospitality of any kind from any external party participating, planning to participate, or expected to participate, in the procurement or tender exercise;
 - b) Be involved in any discussions regarding business or employment opportunities for personal benefit;
 - c) Abuse the decision-making and other delegated powers given by the Group;
 - d) Divulge or leaks the Group's confidential or information to any party which may give them the advantage in the procurement bid or tender exercise; and
 - e) Bypass normal procurement or tender process and procedure.
- 5.4.4 When dealing with external parties in a position to make a decision to Velesto Group's benefit (such as client representative), Velesto Group's Board members and employees shall not:
- a) Offer, promise or make any attempt at dishonestly influencing the person's decision by directly or indirectly offer or make promise of corrupt payments, in cash or in kind;
 - b) Be involved in any discussions regarding business or employment opportunities, for their own personal benefit or for the benefit of the external party;
 - c) Otherwise abuse the decision-making and other delegated powers given by the Group, in order to illicitly secure an outcome which would be to the commercial advantage to themselves and/ or the Group; and
 - d) Exert improper influence to obtain personal benefits from them.
- 5.4.5 Head of Divisions (HOD) have the responsibility to ensure that the ABC Policy is applied and complied within their division or function and to monitor compliance with the policy.

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5.5 CORPORATE GIFTS, GIFTS, ENTERTAINMENT AND HOSPITALITY (CGGEH)

- 5.5.1 Velesto Group's Board members and employees shall not receive nor give any gift.
- 5.5.2 Board members and employees are also prohibited from giving or providing CGGEH even at his/her own personal expense.
- 5.5.3 Entertainment and hospitality must be unsolicited and will not affect, or be perceived as affecting business judgment.
- 5.5.4 Velesto Group's employees shall not receive and shall not give CGGEH unless the CGGEH complies with all the characteristic allowed in this procedure. Refer to CGGEH MSP (VEB/IG/L2-MSP/03).

5.6 MONEY LAUNDERING

- 5.6.1 The Group prohibits any practices related to money laundering, including dealing in the proceeds of criminal's activities.
- 5.6.2 In order to avoid violating anti-money laundering laws, Velesto Group's Board members and employees are expected to always conduct due diligence on all third party or Business Associate to understand the business and background of its Business Associates before any meeting or communication to determine the legality, origin and destination of money, asset, property and services.

5.7 FACILITATION PAYMENT


- 5.7.1 Velesto Group prohibits the Board members and employees from accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the employee himself or for any other person.
- 5.7.2 The Board members and employee must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment.
- 5.7.3 If any employee receives a request or offered facilitation payments, it must be reported to the Head of Department or the Head of Division immediately.

5.8 CORPORATE SOCIAL RESPONSIBILITY (CSR), SPONSORSHIP AND DONATIONS

- 5.8.1 Velesto Group provides such assistance with a reasonable amount in appropriate circumstances and in an appropriate manner.
- 5.8.2 The proposed recipient must be a legitimate organization, body or entities and appropriate due diligence must be conducted prior awarding the contribution.
- 5.8.3 Velesto Group shall not support funding to any political organisation or society.

5.9 DEALING WITH THIRD PARTIES

- 5.9.1 Velesto Group expects all third parties acting for or on its behalf to embrace the Group's core values (iLEAP) and ethical standards as their actions can legally implicate the Group and tarnish the Company's reputation.

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5.9.2 Therefore, wherever the Velesto Group engage third parties, the entity within Velesto Group is obligated to conduct appropriate due diligence to understand the business and background of its Business Associates before entering into any arrangements with them.

5.9.3 All third parties that deal with Velesto Group need to subscribe to Velesto's Supplier Code of Ethics.

5.10 SUPPORT LETTERS

5.10.1 Velesto Group awards contracts and employee positions purely based on merit basis. Therefore, support letters in all forms shall not be recognised as part of the business decision making process.

5.11 CONFLICTS OF INTEREST

5.11.1 Conflicts of interest arise in situations where there is personal interest that could be considered to have potential interference with objectivity in performing duties or exercising judgment on behalf of the Company. Employees must not use their position, official working hours, Velesto Group's resources and assets, or information available to them for personal gain or to the Group's disadvantage.

5.11.2 Employees must at all times strive to avoid actual or potential conflict of interest with Velesto Group and are responsible to inform Senior Management if a conflict does occur (Refer to Employee Handbook or CoBE).

5.12 ANTI-BRIBERY AND CORRUPTION COMPLIANCE FUNCTION

5.12.1 Velesto Group shall establish and maintain an anti-bribery and corruption compliance function within IGU and the division to oversee the design, implementation and management of the ABC Policy.

5.12.2 The IGU shall perform the functions below within the Group structure, equipped to act effectively against bribery and corruption:

- a) Provide advice and guidance to personnel on the ABC and issues relating to bribery and corruption;
- b) Take appropriate steps to ensure that adequate monitoring, measurement, analysis and evaluation of the ABC is performed;
- c) Report on the performance of the ABC to the Senior Management and Board Whistle Blowing Committee ("BWBC") regularly.


5.12.3 Appropriate resources shall be provided for effective operation of the ABC and that the IGU is staffed with persons who have the appropriate competence, status, authority and independence.

5.12.4 Velesto Group shall conduct regular risk assessments to identify the bribery and corruption risks affecting the business, set anti-bribery and corruption objectives, and assess the effectiveness of the controls in achieving those objectives.

5.13 TRAINING AND AWARENESS

5.13.1 Velesto Group shall conduct awareness programmes for all its personnel on the Group's stand regarding anti-bribery and corruption, integrity and ethics.

5.13.2 Training shall be provided on a regular basis, in accordance with the level of bribery and corruption

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risk related to the position and/ or to all employees depending on the employee's training allocation and the department's budget availability.

- 5.13.3 HRD shall maintain records to identify which Velesto Group's employees have received training, and produce, communicate and update the training schedule in conjunction with IGU.

5.14 CONSEQUENCE MANAGEMENT

- 5.14.1 Any employee who violates the terms of this Policy will be subjected to disciplinary action.
- 5.14.2 Any employee who has direct knowledge of potential violations of this Policy but fails to report such potential violations to the management will be subjected to disciplinary action.
- 5.14.3 Any employee who misleads or hinders investigators inquiring into potential violations of this Policy will be subjected to disciplinary action. In some cases, disciplinary action may include termination of employment.
- 5.14.4 Disciplinary actions will be handled accordance to VEB's Consequence Management - Management System Procedure (VEB/HR/L2-MSP/23).
- 5.14.5 Any vendors or third-party agent who violates the terms of this Policy, who knows of and fails to report to Velesto's management on potential violations of this Policy, or who misleads investigators making inquiries into potential violations of this Policy, may have their contracts re-evaluated or terminated.

5.15 GENERAL

- 5.15.1 Information in the Policy may not be exhaustive. Employees are expected to familiarise themselves with the details of all relevant policies, management system and operational procedures which may be changed from time to time.
- 5.15.2 Any exception to the items in this Policy is only permitted with the President's approval.

6.0 FORM

Not Applicable.