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OUR HANDAL CODE OF CONDUCT


HEB-GEN-COS-2-002

A Pathway to Good Governance incorporating the Guidelines of the Prime Minister's Office, Malaysia and A Guide for Anti-Corruption Risk Assessment by UNITED NATIONS Global Compact

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AUTHORIZATION

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AMENDMENTS RECORD

This section of the document **MUST** be completed in detail at each revision once this document has been approved.

Details **MUST** include revision number, description and indication of the amended page and paragraph have been revised, date of revision and approving authority.

Rev	Amendment Description	Clause	Page No.	Date	Approved By

Notes.

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The Chairman Speaks.

Handal is not just a service and equipment provider. We are constantly innovating, relying on our core skills, leveraging on our experience and forming alliances with global partners to race ahead in the Malaysian and indeed regional oil and gas sector. Our people are hand selected. We want to enrich the individual with a “Handal” experience in the hope that the individual embraces Handal as his own. That’s our objective and our raison d’etre.

However, having an objective is one thing, and how we go about it is quite another.

We at Handal intend to do things the correct way.

We have in recent times taken tough measures to re-invent our business systems, and along with this, are constantly working to keep our processes and governance adherent to the highest of standards, both locally and globally.


Whilst no one may notice or care in the short term, as we will be around for a long time to come, we believe Handal will be a bastion of repute, integrity and professionalism. We will not tolerate shoddiness or dishonesty at any level. Our “MySIR” values are centred around, our sense of being proud to be Malaysian, Safety, Integrity and having a sense of Responsibility to and in everything that we do. These values are the DNA of Handal and each one of us must be committed to these values. It is these values that will hold us in good stead in the long run. It will ensure our relationships with the stakeholders, partners and clients are on sound footing and sustainable. Make no mistake; we intend to be a responsible player for a long time. We will be responsible and deliver the highest standard as promised.

Our Handal Code of Conduct not only carries these values but sits at the pinnacle of a system of values that flows internally to promote transparency and a strong resistance to anything unsafe, wrong or unethical.

My Board and every employee of Handal must and shall abide by this Code of Conduct. Likewise, in your dealings with us, we have the very same expectation of you.

The Chairman

YAM Tengku Panglima Baderul Zaman Ibni Sultan Mahmud

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HANDAL PILLARS – MySIR

Handal is Malaysian.

Handal is a Malaysian grown Company and proud of it. Resilient, multiracial, evolutionary and progressive. Handal has established itself in Malaysia with a strong regional outlook in its expansion plans.

Handal places a priority on Safety.


In all its endeavours, be it in operations or at a corporate level, there is no compromise on safety for Handal employees and contractors as well as those dealing with Handal.

Integrity

Integrity is a core concern that we place above everything else. Whilst we are constantly growing and evolving with the times, Handal is correspondingly cultivating a culture that is abhorrent of dishonesty of any nature.

Responsibility

A sense of responsibility underlies our commercial objectives that leads to a realisation of our MySIR principles towards our company, our Board, our employees, our country and our environment

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1.0 HANDAL Code of Conduct


- 1.1 Handal Code of Conduct is put in place as a message to the world at large of what our core governing principles are and our commitment to abide by it including our expectation from all those in dealings with us to be bound by it, just as we are willing to abide by the lawful codes of those that come to contract and deal with us.
- 1.2 Handal Code of Conduct binds our entire Group of Companies, every directors, employees and extends to the contractors that contract with us.
- 1.3 In Handal's international endeavours, we will undoubtedly experience cross cultural and issues with different customs. Whilst this is an inevitable challenge in international businesses, should any conflict arise, profit will not justify circumventing our Code of Conduct. Our Code of Conduct prevails over any such conflict.
- 1.4 Our Code of Conduct has been implemented by way of processes and measures internally within Handal. All Handal employees certify that they have read and understood our Code of Conduct. Incoming employees address this requirement as a term to their employment contract and the same applies irrespective of the seniority of the position in question.
- 1.5 Internally, a Compliance Officer is designated who is not only the manager of Handal's commitment to its MySIR principles, but also the "go to person" for any queries in the event that an immediate superior is unable to answer any questions. Our Code of Conduct is a live set of principles and guidelines that will continue to evolve and improve by constantly adhering to national and global standards and guidelines.
- 1.6 Whilst the Code of Conduct applies across the full spectrum of personnel engaged by Handal, we acknowledge that leadership starts at the top and hence we strive to foster a climate of leadership by example.

Our employees, directors and to every extent practically possible, our contractors have to:

- Read and be familiar with our Code of Conduct.
- Certify formally that they have done so and understand our Code of Conduct.
- Act at all times in a conscientious manner balancing profit and performance, underlined by adherence to our Code of Conduct.
- Raising questions and raising the alarm where anything improper is uncovered.
- Be honest.

Accordingly, managers at Handal have to:

- Place a high priority on honesty.
- Have zero discrimination and maximum inclusivity.
- Lead by example and embody the ideals of MySIR.
- Be willing to speak up for your team.
- Make certain our Code of Conduct is a way of life in Handal.


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2.0 HANDAL is Malaysian

- 2.1 Handal is proud to be Malaysian and wears this badge in all its international dealings. Handal places Malaysian first in all its dealings, even though in many instances Handal ventures to the global market for new technology and expertise.
- 2.2 Education and betterment through several strategic partnerships not only opens the door to various opportunities for Handal but also provides a means to an end for technology and knowledge transfer. Be that as it may, Handal places a first on selection of local talent and local know-how.
- 2.3 Handal is a multiracial multicultural organisation practicing an inclusive policy for all Malaysians, whether from the Peninsula or East Malaysia.
- 2.4 Handal believes in the future of Malaysia and intends to be part of its success story and not a mere bystander.

3.0 SAFETY for Our People – HSSE

- 3.1 Handal is an oil and gas service and equipment provider. The health and safety of its personnel are of paramount concern. Health Safety, Security and Environmental (“HSSE”) concerns feature strongly in our contracts delivery and roll out.
- 3.2 Safety in the broader sense extends to safety of not only our environment but of local communities in which we operate.
- 3.3 We achieve the above by:
 - Placing HSSE concerns and objectives on par with profitability.
 - Learning from past experiences and being sensitive to the needs of communities.
 - Protecting the environment.
 - Ensuring our personnel is properly trained, qualified and properly rested. All forms of alcohol and drug abuse will be treated with strict disciplinary action, if not criminal.
 - Raising the alarm or making a complaint if any HSSE breach is discovered.
- 3.4 In adhering to the notion of safety, Handal also keeps itself compliant with rules and regulations. This includes:
 - Legal clearance and/or legal advice is sought in every endeavour, where necessary.
 - Local laws and customs must be respected. Government policies, especially policies of the Malaysian government must be complied with.
 - Ensuring that contractors and partners adhere to our Code of Conduct, and where necessary and practical, we will comply with theirs, likewise.

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4.0 INTEGRITY at all levels.

4.1 Integrity for Handal means no discrimination, no harassment, free of corrupt practices and never being associated with any suspect or illegal financial transaction that may amount to laundering or tax evasion.

4.2 No Discrimination.

Handal is an equal opportunities employer.

- No discrimination is practiced or tolerated based on a person's gender, race, religion, colour or background.
- Handal abides by principles of meritocracy.
- Proper decorum is to be maintained in all communications. Obscenity, profanity and inappropriate language is not permitted.

4.3 No Harassment.


No harassment and intimidation at the work place.

- All forms of harassment or abuse will be treated as serious misconduct.
- Handal strives towards creating a positive and conducive work environment.

4.4 Anti-Bribery

Handal's Code of Conduct on Anti Bribery is guided by the Malaysian Anti-Corruption Commission Act 2009 ("the MACC Act"), the Prime Minister's Office Guidelines On Adequate Measures (2018) (on Section 17A of the MACC Act) and A Guide for Anti-Corruption the Risk Assessment by UNITED NATIONS Global Compact (2013). The U.S Foreign Corrupt Practices Act ("FCPA") and UK Bribery Act 2010 have also been taken into account, particularly in dealings with US or UK entities.

- i. A corrupt act or bribe is widely defined in the MACC Act. Almost any form of "gratification" comes within the purview of the MACC Act. There is also a presumption that if the giving of gratification is proven in return for a favour, the act is deemed to be a corrupt act unless proven otherwise by the accused person.
- ii. Corrupt Acts cover any bribe. A bribe is gratification given with an unlawful purpose. Generally, the bribe will be the giving of a gift or favour in order to influence an unlawful or improper outcome.
- iii. Handal acknowledges that corruption is the bane of true growth and is cancerous to the prosperity and integrity of our company and our nation as a whole. Handal takes a strong stand against all forms of dishonesty and is actively incorporating all safety measures within its companies to comply with good governance, a corruption free business and a work culture that is consistent with national and international anti bribery guidelines.
- iv. All forms of bribery is forbidden and if discovered, internal disciplinary actions as well as possible criminal complaints will be made. This applies equally to all levels of employees, managers and directors of Handal.
- v. The prohibition applies to private dealings as well as to all dealings with government officials whether elected or otherwise, whether local or foreign.

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- vi. All persons employed by or associated with by Handal must inform management in the event of any transgression is discovered or suspected. Handal's Whistleblower policy is part of this Code of Conduct dealt in Section 7 below.
- vii. Whilst all forms of corruption and bribery are prohibited, Gifts & Entertainment, Money laundering and Conflict of Interest are highlighted below:

Gifts & Entertainment

Handal recognises that businesses depend a lot on relationships which contribute to goodwill, the absence of which will affect the company's competitiveness and ultimate profitability.

Nevertheless, Handal requires that any gifts or entertainment or like gestures are within reason and reasonable limits, free of any improper motive.

Gifts and entertainment should be:

- Within reason taking all circumstances into account, avoiding luxury or costly items. Even so, such extension of goodwill must be made in the utmost good faith untainted with any improper purpose. Gifts or entertainment outside the norm for festivities and company events are to be scrutinised and generally avoided, barring mementos and souvenirs for visitors to the office or during seminars and events.
- Appropriate with the seniority or designation of any executive of Handal extending such goodwill.
- Related to Handal's business promotion without being corrupt in nature and will exclude any advertising or general promotional undertakings.
- Transparent and where possible, properly documented with the purpose duly spelt out.


Preventing money laundering

Handal complies with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

Money laundering involves the act or a series of acts that is designed to concealing or legitimising the use of funds with a criminal origin or with a view of supporting crime.

Handal strictly prohibits any such activity or exposure to such activity and following any discovery of such acts or concerns, is committed to informing the authorities or having the Whistleblower policy being invoked.

Handal conducts a proper due diligence of all transactions involving parties with which it has no previous dealings with or where the source of funds paid or to be paid to Handal is unknown or suspicious.

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Managing conflicts of interest

Handal is a conscientious business entity that takes all reasonable and pro-active steps to avoid situations where its interest either falls into conflict or where there is the appearance of bias.

Conflict can arise in several situations like:


- Existing relationships with competitors, contractors, customers or suppliers.
- Having an intimate relationship with another employee who can influence decisions such as salary, performance rating or promotion.
- Serving as a board member of another organization.
- Investments, including those of close relatives, which might influence or appear to influence your judgement.

Objectivity is essential and where conflict arises or the appearance of any bias, which in certain circumstances may be unavoidable or innocuous, Handal employees and managers will make certain that any related decisions are either delegated or moved up the line of seniority in order to preserve objectivity.

Transparency is a mandatory requirement for all persons employed or associated with Handal in the face of potential conflict. Disclosure weighs heavily in favour of an informed and managed decision.

5.0 Responsibility

- 5.1 Responsibility is a golden thread that runs through every facet of Handal's actions and decision-making process.
- 5.2 Handal's commitment to the aforementioned matters is evinced by processes and measures in place to address Corruption, confidentiality and personal data, Human Rights, Financial integrity, HSSE (Health, Safety, Security & Environment) etc.
- 5.3 Control Measures Against Bribery include:
 - i. Due Diligence before all appointments and contracts to be entered into.
 - ii. Having an accessible and confidential reporting channel, such as the Whistle blower policy dealt with below.
 - iii. Encouraging the raising of concerns and complaints (which will be investigated).
 - iv. Ensuring that confidentiality of all complainants will be protected.
 - v. Ensuring that there will be no retaliation against any complainant.
 - vi. Separation of roles between business development, executive functions and operations.
- 5.4 Confidentiality must be maintained in various aspects of the day to day running of the company.
 - i. Over and above the terms of employment that employees are bound to, as a matter of Handal's policy, all employees and persons associated with Handal are obliged to protect and abide by the highest standards of confidentiality despite leaving the employ of Handal.

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- ii. All employees and persons associated with Handal are duty bound to protect Handal's intellectual property and not to offend such proprietary rights or otherwise of third parties that may expose Handal to any legal action.
- iii. Handal's employees will also adhere to the provisions of the Personal Data Protection Act 2010.

5.5 Respecting principles of Human Rights.

- i. All individuals are respected and treated equally.
- ii. Beyond the work environment, if any employee or contractor comes to know of any incidence involving human right(s) issues, a complaint is immediately to be raised following the Whistleblower policy below.

5.6 Proper maintenance of Financial Records.

- i. Handal shall confirm to prevailing accounting standards in keeping all financial records and adopting professional auditing standards.
- ii. All personnel shall be accountable for any transgression and failure to keep to their limits of authority, where applicable or failing to properly obtain the due approvals necessary for any financial expense or commitment made on behalf of the company.

6.0 Breaches of the Code of Conduct.

- 6.1 Any failure to abide by our Code of Conduct will be subjected to disciplinary action and possible reference to the authorities. External parties will be subjected to a thorough review of Handal's business relationship and possibility of termination will not to be discounted.

7.0 Whistleblowing.

- 7.1 Handal is committed to fostering a culture where you feel safe and are encouraged to speak up on matters of an illegal or improper nature that comes to your attention or knowledge. Our Whistleblower policy does not tolerate any form of retaliation or victimisation as a result of you speaking up in accordance with this policy.
- 7.2 This policy applies to all employees and persons associated with Handal including contractors, but it does not apply to Customers.
- 7.3 All disclosures of reportable conduct (dishonesty, unethical conduct, fraud, corruption, illegality, criminal conduct) can be made via a private and confidential email managed by all non-executive directors of Handal Board.
- 7.4 All disclosures or information will be investigated on a prima facie basis and if found to have reasonable basis, will be investigated in accordance with the procedure for investigation below.

Dated 21-May-2020 (last revision).

Approved by the Board of Handal Energy Berhad