

# COMPLIANCE POLICY FOR S.17A MACC ACT 2009

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**Laurel Cap**  
Trust | Integrity | Expertise



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Rev 1.0: 2<sup>nd</sup> January 2024

**LAURELCAP GROUP OF COMPANIES**

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# COMPLIANCE POLICY FOR S.17A MACC ACT 2009

## LAURELCAP GROUP OF COMPANIES

### Introduction

This Policy document is issued by LAURELCAP pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694), as amended pursuant to the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2009") and is to be read in conjunction with LAURELCAP's Anti-Corruption Policy ("ACP").

The provision of S.17A under MACC Act 2009 (Amendment Act 2018) establishes the principle of a criminal liability (corporate liability) for the corrupt practices of its employees and/ or any person(s) associated with LAURELCAP in cases where such corrupt practices are carried out for the LAURELCAP's benefit or advantage ("S.17A").

This Policy has been enacted pursuant to S.17A.

### 1.0 Objectives of the Policy

The principal objectives of this Policy are:

- 1.1 To comply with the Guidelines on Adequate Procedures as issued/ published by Prime Minister's Department pursuant to subsection (5) of section 17A under the MACC Act 2009 (Amendment Act 2018).
- 1.2 To ensure LAURELCAP has a proper record on the Guidelines on Adequate Procedures for proper reference and application.

### 2.0 Coverage of the Policy

- 2.1 This Policy shall apply to all LAURELCAP staff.
- 2.2 All contractors, subcontractors, service providers, consultants, solicitors, agents, representatives and others performing work or services for or on behalf of LAURELCAP

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will comply with the relevant parts of this Policy when performing such work or services.

2.3 Clients of LAURELCAP are expected to comply with this Policy.

### 3.0 Compliance with Laws and Regulations

This Policy shall at all times comply with and be subject to the laws and regulations of Malaysia.

LAURELCAP staff are required to report possible breaches of the Policy in order for LAURELCAP to report to the relevant enforcement authority upon actual breach of regulation or statutory law following investigation and final decision made by LAURELCAP.

### 4.0 Infringement of the Policy

Any infringement of this Policy shall constitute a serious misconduct or offence warranting disciplinary action against the offender which shall include police report and/or termination of employment.

### 5.0 Responsibility for the Policy

LAURELCAP shall be responsible for developing, recommending, communicating and reviewing the Policy.

### 6.0 Changes to the Policy

6.1 Any changes to the Policy shall be approved by the LAURELCAP's Board of Directors unless the power to approve has been delegated.

6.2 LAURELCAP's Management shall review the recommendation for changes before submitting to the Board of Directors for endorsement and approval.

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## 7.0 Validity and Review of the Policy

7.1 The effective date of this Policy shall be as set out below.

7.2 This Policy shall be reviewed every three (3) years or as and when deemed necessary by the Board of Directors or Management.

### **Adequate Procedures Principles**

#### 1.0 Principle I – Top Level Commitment

1.1 LAURELCAP's top level management is primarily responsible for ensuring that LAURELCAP:

- (i) practices the highest level of integrity and ethics;
- (ii) complies fully with the applicable laws and regulatory requirements anti-corruption; and
- (iii) effectively manages the key corruption risks of LAURELCAP.

1.2 The top level management shall provide assurance to its internal and external stakeholders that LAURELCAP is operating in compliance with its policies and any applicable regulatory requirements. Management may establish LAURELCAP's "tone from the top" (i.e. LAURELCAP's general stance against the use of corrupt practices in relation to its business activities) and spearheading the LAURELCAP's efforts to improve upon the effectiveness of its corruption risks management framework, internal control system, review and monitoring, and training and communication.

1.3 Thus, for this purpose, LAURELCAP shall carry out the following:

- (i) establish, maintain, and periodically review the anti-corruption compliance programme which includes clear policies and objectives that adequately address corruption risks;
- (ii) promote a culture of integrity within LAURELCAP;
- (iii) issue instructions on communicating LAURELCAP's policies and commitments on anti-corruption to both internal and external parties;

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- (iv) encourage the use of any reporting (whistleblowing) channel in relation to any suspected and/or real corruption incidents or inadequacies in the anti-corruption compliance programme;
  - (v) assign and adequately resource a competent person or function (which may be external to the organisation) to be responsible for all anticorruption compliance matters, including provision of advice and guidance to personnel and business associates in relation to the corruption programme;
  - (vi) ensure that the lines of authority for personnel tasked with responsibility for overseeing the anti-corruption compliance programme are appropriate; and
  - (vii) ensure that the results of any audit, reviews of risk assessment, control measures and performance are reported to all top-level management, including the Board of Directors, and acted upon.

1.4 For the purposes of this Policy, LAURELCAP has designated the Managing Director as top level management to implement this Policy.

## 2.0 Principle II – Risk Assessment

2.1 LAURELCAP shall conduct corruption risk assessments periodically and when there is a change in law or circumstance of the business to identify, analyse, assess and prioritise the internal and external corruption risks of the LAURELCAP. This risk assessment shall be used to establish appropriate processes, systems and controls approved by the top-level management to mitigate any specific corruption risks LAURELCAP is exposed to.

2.2 For this purpose, LAURELCAP shall whenever possible undertake a comprehensive risk assessment every three (3) years, with intermittent assessments conducted when necessary. The assessment may include the following:

- (i) opportunities for corruption and fraud activities resulting from weaknesses in LAURELCAP's governance framework and internal systems/procedures;
- (ii) financial transactions that may disguise corrupt payments;
- (iii) business activities or sectors that pose a higher corruption risk;

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- (iv) non-compliance of external parties acting on behalf of LAURELCAP regarding legal and regulatory requirements related to anti-corruption. Note that, given the wide definition of an associated person, LAURELCAP can be liable for the acts of such third parties; and
  - (v) relationships with third parties in its supply chain (e.g. agents, vendors, contractors, and suppliers) which are likely to expose LAURELCAP to corruption.

2.3 The risk assessment for corruption will be done on a stand-alone basis. but where possible the assessment shall be incorporated into the general risk register of LAURELCAP.

### Principle III: Undertake Control Measures

3.1 LAURELCAP shall put in place the appropriate controls and contingency measures which are reasonable and proportionate to address corruption risks arising from identified weaknesses in the Company's governance framework, processes and procedures. Control measures to be taken shall include:

(i) Due diligence

Considerations or criteria for conducting due diligence on any relevant parties or personnel (such as employees, agents, vendors, contractors, suppliers and consultants etc.) prior to entering into any formal relationships. Methods may include background checks on the person or entity, a document verification process, or conducting interviews with the person to be appointed to a key role where corruption risk has been identified.

(ii) Reporting channel

LAURELCAP shall:

- (a) establish an accessible and confidential trusted reporting channel (whistleblowing channel), which may be used anonymously, for internal and external parties to raise concerns in relation to real or

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suspected corruption incidents or inadequacies of the anti-corruption programme.;

- (b) encourage persons to report, in good faith, any suspected, attempted or actual corruption incidents;
- (c) established a secure information management system to ensure the confidentiality of the whistleblower's identity and the information reported; and
- (d) prohibit retaliation against those making reports in good faith.

3.2 Furthermore, LAURELCAP has established policies and procedures to cover the following areas:

- (i) a general anti-bribery and corruption policy or statement;
- (ii) conflicts of interest;
- (iii) gifts, entertainment, hospitality and travel;
- (iv) donations and sponsorships, including political donations;
- (v) facilitation payments;
- (vi) financial controls, such as separation of duties and approving powers or multiple signatories for transactions;
- (vii) non-financial controls, such as a separation of duties and approving powers or a pre-tendering process;
- (vii) managing and improving upon any inadequacies in the anti-corruption monitoring framework; and
- (viii) record keeping for managing documentation related to the adequate procedures.

3.3 In this regard, the LAURELCAP's policies shall be:

- (i) endorsed by top level management;
- (ii) kept up-to-date;
- (iii) easily available; and
- (iv) suitable for use where and when needed.

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#### 4.0 Principle IV: Systematic Review, Monitoring And Enforcement

- 4.1 The top level management shall ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-corruption programme, and ensure the programme is enforced. Such reviews may take the form of an internal audit, or an audit carried out by an external party.
- 4.2 The reviews should form the basis of any efforts to improve the existing anti-corruption controls in place in LAURELCAP.
- 4.3 For this purpose, LAURELCAP shall consider the following:
- (i) plan, establish, implement and maintain a monitoring programme, which covers the scope, frequency, and methods for review;
  - (ii) identify the competent person(s) and/or establish a compliance function to perform an internal audit, in relation to the LAURELCAP's anti-corruption measures;
  - (iii) conduct continual evaluations and improvements on the LAURELCAP's policies and procedures in relation to corruption;
  - (iv) an external audit by a qualified and independent third party (i.e. by MS ISO 37001 Auditor) at least once (1) every three (3) years to obtain assurance that LAURELCAP is operating in compliance with its policies and procedures in relation to corruption;
  - (v) monitor the performance of personnel in relation to any anti-corruption policies and procedures to ensure their understanding and compliance with LAURELCAP's stance in their respective roles and functions; and
  - (vi) conduct disciplinary proceedings against personnel found to be non-compliant to the programme.



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## 5.0 Principle V: Training and Communication

- 5.1 LAURELCAP will develop and disseminate internal and external training and communications relevant to its anti-corruption process, in proportion to its operation, covering the following areas:
- (i) policy;
  - (ii) training;
  - (iii) reporting channel; and
  - (iv) consequences of non-compliance.

### Communication of Policies

- 5.2 The LAURELCAP's integrity and anti-corruption policy shall be made publicly available, and shall also be appropriately communicated to all personnel and business associates.
- 5.3 When planning for strategies for communicating LAURELCAP's position on anti-corruption, LAURELCAP shall take into account what key points should be communicated, to whom they should be communicated, how they will be communicated, and the timeframe for conducting the communication plan. The Company shall also consider what languages the materials will be communicated in.
- 5.4 The communication of LAURELCAP's policies may be conducted in a variety of formats and mediums. These may include, but are not limited to:
- (i) messages on the intranet or website;
  - (ii) emails, newsletters, posters;
  - (iii) code of conduct and employee's handbooks;
  - (iv) video seminars or messages; and
  - (v) town-hall sessions.

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## Training

- 5.5 LAURELCAP shall provide its employees and business associates with adequate training to ensure their thorough understanding of the anti-corruption position, especially in relation to their role within or outside LAURELCAP.
- 5.6 The training may be conducted in a variety of formats, including but not limited to:
- (i) induction programs featuring anti-corruption elements;
  - (ii) role-specific training, which is tailored to corruption risks the position is exposed to;
  - (iii) corporate training programs, seminars, videos and in-house courses;
  - (iv) intranet or web-based programs;
  - (v) town hall sessions;
  - (vi) retreats; and
  - (vii) outreach programs.

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