



## INTEGRITY & GOVERNANCE UNIT

# SUPPORT LETTER POLICY & PROCEDURE

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## **1. INTRODUCTION**

The practice of leveraging external influence and exchanging letters of support for personal advantage has ingrained itself into societal norms, presenting a significant challenge to mitigate without stringent oversight. Such circumstances often place employees in precarious positions regarding their judgment and decision-making related to issues at hand. This conduct can result in the misuse of authority, potentially damaging the organization's reputation and integrity.

The Support Letter Policy was developed to ensure that Qhazanah Sabah Berhad ("QSB")'s services are provided in a transparent and professional manner, and free from the influence of vested interests.

## **2. PURPOSE**

This policy is established to:

- a) guide QSB's employees on how to handle external influence and manage support letters;
- b) strengthen the value of accountability and integrity in dealing with the intervention of Government Leaders and Influential Individuals in making assessments and decisions.

## **3. SCOPE**

This policy applies to all QSB's employees. This policy should also be used as guide by Government Leaders, Influential Individuals, business partners, stakeholders or any individual that deals with employees and QSB facilities.

## **4. INTERPRETATIONS**

### **4.1 Director**

Includes all independent, non-independent, executive, non-executive, nominee, and alternate directors of QSB.



## 4.2 Employee

Refers to any person employed by QSB, its group of subsidiary companies, indirect subsidiaries and company limited by guarantee (“CLBG”) whether permanent, on contract, on temporary assignment, or on secondment from another organisation.

## 4.3 External Influences

Any form of pressure or insistence whether verbal, non-verbal or any other form from Government Leaders or Influential Individuals on employees that aims to support an application or influence the consideration of a decision.

## 4.4 Government Leaders

Refer to the interpretation of “Administrative Members” under Clause (2) Article 160, Federal Constitution, Members of Parliament and Member of State Legislative Assembly.

## 4.5 IGU

Refers of Integrity & Governance Unit of QSB.

## 4.6 Influential Individuals

Individuals who have positions in the Government or relationships with authorities, dignitaries, politicians, and others.

## 4.7 Law enforcement agencies

Refers to law enforcement agencies with investigative authority in Malaysia as defined under the Whistleblowing Protection Act 2010, including but not limited to:

- (a) Malaysian Anti-Corruption Commission (“MACC/SPRM”)
- (b) Royal Malaysian Police (“PDRM”)
- (c) Securities Commission (“SC”)
- (d) Bank Negara Malaysia (“BNM”)
- (e) Immigration Department of Malaysia



- (f) Malaysian Communications and Multimedia Commission (“MCMC”)

#### 4.8 QSB

Refers to Qhazanah Sabah Berhad.

#### 4.9 Support Letters

Any communication delivered either verbally or non-verbally including in the form of letters, memos, minutes, emails, short message services, conversations, telephone calls, or other forms that aim to support an application or influence the consideration of a decision.

#### 4.10 Third-party

Contractors, vendors, suppliers, organization, associations, or any party dealing with QSB.

### 5. POLICY STATEMENT

QSB is always ready to give its full commitment to ensure integrity, good governance, and transparency are the cornerstones in delivering services to the community.

Under the said efforts and commitments, employees are prohibited to:

- i. bring or attempt to bring outside influence or submit any Support Letters from any Government Leaders and Influential Individuals to support an application or influence the consideration of a decision; and
- ii. using External Influence or Support Letters as a basis for consideration or instructions from Government Leaders and Influential Individuals in making decisions.

### 6. MANAGEMENT OF EXTERNAL INFLUENCES AND SUPPORT LETTERS

6.1 In managing External Influence and Support Letters, QSB employees should take the following actions:

- i. if the support is received in writing, the relevant documents must be attached together with the Support Letter; or



- ii. if support is received verbally, the communication must be put in writing along with the details of the party giving support and the form of support in the minute sheet of relevant document, then must immediately report in writing the support received to the IGU for:
  - a) instructions or further action; or
  - b) any particular reason or impractical report to the Head of Department, should report to the relevant authority for further action.
- iii. Upon receiving the report of the details of the Support Letter together with the minute sheet of the relevant documents, IGU shall record, register and assess support letters based on these three categories to determine the appropriate advice and the action to be taken.

Types of Cases	Definition
Minor	Refers to cases where the external influence or support letter does not directly impact or threaten the integrity of the decision-making process.
Moderate	Refers to cases where external influence or support letters have the potential to sway decisions or exert pressure on employees but do not immediately result in a breach of policies.
Major	Refers to cases where the external influence or support letter directly interferes with or manipulates the decision-making process, dishonestly posing a significant threat to organisational integrity and governance.

- 6.2 QSB shall adopt wise measures by addressing matters and ensuring decisions are made strictly in accordance with the organisation's established policies, procedures, and regulations, unaffected by Support Letters. If practical, IGU should issue a memo to the sender acknowledging receipt of the Support Letter but clarifying that the request or application will still be processed according to QSB's existing policies and procedures.



- 6.3 Any employees directly or indirectly involved in matters related to the Support Letter Policy and Procedure shall be referred to IGU for further action.
- 6.4 Chairman/GCEO/DGCEO/HOCs/HODs shall:
- i. not arbitrarily use Support Letters as the basis for considering applications or approving support; and
  - ii. take action regarding this matter in accordance with the existing policies and procedures of QSB.
- 6.5 All Support Letters will be handled and managed in accordance with the Whistleblowing Policy & Procedure.

## **7. EXTERNAL INFLUENCE AND SUPPORT LETTER BY MEMBERS OF THE ADMINISTRATION AND GOVERNMENT LEADERS**

- 7.1 The Code of Ethics for Administrative Members and Members of Parliament issued in December 2018 stipulates that Administrative Members and Members of Parliament must ensure that there is no conflict of interest between their public positions and their personal interests. Conflicts of interest can occur as a result of the influence and power of Administrative Members and Members of Parliament as Government.
- 7.2 Administrative Members and Government Leaders should avoid using their position to exert any pressure or issue any Support Letters for the purpose of supporting any application or demand to QSB employees.

## **8. SANCTION FOR NON-COMPLIANCE**

- 8.1 QSB regards bribery and corruption as a serious matter and major misconduct. Non-compliance may lead to disciplinary action, which includes termination of employment, as according to the Employment Policy Manual (“EPM”).
- 8.2 QSB may take legal action if its interests have been harmed by non-compliance.
- 8.3 QSB shall notify and provide full cooperation to the relevant law enforcement agencies if any identified bribery or corruption incidents have been proven beyond reasonable doubt.





## **9. TRAINING AND AWARENESS**

- 9.1 All employees and directors of QSB will receive the relevant training on anti-bribery and anti-corruption. The training will be given in accordance with the position and function.
- 9.2 All employees and directors of QSB shall declare in writing that they have read, understood and will abide by this Policy.
- 9.3 QSB's zero-tolerance approach to bribery and corruption and this Policy must be clearly communicated to all business associates at the outset of the business relationship with QSB and as appropriate thereafter.

## **10. RECORD KEEPING**

- 10.1 All accounts, invoices, letters, agreements, and other documents or records relating to the transactions and dealings with business associates shall be prepared and maintained with strict accuracy and completeness. There should be no records kept "off-book" to facilitate or conceal improper payment.
- 10.2 QSB and the respective business units must keep all financial records and documentary evidence of the reason for making payments to and receiving payments from any person.
- 10.3 All records shall be retained for at least seven (7) years from its date of generation and produced on request by relevant authorised person.

## **11. OVERSIGHT AND REVIEW**

- 11.1 The QSB Board has the overall responsibility and delegated the monitoring and review of the implementation and compliance of this Policy to Board Integrity & Governance Committee ("BIGC"). The BIGC has empowered the day-to-day responsibilities for the administration and implementation of this Policy to the IGU.
- 11.2 This Policy shall be periodically reviewed and updated by the QSB Board, taking into consideration the needs of the company as well as any development in the law and regulation that may have an impact on the discharge of the Board's duties and responsibilities.



11.3 This Policy is made available to the public via the company's public website, <https://qhazanahsabah.com.my/>.

## **12. ENQUIRIES AND REPORTING**

12.1 Any inquiries or reports on violation of this Policy may be submitted through the reporting channels as follows:

(a) Whistleblowing Channel/E-mail:

[whistleblowing@qhazanahsabah.com.my](mailto:whistleblowing@qhazanahsabah.com.my)

via <https://qsbconnect.com.my/>

(b) Attend and meet at:

Head of Integrity & Governance Unit

Qhazanah Sabah Berhad,

Level 5, Menara Kinabalu,

Jalan Sulaman, Teluk Likas,

88400 Kota Kinabalu,

Sabah.



## Appendix 1: Flow Chart

