

# CEDRUS CAPITAL LTD

## COMPLIANTS FRAMEWORK

## HANDLING REGULATORY BREACHES, OPERATIONAL ERRORS AND STAKEHOLDERS' COMPLAINTS

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### **A. Regulatory Breaches and Operational Errors**

A regulatory breach occurs upon a failure by Cedrus Capital Limited to comply with an applicable regulatory provision.

An operational error, on the other hand, is simply a breakdown in one or more of Cedrus Capital Limited's procedures, which in some cases may result in operational losses. In some instances, an operational error could also be a regulatory breach and vice versa.

Cedrus Capital Limited has a zero-tolerance policy for regulatory breaches and a low tolerance for operational errors by employees.

In accordance with our obligation to act in the best interest of the capital market, Cedrus Capital Limited's procedures are designed to achieve the following:

- Facilitate a root cause analysis of the issue and identify weaknesses in our processes and implement risk-mitigating controls to address the issue
- Timely resolution of operational errors and regulatory breaches
- Timely reporting of operational errors and regulatory breaches to senior management and where relevant, the regulatory agencies.

### **Our breaches and errors reporting and handling procedure**

- All operational errors must be immediately reported to the Head of Department and the Compliance Officer notified by logging the breach/error in the Breaches and Errors Register (**see Appendix 4 for breach and error reporting form**)
- The Head of Department will advise the Compliance Officer of the steps taken to rectify the breach and/or the error
- The breach and error reporting register must be completed on resolution of the breach and/or error and then signed off by the Head of the Business unit and the Compliance Officer

### **Compliance monitoring program**

- As part of the compliance monitoring program, the Compliance Officer will carry out periodical (**not less than a quarterly basis**) review of all breaches and errors that have taken place within the review period.
- At the end of the review, the compliance officer will issue a report on findings to management as part of the quarterly compliance report. The report will cover the following issues amongst others:
  - Number of operational errors and regulatory breaches that occurred within the reporting period

- Comparative analysis of the previous report with the current report
- Number of errors resolved and how it was resolved in the review period
- Any outstanding errors and/or breaches unresolved as at report date
- Root cause analysis of the breaches and/or errors
- Identification of any systemic issues which resulted in the error/breach

## **B. Complaints**

In keeping with Cedrus Capital Limited's commitment in acting in the best interests of the capital market, Cedrus Capital Limited has instituted a complaints policy and procedure to ensure the prompt and fair resolution of stakeholders' complaints.

In general, all investors' complaints and stakeholders' complaints will be handled by the ERM Department while complaints against employees will be handled by the Human Resources department in conjunction with the Compliance Officer.

### **Complaints Handling Policy**

Cedrus Capital Limited's policy is to ensure that all complaints are treated fairly and sympathetically and resolved within a 20 (twenty) working -day period.

Cedrus Capital Limited takes stakeholders' complaints seriously and has established a procedure to ensure that complaints are handled fairly and resolved promptly.

Our procedure includes reporting complaints to the compliance officer or the ERM department. All investors' complaints would be handled by the ERM Department in line with the existing complaints resolution framework, while complaints against employees will be directed to the Human Resources Department.

It is important to note that all complaints against employees, whether in writing or verbally, must be logged into the complaints register.

### **Complaints Handling Procedure**

1. All employees have an obligation to report complaints against any employee for investigation.

2. When a complaint is received, whether in writing or verbally from any stakeholder, by an employee, it must be logged into the Complaints Register (see attached Complaint Reporting Form as **Appendix 5**) by the employee who received the complaint.
3. The logged complaints will be forwarded to the head of the department concerned and the Compliance Officer. Where the employee is unsure of the department, the complaint should be forwarded to, he/she should contact the Compliance Officer for guidance.
4. The head of the department will appoint an independent member of staff to handle the complaint, or where this is not practicable, the case will be referred to the Audit Department for investigation.
5. Complaints involving stakeholders and investors will be handled by the ERM Department.
6. Where complaints can be resolved within the same day, a final response will be sent on the same day.
7. The time limit for resolving complaints is 10 business days. However, if settlement is not possible within that length of time, then an acknowledgement must be sent to the stakeholder, and the stakeholder given a time frame for resolution of his/her complaints.
8. Should the stakeholder be dissatisfied with the handling of a complaint at any time, he/she will be advised to address his/her grievances to the Compliance Officer, who will investigate the matter and ensure a response is sent within five business days.

### **Compliance Procedure for Monitoring Compliance with the Complaints Policy and Procedure**

The Compliance Officer is responsible for monitoring complaints against employees. In order to ensure that complaints are monitored effectively, the Compliance Officer should be notified of all complaints against employees. The Compliance Officer will manage the Complaints Resolution Register.

The Compliance Officer will analyze information relating to the number of complaints, the numbers of days within which a resolution was made, and the form of resolution. A complaints report detailing this information will be presented to the management as part of the quarterly compliance reports.

## **SECTION 10: TRAINING AND COMPETENCE**

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Cedrus Capital Limited places a lot of importance on professional development, training, and competence of its employees. In this regard,

employees are encouraged to attend training or professional courses on an annual basis (both locally and internationally).

Cedrus Capital Limited may also require some employees from time to time, attend courses in specialized areas to obtain knowledge and keep up with developments in the capital market.

In addition to the above, all employees are required to undertake some training in compliance, Anti-Money Laundering and Financial Crimes at least once in a financial year. This training is mandatory for all employees and will be championed by the Compliance Officer.

Constant changes in technology and regulation in the capital market may necessitate the need for employees to attend additional training from time to time.

### **Procedure**

The compliance officer will review the training log kept by the training and development unit (to be affiliated with the Human Resources Department) at regular intervals as part of Cedrus Capital Limited's compliance monitoring review of training and competence. Attendance will be recorded at compliance training, and this will be included in the quarterly compliance report to management.

### [APPENDIX](#)

Complaint Reporting Form

**CUSTOMERS REPORTING FORM**

**CUSTOMERS INFORMATION**

CUSTOMERS NAME: .....

CUSTOMERS ADDRESS: .....

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PHONE NO: .....

**COMPLAINT INFORMATION:**

COMPLAINT DATE: ..... COMPLAINT TAKEN BY: .....

COMPLAINT DETAILS: .....

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FIRST CORRECTION ACTION: .....

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SUSPECTED CAUSES: .....

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CORRECTIVE ACTION TAKEN BY: .....

CORRECTIVE ACTION FOLLOW UP: .....

STEPS TO BE TAKEN TO AVOID REPEATED PROBLEM: .....

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REPORTING OFFICER'S NAME: .....

SIGNATURE/DATE .....