

BOARD AND INVESTMENT PANEL

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REVISION HISTORY

Effective Date	Version	Preparer / Contributor	Approved by
28/06/2021	7.0	Ruhayati Muda Fatini Abd Ghapur Jacintha Ann Fernandez	Board
17/05/2023	8.0	Jacintha Ann Fernandez	Board
29/05/2025	9.0	Aida Najihah Mhd Nazli Jacintha Ann Fernandez	Board

CHANGE LOG

Version	Changes
7.0	(a) Removed the TORs of the Board Committees under Appendix I. (b) Removed Discretionary Authority Limit (DAL) section.
8.0	Incorporated the items with regards to the Principles on Good Governance for Government Linked Investment Companies.
9.0	(a) Removed the definitions and descriptions of 'External Auditor' and 'External Assurance Service Provider' under Definition section. (b) Removed and replaced the existing provisions with a new general provision under the Disclosure of Interest section. (c) Removed the appendices related to the Disclosure of Interest section under Appendix I and II.

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A. INTRODUCTION

1. The Charter sets out the key corporate governance principles adopted by the Board and Investment Panel of KWAP. The purpose of this Charter is to ensure high standards of corporate governance at KWAP. In adhering to the responsibilities set out in this Charter, the Board and Investment Panel members are expected to perform their duties with integrity, honesty and in professional manner in accordance with the law in serving the interest of its stakeholders, employees, clients and the community. This Charter has been endorsed by the Board and is subject to review by the Board from time to time, to ensure that KWAP remains at the forefront of best practices in corporate governance.

2. The Charter outlines among others, the roles and responsibilities of the Board, Investment Panel and Management. The roles and responsibilities of the Board Committees are covered in its respective TORs. The segregation of duties and function between the Board, Investment Panel and Management are clearly stated to avoid overlap and provide clarity on the authority and decision limits between the Board, Investment Panel and Management.

3. The Board and Investment Panel will carry out its mandate directly and in the case of the Board, through the various committees of the Board as provided in the respective Board Committees' terms of reference and such other committees as it appoints from time to time. These committees include among others, Board Audit Committee, Board Nomination and Remuneration Committee, Board Risk and Compliance Committee, Board Integrity Committee and Board Procurement Committee, as the case may be.

4. It should be noted that this Charter is not intended to be exhaustive and serves only as reference and guide to the Board and Investment Panel members in executing their responsibilities. For avoidance of doubt, if any of the provisions contained in this Charter is inconsistent with the provisions of KWAP Act or any other applicable written laws, the provisions of KWAP Act or any other

applicable laws, as the case maybe, will prevail to the extent of such inconsistency.

5. The Board and Investment Panel shall be bound by KWAP Act and other applicable laws, rules and regulations relevant to KWAP.

6. The Charter shall be published in KWAP's corporate website.

B. DEFINITION

Abbreviation	Description
Active politician	A person is considered an active politician if he or she is a member of parliament, state assemblyman or one who holds a position at the Supreme Council or division level in a political party.
Board	Board Members of KWAP
Board Committees	Board Audit Committee / Board Nomination and Remuneration / Board Risk and Compliance Committee / Board Integrity Committee / Board Procurement Committee and any other Committees established by the Board
BAC	Board Audit Committee
BNRC	Board Nomination and Remuneration Committee
BRCC	Board Risk and Compliance Committee
BIC	Board Integrity Committee
BPC	Board Procurement Committee
Charter	This Board and Investment Panel Charter
DAL	Discretionary Authority Limit

Abbreviation	Description
KWAP Independent Board Member	Means a board member who is independent of management and free from any business or other relationship with KWAP or its related corporations (each referred to as "said entity"). Without limiting the generality of the foregoing, an independent Board Member is one who– (a) is not currently a government officer; (b) is not an officer (except as an Independent Board Member) of the said entity; (c) is not a family member of any officer of the said entity; and (d) is currently not an advisor or engaged in any transaction including providing professional advisory services for the said entity. A former officer or a person who has been appointed as an advisor or engaged in any transaction with the entity or related corporations of the entity shall serve a cooling-off period of three years from the date of his retirement, resignation or engagement with the entity or related corporation of the entity before he can be appointed as an Independent Board Member on the board.
IP	Investment Panel Members of KWAP
KWAP	Kumpulan Wang Persaraan (Diperbadankan)
KWAP Act	Retirement Fund Act 2007 as may be amended, varied and/or supplemented by Parliament from time to time.
LOA	Limit of Authority.
Management	C-suites, Head(s) of Department(s) or equivalent.

Abbreviation	Description
Minister	Minister in charge of Finance, Malaysia.
MOF	Ministry of Finance, Malaysia.
Related Corporation	Means a corporation which is: a) a subsidiary of KWAP; or b) an entity established by the subsidiary.
Senior Management	C-suites (Chief Executive Officer, Chief Investment Officer, Chief Financial Officer, Chief Digital Officer, Chief Strategy and Services Officer, Chief Retirement Services Officer)
SF	Secretarial Function of KWAP
Stewardship	An ethical value that embodies the responsible planning and management of resources.
TOR	Terms of Reference

C. RESPONSIBILITIES OF THE BOARD

1. The Board is collectively responsible for the following:

   (a) administration and management of KWAP as stipulated by KWAP Act and is subjected to general guidelines and/or directives as may be issued by MOF; and

   (b) to ensure that KWAP operates in an efficient, transparent and accountable manner, in order to deliver sustainable value to its stakeholders.

2. The Board is charged with leading and controlling KWAP in an effective and responsible manner. Each Board member has a legal duty to act in the best interest of KWAP. The Board members collectively and individually, are aware

of their responsibilities to stakeholders for the manner in which the affairs of KWAP are managed.

3. The Board sets KWAP's values and standards and ensures that its obligations to its stakeholders are understood and met. The Board sets the right tone from the top and champions the adoptions of good governance culture and practices throughout KWAP.

4. The composition of the Board is at the discretion of the Minister and the requirements of the Board are specified in KWAP Act. Notwithstanding, in so far as it is not inconsistent with KWAP Act, the Board as a matter of best practice supports the composition of the Board to comprise of at least 30% of women.

5. All members of the Board shall objectively discharge their duties and responsibilities as fiduciaries, act with integrity and lead by example based on the following principles:

   (a) Duty of care – to act in a reasonable, honest, fair and informed manner;

   (b) Duty of candour – to communicate honestly and to make a full and fair disclosure to fellow board members; and

   (c) Duty of loyalty – to act on behalf of KWAP and refrain from self-dealing, usurpation of corporate opportunity and any acts that would permit them to receive an improper personal benefit.

6. The Board exercises oversight of management including providing strategic guidance and challenge.

C.1 Stewardship Responsibilities

The Board is responsible to:

(a) Strategy setting and review

One of the key roles of the Board is to review and approve strategic or business plans, financial objectives, capital and operating budget and matters of policy which also takes into account the environmental, social and governance consideration as proposed by the Management team. The Board would monitor the Management's performance in implementing the adopted strategies and provide relevant direction and advice where necessary to Senior Management, so as to ensure the achievement of KWAP's objectives.

(b) Management of KWAP

It is pertinent that the Board oversees the performance of Management in ensuring that KWAP is properly managed. To ensure high performance, the Board shall approve the performance objectives of the Senior Management team annually via KWAP's Business Plan and Corporate Scorecard and monitor the team's performance via the review of the Corporate Scorecard.

(c) Risk Management

The Board provides an oversight function in the identification of principal risks and ensures the implementation of appropriate systems to manage these risks. This includes reviewing and approving policies and processes to identify relevant risks to address the level of risks / risk appetite which are acceptable to KWAP and ensuring that systems and controls are in place.

(d) Integrity of Internal Control

The Board is expected to review the adequacy and integrity of KWAP's internal control systems on a regular basis and ensure that there is effective and satisfactory framework for reporting internal financial controls and regulatory compliance. In addition, the Board is expected to

establish and ensure the effective functioning of the BAC as well as the internal audit function.

(e) Governance

The Board is responsible in overseeing and approving KWAP's governance structure and principles adopted within KWAP and its wholly-owned subsidiaries.

The Board is responsible to review and approve key policies and framework adopted at KWAP and its wholly-owned subsidiaries to ensure integrity, good governance and ethical practices are upheld at all times.

C.2 Power to Make Regulations

The powers of the Board in relation to making regulations is governed by Section 12 of KWAP Act.

C.3 Board's Other Powers under the KWAP Act

(a) Approve the remuneration and allowances of members of the Board and IP subject to the approval of the Minister (Section 3 of the Second Schedule of KWAP Act).

(b) Approve the common seal of KWAP (Section 5 (1) of KWAP Act).

(c) Ensure the accounts and annual reports are prepared in accordance with the Statutory Bodies (Accounts and Annual Reports) Act 1980 and approve the annual accounts (Sections 16 of KWAP Act).

(d) Ensure that an estimate of the expenditure (including capital expenditure) is laid before the Board by the Chief Executive Officer not later than one month before 1st January each year (Section 17 of KWAP Act).

(e) Appoint the Chief Executive Officer on such terms and conditions and remuneration as the Board may deem fit subject to the approval of the Minister (Section 9(1) of KWAP Act).

(f) The Board may appoint professionals under section 6 (5) of KWAP Act. For clarity, the manner of the appointment may be made through the processes under the approved DAL, LOA, Financial Policies and Financial Guidelines and TOR of relevant committees of KWAP.

(g) Such other powers as prescribed by KWAP Act.

D. RESPONSIBILITIES OF THE IP

1. All matters pertaining to investment of the Fund shall be dealt with by the IP.

2. Each IP member has a legal duty to act in the best interest of KWAP. The IP members collectively and individually, are aware of their responsibilities in relation to KWAP's investment matters and/or affairs.

3. The composition of the IP is at the discretion of the Minister and the requirements of the IP are specified in KWAP Act.

4. The IP is generally responsible to recommend the relevant investment policies and strategies of KWAP to be approved by the Board. Further, the IP shall have the authority and limit as specified under KWAP Act, KWAP's Investment Policy, Investment Guideline and / or other relevant policies and guidelines currently in force.

5. In discharging its functions, the IP, where required shall report to the Board and shall act in accordance with the general policy that may be issued by the Board and approved by the Minister.

6. Any person who causes moneys or any property to be invested in contravention of Section 14 of KWAP Act shall be guilty of an offence and shall

on conviction be liable to a fine not exceeding RM2,000,000 or imprisonment for a term not exceeding ten (10) years or both.

7. The IP shall objectively discharge their duties and responsibilities as fiduciaries, act with integrity and lead by example based on the following principles:

   (a) Duty of care – to act in a reasonable, honest, fair and informed manner;

   (b) Duty of candour – to communicate honestly and to make a full and fair disclosure to fellow members; and

   (c) Duty of loyalty – to act on behalf of KWAP and refrain from self-dealing, usurpation of corporate opportunity and any acts that would permit them to receive an improper personal benefit.

E. BOARD STRUCTURE AND COMPOSITION

E.1 Membership

The members of the Board shall be appointed by the Minister as follows:

(a) A Chairman who shall be the Secretary General of the Ministry of Finance;

(b) A representative from the Central Bank of Malaysia;

(c) A representative from the Ministry of Finance;

(d) The Chief Executive Officer who shall be an ex-officio member;

(e) Three (3) members who are representatives of the Government of Malaysia;

(f) Three (3) other members from the private sector with experience and expertise in business, investment, banking or finance; and

(g) One person whom in the opinion of the Minister shall fairly represents the contributories to the Fund other than the representatives of the Government of Malaysia.

E.2 Board Size

The Board size shall be in accordance with KWAP Act in order for KWAP Board to discharge its roles and responsibilities effectively and efficiently.

E.3 Tenure of Office

(a) A member shall hold office for a term not exceeding three (3) years and on the expiry thereof, be eligible for reappointment.

(b) The appointment of any member may be revoked by the Minister at any time without assigning any reason thereof.

(c) A member may at any time resign his office by letter addressed to the Minister.

(d) Every member shall devote such time to the business of the Board as necessary to discharge his duties effectively.

E.4 Incapacitation / Vacation of Office

A member of the Board shall be deemed unfit and his office vacated if any of the following occurs:

(a) Upon his death;

(b) Upon being proven, convicted or having a charge against him for an offence involving fraud, dishonesty or moral turpitude, corruption or any offence punishable with imprisonment for more than two years;

(c) Upon being declared a bankrupt;

(d) If he is of unsound mind and incapable of discharging his duties;

(e) He is absent from three consecutive meetings without leave of the Chairman of the Board;

(f) He resigns by giving notice in writing to the Minister; or

(g) His appointment is revoked by the Minister.

F. IP STRUCTURE AND COMPOSITION

F.1 Membership

The IP members shall be appointed by the Minister as follows:

(a) A Chairman who shall be the Chairman of the Board or such other person appointed by the Minister;

(b) A representative from the Ministry of Finance;

(c) The Chief Executive Officer who shall be the secretary; and

(d) Four (4) other members from the private sector with experience and expertise in business, investment, banking or finance.

F.2 Tenure of Office

(a) A member shall hold office for a term not exceeding three (3) years and on the expiry thereof, be eligible for reappointment.

(b) The appointment of any member may be revoked by the Minister at any time without assigning any reason thereof.

(c) A member may at any time resign his office by letter addressed to the Minister.

(d) Every member shall devote such time to the business of the IP as necessary to discharge his duties effectively.

F.3 Incapacitation / Vacation of Office

A member of the IP shall be deemed unfit and his office vacated if any of the following occurs:

(a) Upon his death;

(b) Upon being proven, convicted or having a charge against him for an offence involving fraud, dishonesty or moral turpitude, corruption or any offence punishable with imprisonment for more than two years;

(c) Upon being declared a bankrupt;

(d) If he is of unsound mind and incapable of discharging his duties;

(e) He is absent from three consecutive meetings without leave of the Chairman;

(f) He resigns by giving notice in writing to the Minister; or

(g) His appointment is revoked by the Minister.

G. BOARD AND IP MEETINGS

G.1 Frequency

(a) Although KWAP Act prescribes that the Board shall meet at least once in every quarter of the calendar year, as a matter of best practice, the Board endeavours to meet on a regular basis with a minimum of 8 times a year, in discharging its duties and responsibilities. SF will inform the members on the tentative dates at the beginning of the year.

(b) The IP shall meet as and when required in discharging its duties and responsibilities. SF will inform the members on the tentative dates at the beginning of the year.

(c) A meeting shall normally be conducted face to face to enable effective discussion, however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Chairman of the Board / IP.

(d) Notwithstanding the foregoing, if a virtual meeting is disconnected and failed to be reconnected within a reasonable time, the Chairman of Board / IP shall have the discretion to postpone the meeting to another date, time and venue.

G.2 Attendance

Board / IP members shall endeavour to attend all meetings including the Board Committee meetings (where applicable) which they are a member of, but as a matter of best practice, each member shall attend more than 75% of meetings held in each financial year.

G.3 Quorum

(a) A quorum of three (3) members i.e. the Chairman and two other members, is required for any meeting of the Board / IP.

(b) In the absence of the Chairman, the Board / IP members shall appoint a member to preside over the meeting.

G.4 Decisions

(a) Decisions at any meeting of the Board and IP shall be decided by simple majority, each member having one vote.

(b) If the votes on any question are equal, the Chairman shall make the final decision by having a casting vote in addition to his original vote.

G.5 Approval by Circularization

(a) In circumstances where there is an immediate decision needed, and the Secretary is unable to convene a meeting, approval may be sought via circularization to all members of the Board / IP. Decision via circularization requires simple majority approval which will be reported during the next Board / IP meeting for notification.

(b) A resolution in writing signed by majority of the members entitled to receive notice shall be valid and effectual as if it had been passed at the meeting of the Board / IP duly convened and held. In addition to hard

copies, resolutions in writing can be passed via electronic channels such as email and facsimile. Any such document may be executed via electronic or digital signature of the Board / IP member.

G.6 Special Meetings for Board / IP

The Chairman of the Board / IP may call for a special meeting to consider urgent matters. However, the required quorum as stated in G.3 above shall be adhered to.

G.7 Emergency for IP

(a) The IP may with the approval of the Minister, delegate to its Chairman solely any of its power set out in subsection 14(1) of KWAP Act to carry out its functions in cases of emergency. In these circumstances, the Chairman may, with the directions of the IP, make a decision on his own without calling for a meeting of the IP.

(b) The Chairman of the IP shall be guided by predetermined circumstances or events that fall under the definition of emergency, as predetermined by the Board and approved by the Minister.

G.8 Minutes of Meetings

(a) The minutes of all meetings shall be properly maintained and kept. The Board / IP must ensure that clear and accurate minutes of the Board / IP meetings are maintained to record the decisions of the board, including the key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The minutes must indicate whether any member abstained from voting or excused himself from deliberating on a particular matter.

(b) The minutes shall be properly kept by SF together with the attendance sheet.

(c) Reproduction of any part of the minutes can only be performed by SF.

(d) Minutes of meeting duly signed shall be produced as evidence in all legal proceedings without further proof and the meeting in respect of the minutes shall be deemed to be duly convened and held and all members thereat to have been duly qualified to act. The Secretariat of the Meeting is authorized to produce the extract of the minutes to the internal and external parties as and when necessary.

G.9 Disclosure of Interest

The Board and IP members shall abide by KWAP's policy on the "Management of Conflict of Interest and Abstention in Meeting Proceedings of KWAP".

G.10 Remuneration and Allowances

(a) The remuneration and allowances of members of the Board and IP shall from time to time be determined by the Board subject to the approval of Minister. In this respect, the Board may implement a remuneration policy to determine the remuneration of the Board and IP members.

(b) Any Board members who participated in the Board/Board Committee meetings shall be entitled to a meeting allowance and all expenses incurred by them in this meeting shall be borne/reimbursed by KWAP.

(c) Any IP members who participated in the IP meetings shall be entitled to a meeting allowance and all expenses incurred by them in this meeting shall be borne/reimbursed by KWAP.

(d) The Board may collectively decide on other categories of remuneration including sitting allowance, traveling allowance and other expenses incurred by the members in the capacity as members of the Board.

(e) The individual member concerned shall abstain from voting during deliberation of their remuneration.

H. PRESERVING INDEPENDENCE OF THE BOARD AND IP

1. The Board and IP shall exercise independent and objective judgement in discharging their duties and shall not be subjected to any interference including political interference.

2. The Board may make recommendation to MOF that active politicians are discouraged from being appointed to the Board / IP.

I. BOARD COMMITTEES

1. As per Section 8 of KWAP Act, the Board may establish such committees to assist the Board in the performance of its functions. The terms of reference of each of the committee so established shall be approved by the Board.

2. The Board governance framework includes the establishment of board committees to enable the board to undertake its functions in an effective and efficient manner as well as allow greater focus on specific issues. The Board ensures the following Board Committees are established and members of the committee are clear on the committees' purpose and duties:
   (a) Board Audit Committee;
   (b) Board Nomination and Remuneration Committee;
   (c) Board Risk & Compliance Committee;
   (d) Board Procurement Committee;
   (e) Board Integrity Committee; and
   (f) Any other committees as the Board may deem fit.

3. Any proposed change to the terms of reference shall be effective only with the prior approval of the Board. Any action of the Board Committees beyond the scope of its terms of reference requires ratification by the Board.

J. RESPONSIBILITIES OF CHAIRMAN OF THE BOARD AND IP

1. The Chairman of the Board and IP shall be appointed by the Minister. If the Chairman is unable to attend any meeting, any one of the Board / IP member present at the meeting shall, upon a mandate conferred by the Board / IP, preside over that meeting.

2. The Chairman of the Board / IP assumes responsibility for leadership and ensures that the Board / IP discharges its responsibilities effectively.

3. The Chairman of the Board / IP promotes positive board dynamics and culture, by among others encouraging the participation of all members in discussions and ensuring all Board / IP members have equal voice and participation. The Chairman should welcome constructive challenge and debates, collective decision-making and promote respectful conduct and relations amongst the members and between the Board / IP and Management.

4. The Chairman of the Board is responsible for the following:

   (a) The conduct of the Board meetings;

   (b) Encourage healthy discussion and ensure that dissenting views can be freely expressed and discussed;

   (c) Ensuring that every Board's resolutions are put to a vote to ensure that it is the will of the majority and not of the dominant member that prevails;

   (d) Approving overseas travelling and all related travel expenses for CEO, the Board and the IP members;

   (e) Approving local and overseas training courses for CEO, the Board and IP Members;

   (f) Approving the Limit of Authority for CEO;

   (g) Approving Standing Order for KWAP's staff;

   (h) Signing of agreements required under Standing Order; and

For avoidance of doubt, in the event of a vacancy in the office of the Chairman, the Board shall have the authority to appoint any member of the Board to approve the matters set out in (d) to (h) above.

5. Chairman of the Board should not be the Chair or a member of the Board Audit Committee, Board Nomination and Remuneration Committee, IP, Board Risk and Compliance Committee or the Board Procurement Committee.

6. The positions of Chairman and CEO are held by different individuals.

7. The Chairman of the IP is responsible for the following:

   (a) The conduct of the Investment Panel meetings;

   (b) Encourage healthy discussion and ensure that dissenting views can be freely expressed and discussed; and

   (c) Ensuring that every member's resolutions are put to a vote to ensure that it is the will of the majority and not of the dominant member that prevails.

K. RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

K.1 Appointment

The Board, subject to approval of the Minister, shall appoint a Chief Executive Officer. The Board may appoint any member of the Board temporarily as the Chief Executive Officer pending appointment of one, upon vacancy of the post due to whatever reason or the Chief Executive Officer being unable to perform the duties of his office due to whatever reason.

K.2 Terms and Conditions

The Chief Executive Officer is appointed on terms and conditions as determined by the Board.

K.3 Powers and Duties

The powers, authorities, duties and responsibilities of the Chief Executive Officer shall be subject to the provisions of KWAP Act and the limits of authority as determined by the Board from time to time. The Chief Executive Officer may delegate such powers, authorities, duties and responsibilities to its managerial and executive staff subject to the Board's prior approval. The Chief Executive Officer is responsible for the following.

(a) The day-to-day administration and management of KWAP (Section 9(4) of KWAP Act);

(b) Implementation of the decisions of the Board (Section 9(4) of KWAP Act);

(c) Implementation of the investment decisions made by the IP (Section 9(4) of KWAP Act);

(d) Administrative control of officers and servants of KWAP (Section 9(4) of KWAP Act);

(e) Tabling of annual estimates (including capital expenditure) for the ensuing year to the Board not later than 1 month before 1st January of each year (Section 17 of KWAP Act);

(f) Maintaining a register and keeping safe custody of all unclaimed moneys held by KWAP (Section 15(1) of KWAP Act);

(g) Abiding by the provisions of the Statutory Bodies (Accounts and Annual Reports) Act 1980 [Act 240] (Section 16 of KWAP Act); and

(h) Safe custody of the common seal of KWAP (Section 5(2) of KWAP Act).

(i) Approving all local-travel related expenses for the Board and IP.

K.4 Reporting

The Chief Executive Officer shall be answerable and accountable to the Board for the exercise of his powers and the performance of his duties.

K.5 Remuneration and allowances

The salary and allowances of Chief Executive Officer shall be determined by the Board subject to the approval of the Minister.

L. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") OVERSIGHT

1. The Board supports the principle of ESG oversight as follows:

   (a) establish a governance structure for the oversight of sustainability, which includes clear points of accountability and reporting line between management and the board to ensure ESG considerations are managed effectively.

   (b) to integrate ESG consideration in the strategies and permeates across the operations of KWAP. The duties of Management include but are not limited to the development and execution of robust and relevant ESG strategies, effective management of material ESG risks and opportunities and taking the necessary measures to fulfil commitments and targets.

   (c) to take the necessary measures to reduce the carbon footprint from its operations and that of its investment portfolio. These measures should support and be guided by the national goal, climate commitment and target. KWAP's climate commitments and targets as well as progress against these targets, should be made transparent and disclosed.

   (d) to communicate KWAP's expectations on sustainability issues to portfolio companies. This includes the disclosure of material ESG risks by portfolio companies, in line with international best practices. Clear policies and processes must also be in place for the resolution of material ESG risks and/or non-compliance by portfolio companies.

(e) there is sufficient investment in ESG literacy, and that KWAP is endowed with the right skills and expertise to address ESG in a strategic and effective manner.

M. PERFORMANCE EVALUATION

1. The Board and IP carries out an objective and structured performance evaluation to review the performance of individual members as well as collective performance of the Board and IP annually. The evaluation also covers the performance of Board Committees.

2. A Board and IP evaluation facilitated by independent experts is targeted to be conducted once every three years. The Chairman of Board and IP may be evaluated annually through the feedback and views of all Board and IP members, respectively. The evaluation should consider among others, demonstration of leadership qualities such as promoting constructive debate and effective decision-making, maintaining healthy relationship with members, management, stakeholders and preserving stakeholders' confidence.

3. The Board reviews the performance of Management annually.

N. PROFESSIONAL DEVELOPMENT FOR BOARD AND IP

1. All newly appointed Board and IP members are to attend an on-boarding program within four months from the date of their appointment as a Board / IP member.

2. The Board shall from time to time identify the training needs of its members and where relevant, put in place such training programmes to keep abreast with new developments and emerging risks as well as acquiring new skill sets and knowledge.

O. CHANGES TO THIS CHARTER

The provisions set out in this Charter:

1. shall be reviewed and updated from time to time to reflect any changes to the law or any other guidelines and / or directives issued by MOF or other relevant supervisory or regulatory authorities; and

2. shall be applied in practice having regard to their spirit and general principles rather than to the letter alone.