

PERNYATAAN TADBIR URUS KORPORAT

STATEMENT ON CORPORATE GOVERNANCE



SEBAGAI PEMEGANG AMANAH, LEMBAGA SENTIASA MENGUTAMAKAN INTEGRITI, KETELUSAN DAN PROFESIONALISME SEBAGAI PEGANGAN ASAS DALAM MENJALANKAN TANGGUNGJAWABNYA KEPADA AHLI. SEHUBUNGAN INI, LEMBAGA MENGAKUI BAHAWA AMALAN TADBIR URUS KORPORAT YANG BAIK ADALAH ASAS BAGI MENUNAIKAN TANGGUNGJAWABNYA. SUNGGUHPUN KOD TADBIR URUS KORPORAT MALAYSIA ADALAH TERPAKAI UNTUK SYARIKAT-SYARIKAT YANG TERSENARAI DI BURSA MALAYSIA, NAMUN LEMBAGA PERCAYA DENGAN MENERIMA PAKAI INTI PATI KOD INI IA BOLEH MEMACU KWSP KE ARAH KECEMERLANGAN. LEMBAGA JUGA PERCAYA DENGAN MENERIMA PAKAI KOD INI KEYAKINAN PEMEGANG KEPENTINGAN KWSP AKAN MENINGKAT TERHADAP ORGANISASI INI.

AS A TRUSTEE, THE BOARD HAS ALWAYS EMPHASISED INTEGRITY, TRANSPARENCY AND PROFESSIONALISM AS A FUNDAMENTAL PART IN DISCHARGING THE BOARD'S RESPONSIBILITIES TO ITS MEMBERS. IN THIS REGARD, THE BOARD ACKNOWLEDGES THAT GOOD CORPORATE GOVERNANCE PRACTICE FORMS THE BASIS FOR IT TO DISCHARGE ITS RESPONSIBILITIES. ALTHOUGH THE MALAYSIA CORPORATE GOVERNANCE CODE IS APPLICABLE TO COMPANIES LISTED ON BURSA MALAYSIA, THE BOARD BELIEVES THAT THE ADOPTION OF THE ESSENCE OF THE CODE WILL DRIVE THE EPF TOWARDS EXCELLENCE AND ENHANCE STAKEHOLDERS' CONFIDENCE IN THE ORGANISATION.

Pernyataan Tadbir Urus Korporat

Statement on Corporate Governance

MENERAJUI BADAN PEMEGANG SAHAM MINORITI (BPSM)

Lembaga KWSP telah memainkan peranan utama dalam penubuhan BPSM. Tujuan BPSM ditubuhkan ialah untuk melindungi kepentingan pemegang saham minoriti dengan menggalakkan amalan-amalan korporat yang baik di kalangan syarikat yang tersenarai di Bursa Malaysia. Lembaga sedar bahawa sebagai peneraju Badan ini, KWSP hendaklah terlebih dahulu mematuhi amalan-amalan baik yang termaktub di dalam Kod Tadbir Urus Korporat Malaysia.

LEMBAGA DAN PANEL PELABURAN

Tugas dan Tanggungjawab Utama Lembaga

Lembaga mempunyai beberapa tugas yang khusus seperti mengawal selia pelaksanaan polisi berkaitan dengan kerja-kerja operasi, mengenal pasti bidang-bidang berisiko dan mengambil langkah-langkah yang sesuai untuk mengurus risiko tersebut serta mengkaji semula keutuhan dan kesempurnaan sistem kawalan dalaman daripada semasa ke semasa. Selain Lembaga, Akta KWSP 1991 juga memperuntukkan penubuhan Panel Pelaburan yang menentukan hala tuju strategik bagi semua perkara berkaitan dengan pelaburan KWSP. Ia menentukan dan meluluskan garis panduan pelaburan, polisi berkaitan risiko kawalan alokasi aset dan hala tuju strategik pelaburan.

Pelantikan Ahli Lembaga dan Panel Pelaburan

Menteri Kewangan adalah pihak berkuasa yang melantik semua ahli Lembaga dan Panel Pelaburan termasuk Ketua Pegawai Eksekutif. Dalam menjalankan tanggungjawab ini, Menteri Kewangan hanya melantik mereka yang terbukti mempunyai rekod yang baik dari segi integriti, kebolehan dan kebolehpercayaan supaya mereka dapat menjalankan tanggungjawab mereka terhadap KWSP secara berkesan. Tempoh pelantikan mereka adalah selama dua tahun dan Menteri akan menilai semula prestasi dan kecekapan mereka secara individu dan keseluruhan.

Komposisi Keahlian Lembaga dan Panel Pelaburan

Lembaga KWSP terdiri daripada 18 orang ahli yang tidak mempunyai kuasa eksekutif kecuali Ketua Pegawai Eksekutif. Selain Pengerusi dan Ketua Pegawai Eksekutif, keahlian Lembaga terdiri daripada empat wakil pekerja, empat wakil majikan dan lima wakil kerajaan. Tambahan pula, Lembaga juga mempunyai tiga wakil yang mempunyai kemahiran dalam bidang perniagaan, kewangan dan ekonomi. Ini bertujuan untuk meningkatkan kewibawaan Lembaga, memastikan kebebasan Lembaga dan membolehkan Lembaga menerima nasihat yang profesional dan objektif.

STEWARDSHIP OF THE MINORITY SHAREHOLDERS WATCHDOG BODY (MSWB)

The EPF Board has played a key role in the formation of the MSWB. The main objective of the MSWB is to enhance minority shareholders activism by promoting best practices among listed entities in the Bursa Malaysia. As a pioneer of the MSWB, it is only befitting that the EPF Board itself adheres to best practices enshrined in the Malaysia Code on Corporate Governance.

THE BOARD MEMBERS AND INVESTMENT PANEL

Main Duties and Responsibilities of the Board

The Board assumes a number of specific responsibilities such as overseeing the implementation of policies related to the operations of the EPF, identifying key risks areas and taking appropriate steps to manage these risks as well as reviewing the adequacy and integrity of the internal control systems. Apart from the Board, the EPF Act 1991 also provides for the establishment of an Investment Panel to provide strategic directions on investment matters. It determines and approves investment guidelines, policies on risk control and asset allocation and strategic direction on investment.

Appointment to the Board and the Investment Panel

Members of the Board and the Investment Panel as well as the Chief Executive Officer are appointed by the Minister of Finance. In exercising this responsibility, the Minister appoints only those who have proven track records of integrity, ability and reliability to undertake the obligations effectively. Appointments are for a period of two years and the Minister of Finance will review on performance and effectiveness as individuals and as a whole.

Composition of the Board and Investment Panel

There are 18 members sitting on the Board of the EPF, all with non-executive powers except the Chief Executive Officer. Besides the Chairman and the Chief Executive Officer, the Board's composition has representations from its stakeholders, that is, four members representing the employees and employers respectively and five members representing the Government. To add credence and independence to the Board as well as to give the necessary professional advice, three Board members from the business, finance and economics background have also been included. The Investment Panel, headed by the Chairman of the EPF Board, has a representative from Bank Negara, the Ministry of Finance and three independent financial experts.

Panel Pelaburan pula diketuai oleh seorang Pengerusi dan mempunyai wakil daripada Bank Negara, Kementerian Kewangan dan tiga orang pakar kewangan. Pada masa ini, Pengerusi Panel Pelaburan adalah juga Pengerusi Lembaga. Ketua Pegawai Eksekutif menganggotai Panel Pelaburan sebagai ahli ex-officio. Komposisi keahlian Lembaga dan Panel Pelaburan ini menunjukkan Lembaga dan Panel Pelaburan dianggotai oleh ahli daripada pelbagai latar belakang yang membolehkan mereka melaksanakan tanggungjawab mereka dengan berkesan.

Jawatan Pengerusi dan Ketua Pegawai Eksekutif

Jawatan Pengerusi dan Ketua Pegawai Eksekutif adalah berasingan dan diisi oleh dua individu yang berlainan. Pengasingan fungsi dan tanggungjawab bagi kedua-dua jawatan tersebut adalah bagi memastikan keseimbangan kuasa dan autoriti serta kuasa tidak tertumpu pada seorang sahaja. Lembaga adalah bertanggungjawab terhadap keberkesanan keseluruhan organisasi. Ketua Pegawai Eksekutif pula adalah bertanggungjawab terhadap keseluruhan pentadbiran harian.

MESYUARAT LEMBAGA DAN PANEL PELABURAN

Lembaga bermesyuarat dua bulan sekali untuk mempertimbangkan, mengkaji semula, menilai polisi dan strategi serta memantau prestasi Pengurusan. Sepanjang tahun 2007, Lembaga telah bermesyuarat sebanyak sepuluh kali. Panel Pelaburan pula bermesyuarat dua minggu sekali untuk mempertimbang dan meluluskan perakuan pelaburan. Pada tahun ini, Panel Pelaburan telah bermesyuarat sebanyak dua puluh dua kali (22). Selaras dengan Kod Tadbir Urus Korporat, seseorang Ahli Lembaga atau Panel Pelaburan itu hendaklah menghadiri sekurang-kurangnya 50 peratus daripada mesyuarat yang diadakan. Berikut adalah butir-butir kehadiran mesyuarat Ahli Lembaga dan Panel Pelaburan.

The Chief Executive Officer is the ex-officio board member. Members of the Board together with the Investment Panel, therefore, are from a wide spectrum of experience providing competence and strength in discharging their duties effectively.

The Position of the Chairman and Chief Executive Officer

The positions of the Chairman and the Chief Executive Officer are held by two different persons. The functions and the division of responsibilities were separated to ensure balance of power and authority, so that there will not be concentration of power in one person. While the Board assumes the overall responsibility to lead and control the organisation, the day to day operations is the responsibility of the Chief Executive Officer and Senior Management.

THE BOARD AND INVESTMENT PANEL MEETINGS

The Board meets bimonthly to deliberate, review, evaluate policies and strategies, and monitor the performance of the Management. In 2007, the Board held 10 meetings. The Investment Panel meets fortnightly to deliberate and approve applications, proposals and recommendations with regard to investment. During the year, 22 Panel meetings were held. In line with the Corporate Governance Code, the Board and Panel members are required to attend at least 50 per cent of the meetings held. Details of members' attendance at meetings are as follows.

Pernyataan Tadbir Urus Korporat

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KEHADIRAN AHLI LEMBAGA • ATTENDANCE OF BOARD MEMBERS

Jumlah mesyuarat yang telah diadakan ialah 10 kali • Total number of meetings held was 10

NAMA • NAME KEHADIRAN • ATTENDANCE

| | | |
|----|---|-----|
| 1. | TAN SRI ABDUL HALIM B. ALI (Bersara / Retired 30.1.2007) | 1/1 |
| | TAN SRI SAMSUDIN OSMAN (Pelantikan Mulai / Appointed From 1.2.2007) | 9/9 |

Wakil Kerajaan • Government Representatives

| | | |
|----|---|------|
| 2. | DATO' DR. WAN ABDUL AZIZ WAN ABDULLAH (Tamat Tempoh Mulai / Period Ended From 1.4.2007) | 1/3 |
| | ENCIK IBRAHIM MAHALUDIN PUTEH (Silih Ganti Sehingga / Alternate Until 1.4.2007) | 2/3 |
| | DATO' IBRAHIM MAHALUDIN PUTEH (Mulai / From 15.4.2007) | 5/7 |
| | [Lantikan Baru Sebagai Ahli Lembaga / Newly Appointed As Board Member] | |
| | PN. NORZIRAH BAHARI (Silih Ganti / Alternate) (Mulai / From 15.4.2007) [Lantikan Baru / Newly Appointed] | |
| 3. | DATO' THOMAS GEORGE A/L M.S. GEORGE | 6/10 |
| | ENCIK MOHD AZMAN ABDUL MUBIN (Silih Ganti / Alternate) | 4/10 |
| 4. | TAN SRI ISMAIL ADAM | 4/10 |
| | DATUK AB. KHALIL AB. HAMID (Silih Ganti / Alternate) | 5/10 |
| 5. | TAN SRI DATUK AMAR HJ. ABDUL AZIZ HJ. HUSAIN (Bersara Mulai / Retired From 28.2.2007) | — |
| | DATU ABDUL GHAFUR SHARIFF (Silih Ganti / Alternate) | 1/10 |
| | DATUK AMAR WILSON BAYA DANDOT (Mulai / From 1.6.2007) | 3/5 |
| | [Lantikan Baru Sebagai Ahli Lembaga / Newly Appointed As Board Member] | |
| 6. | DATUK HJ. SUKARTI WAKIMAN | 5/10 |
| | TUAN HJ. MASOOD HJ. SALLEH (Silih Ganti / Alternate) (Tamat Tempoh Mulai / Period Ended From 31.5.2007) | — |
| | ENCIK SAIRIN MELIN (Silih Ganti / Alternate) (Mulai / From 1.6.2007) [Lantikan Baru / Newly Appointed] | 1/5 |

Wakil Majikan • Employers Representatives

| | | |
|-----|---|-------|
| 7. | TUAN HJ. MD. JAFAR ABDUL CARRIM (Tamat Tempoh Mulai / Period Ended From 31.5.2007) | 5/5 |
| | DATO' AZMAN SHAH HARON (Mulai / From 1.6.2007) [Lantikan Baru / Newly Appointed] | 3/5 |
| 8. | DATUK HJ. AHMAD ALI LOPE ABDUL AZIZ | 10/10 |
| 9. | DATUK MUSTAFA MANSUR (Tamat Tempoh Mulai / Period Ended From 31.5.2007) | 4/5 |
| | TAN SRI YONG POH KON (Mulai / From 1.6.2007) [Lantikan Baru / Newly Appointed] | 2/5 |
| 10. | TUAN HJ. MAHMUD MOHD NOR | 10/10 |

KEHADIRAN AHLI LEMBAGA (SAMB.) • ATTENDANCE OF BOARD MEMBERS (CONT'D.)Jumlah mesyuarat yang telah diadakan ialah 10 kali • *Total number of meetings held was 10*NAMA • *NAME* KEHADIRAN • *ATTENDANCE***Wakil Pekerja • *Employees Representatives***

| | | |
|-----|--|------|
| 11. | TUAN SYED SHAHIR SYED MOHAMUD | 7/10 |
| 12. | ENCIK AHMAD SHAH MOHD ZIN | 4/10 |
| 13. | ENCIK ANDREW LO KIAN NYAN | 9/10 |
| 14. | ENCIK ISMAIL YUSUF (Tamat Tempoh Mulai / <i>Period Ended From 31.5.2007</i>) | 5/5 |
| | CIK CHIN YUNG CHIEW @ REBECCA (Mulai / <i>From 1.6.2007</i>) [Lantikan Baru / <i>Newly Appointed</i>] | 4/5 |

Wakil Profesional • *Professionals Representatives*

| | | |
|-----|---|------|
| 15. | ENCIK CHEAH TEK KUANG (Tamat Tempoh Mulai / <i>Period Ended From 31.5.2007</i>) | 4/5 |
| | DATUK MOHD HASHIM HASSAN (Mulai / <i>From 1.6.2007</i>) [Lantikan Baru / <i>Newly Appointed</i>] | 2/5 |
| 16. | DATO' MOHAMMED AZLAN HASHIM | 9/10 |
| 17. | PROF. DATUK DR. ISMAIL MD. SALLEH | 5/10 |

Ex-Officio

| | | |
|-----|--------------------|-------|
| 18. | DATUK AZLAN ZAINOL | 10/10 |
|-----|--------------------|-------|

KEHADIRAN AHLI PANEL PELABURAN • ATTENDANCE OF INVESTMENT PANEL MEMBERSJumlah mesyuarat yang telah diadakan ialah 22 kali • *Total number of meetings held was 22*NAMA • *NAME* KEHADIRAN • *ATTENDANCE*

| | | |
|----|--|-------|
| 1. | TAN SRI ABDUL HALIM ALI (Bersara Mulai / <i>Retired From 30.1.2007</i>) | 2/2 |
| | TAN SRI SAMSUDIN OSMAN (Pelantikan Mulai / <i>Appointed From 1.2.2007</i>) | 20/20 |
| 2. | DATO' DR. WAN ABDUL AZIZ WAN ABDULLAH (Tamat Tempoh Mulai / <i>Period Ended From 1.4.2007</i>) | 4/8 |
| | DATO' IBRAHIM MAHALUDIN PUTEH (Mulai / <i>From 15.4.2007</i>) | 6/14 |
| 3. | DATO' MOHD RAZIF ABD. KADIR | 14/22 |
| 4. | DATUK AMIRSHAM ABD. AZIZ | 12/22 |
| 5. | DATO' SRI MOHAMED NAZIR BIN ABDUL RAZAK | 10/22 |
| 6. | DATUK MOHD HASHIM HASSAN (Tamat Tempoh Mulai / <i>Period Ended From 31.5.2007</i>) | 7/10 |
| | ENCIK CHEAH TEK KUANG (Mulai / <i>From 1.6.2007</i>) | 9/12 |
| 7. | DATUK AZLAN ZAINOL | 22/22 |

Pernyataan Tadbir Urus Korporat

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PEMBERIAN MAKLUMAT KEPADA LEMBAGA

Semua Ahli Lembaga diberikan laporan dan cadangan lengkap mengenai perkara yang akan dibincangkan sebelum mereka menghadiri mesyuarat. Ini bertujuan membolehkan mereka mempertimbangkan perkara-perkara yang perlu dibincangkan dalam mesyuarat terlebih dahulu sebelum mesyuarat diadakan. Antara perakuan yang penting dikemukakan kepada Lembaga untuk kelulusan ialah belanjawan tahunan dan perancangan strategik KWSP. Selain itu, Lembaga juga diberikan laporan rutin dan statistik penting berkaitan dengan pentadbiran dan pelaburan, penyata akaun bulanan, minit mesyuarat Jawatankuasa-jawatankuasa Lembaga dan

lain-lain. Jika perlu, Lembaga boleh mendapatkan nasihat profesional yang bebas untuk melaksanakan tanggungjawabnya.

JAWATANKUASA LEMBAGA

Bagi memastikan Lembaga menunaikan tanggungjawabnya dengan cekap, Lembaga telah menubuhkan beberapa Jawatankuasa untuk mengawal selia perjalanan organisasi. Setiap Jawatankuasa menjalankan tugasnya berdasarkan terma rujukan yang jelas. Berikut adalah butir-butir kehadiran Ahli Jawatankuasa Lembaga pada tahun 2007 bersama terma rujukan mereka:

PROVISION OF INFORMATION TO THE BOARD

Members of the Board are provided with comprehensive reports and proposals prior to Board meetings. This is to enable Board members to study and review the matters to be discussed. Among the important recommendations tabled to the Board for approval are the annual budget and strategic plan of the EPF. Apart from these, the Board is also supplied with routine reports and important statistics on administration and investment, monthly accounts, minutes of Board Committee meetings and others. The Board can seek independent professional advice should the need arise.

BOARD COMMITTEES

To ensure the efficient discharge of its duties, the Board has formed various committees to oversee specific matters pertaining to the running of the organisation. Each committee operates within clearly defined terms of reference. The Board Committees, their terms of reference and attendance of their meetings for 2007 are as follows:

KEHADIRAN AHLI MESYUARAT JAWATANKUASA AUDIT LEMBAGA •

ATTENDANCE OF MEETINGS OF BOARD AUDIT COMMITTEE

Jumlah mesyuarat yang telah diadakan ialah 7 kali • Total number of meetings held was 7

| NAMA • NAME | KEHADIRAN • ATTENDANCE |
|---|------------------------|
| 1. TUAN HJ. MD. JAFAR ABDUL CARRIM (Pengerusi / Chairman) (Tamat Tempoh Mulai / Period Ended From 31.5.2007) | 5/5 |
| ENCIK ANDREW LOW KIAN NYAN (Mulai / From 1.6.2007) [Lantikan Baru / Newly Appointed] | 2/2 |
| 2. DATO' THOMAS GEORGE A/L M.S. GEORGE (Keahlian Setakat / Member Until 31.5.2007) | 0/5 |
| DATO' IBRAHIM MAHALUDIN PUTEH (Mulai / From 1.6.2007) | 1/2 |
| 3. DATUK MUSTAFA MANSUR (Tamat Tempoh Mulai / Period Ended From 31.5.2007) | 4/5 |
| DATUK HJ. AHMAD ALI LOPE ABDUL AZIZ (Keahlian Setakat / Member Until 31.5.2007) | 5/5 |
| DATO' AZMAN SHAH HARON | 2/2 |
| 4. ENCIK ANDREW LO KIAN NYAN | 5/5 |
| ENCIK ISMAIL YUSUF (Tamat Tempoh Mulai / Period Ended From 31.5.2007) | 5/5 |
| CIK CHIN YUNG CHIEW @ REBECCA (Mulai / From 1.6.2007) | 2/2 |
| 5. PROF. DATUK DR. ISMAIL MD. SALLEH (Keahlian Setakat / Member Until 31.5.2007) | 0/5 |
| DATUK MOHD HASHIM HASSAN (Mulai / From 1.6.2007) | 1/2 |
| 6. DATUK AZLAN ZAINOL | 7/7 |

**KEHADIRAN AHLI MESYUARAT JAWATANKUASA KEWANGAN & PEMBANGUNAN •
ATTENDANCE OF MEETINGS OF FINANCE & DEVELOPMENT COMMITTEE**
Jumlah mesyuarat yang telah diadakan ialah 8 kali • Total number of meetings held was 8

| NAMA • NAME | KEHADIRAN • ATTENDANCE |
|--|------------------------|
| 1. TAN SRI ABDUL HALIM ALI (Bersara / <i>Retired</i> 30.1.2007) | 1/1 |
| TAN SRI SAMSUDIN OSMAN (Pelantikan Mulai / <i>Appointed From</i> 1.2.2007) | 7/7 |
| 2. DATO' DR. WAN ABDUL AZIZ WAN ABDULLAH (Tamat Tempoh Mulai / <i>Period Ended From</i> 1.4.2007) | 1/2 |
| ENCIK IBRAHIM MAHALUDIN (Silih Ganti Sehingga / <i>Alternate Until</i> 1.4.2007) | 1/2 |
| DATO' IBRAHIM MAHALUDIN (Mulai / <i>From</i> 1.6.2007) [Lantikan Baru Sebagai Ahli Lembaga / <i>Newly Appointed As Board Member</i>] | 4/5 |
| 3. TAN SRI DATUK AMAR HJ. ABDUL AZIZ HJ. HUSAIN (Bersara / <i>Retired</i> 28.2.2007) | 0/2 |
| DATU GHAFUR SHARIFF (Silih Ganti / <i>Alternate</i>) | 0/0 |
| 4. TUAN HJ. MD. JAFAR ABDUL CARRIM (Tamat Tempoh Mulai / <i>Period Ended From</i> 31.5.2007) | 3/3 |
| TAN SRI YONG POH KON (Mulai / <i>From</i> 1.6.2007) | 1/5 |
| 5. DATUK MUSTAFA MANSUR (Tamat Tempoh Mulai / <i>Period Ended From</i> 31.5.2007) | 2/3 |
| 6. TUAN SYED SHAHIR SYED MOHAMUD | 7/8 |
| 7. ENCIK ANDREW LO KIAN NYAN (Keahlian Setakat / <i>Member Until</i> 31.5.2007) | 3/3 |
| CIK CHIN YUNG CHIEW @ REBECCA (Mulai / <i>From</i> 1.6.2007) | 4/5 |
| 8. ENCIK CHEAH TEK KUANG (Tamat Tempoh Mulai / <i>Period Ended From</i> 31.5.2007) | 2/3 |
| 9. DATO' MOHAMMED AZLAN HASHIM (Keahlian Setakat / <i>Member Until</i> 31.5.2007) | 3/3 |
| DATUK MOHD HASHIM HASSAN (Mulai / <i>From</i> 1.6.2007) | 3/5 |
| 10. DATUK AZLAN ZAINOL | 8/8 |

**KEHADIRAN AHLI MESYUARAT JAWATANKUASA PERJAWATAN, PELANTIKAN & PERKHIDMATAN •
ATTENDANCE OF MEETINGS OF BOARD ESTABLISHMENT, APPOINTMENT & SERVICES COMMITTEE**
Jumlah mesyuarat yang telah diadakan ialah 3 kali • Total number of meetings held was 3

| NAMA • NAME | KEHADIRAN • ATTENDANCE |
|--|------------------------|
| 1. TAN SRI ISMAIL ADAM | 3/3 |
| 2. DATUK HJ. SUKARTI WAKIMAN (Keahlian Setakat / <i>Member Until</i> 31.5.2007) | 0/1 |
| DATO' THOMAS GEORGE A/L M.S. GEORGE (Mulai / <i>From</i> 1.6.2007) | 1/2 |
| TAN SRI DATUK AMAR HJ. ABDUL AZIZ HJ. HUSAIN (Keahlian Setakat / <i>Member Until</i> 28.2.2007) | 0/1 |
| DATU GHAFUR SHARIFF (Silih Ganti / <i>Alternate</i>) | 0/1 |
| 3. DATUK MUSTAFA MANSUR (Tamat Tempoh Mulai / <i>Period Ended From</i> 31.5.2007) | 1/1 |
| TUAN HJ. MAHMUD MOHD NOR | 2/3 |
| 4. ENCIK AHMAD SHAH MOHD ZIN | 2/3 |
| ENCIK ISMAIL YUSUF (Keahlian Setakat / <i>Member Until</i> 31.5.2007) | 1/1 |
| 5. PROF DATUK DR. ISMAIL MD. SALLEH | 1/3 |
| 6. DATUK AZLAN ZAINOL | 3/3 |

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KEHADIRAN AHLI MESYUARAT JAWATANKUASA TATATERTIB LEMBAGA •

ATTENDANCE OF MEETINGS OF BOARD DISCIPLINARY COMMITTEE

Jumlah mesyuarat yang telah diadakan ialah 6 kali • Total number of meetings held was 6

| NAMA • NAME | KEHADIRAN • ATTENDANCE |
|--|------------------------|
| 1. DATO' THOMAS GEORGE A/L M.S. GEORGE | 6/6 |
| 2. DATUK HJ. SUKARTI WAKIMAN | 2/6 |
| 3. DATUK HJ. AHMAD ALI LOPE ABDUL AZIZ | 6/6 |
| 4. TUAN SYED SHAHIR SYED MOHAMUD | 6/6 |
| 5. DATO' MOHAMMED AZLAN HASHIM | 2/6 |
| 6. DATUK AZLAN ZAINOL | 6/6 |

KEHADIRAN AHLI-AHLI JAWATANKUASA PENGURUSAN RISIKO LEMBAGA •

ATTENDANCE OF MEETINGS OF BOARD RISK MANAGEMENT

Jumlah mesyuarat yang telah diadakan ialah 4 kali • Total number of meetings held was 4

| NAMA • NAME | KEHADIRAN • ATTENDANCE |
|--|------------------------|
| 1. ENCIK CHEAH TEK KUANG (Tamat Tempoh Mulai / Period Ended From 31.5.2007) | 2/2 |
| DATO' MOHAMMED AZLAN HASHIM (Mulai / From 1.6.2007) | 2/2 |
| 2. DATUK HJ. SUKARTI WAKIMAN | 0/4 |
| 3. TUAN HJ. MAHMUD MOHD NOR (Keahlian Setakat / Member Until 31.5.2007) | 2/2 |
| DATO' AZMAN SHAH MOHAMUD (Mulai / From 1.6.2007) | 1/2 |
| 4. TUAN SYED SHAHIR SYED MOHAMUD | 3/4 |
| 5. DATUK MOHD HASHIM HASSAN (Mulai / From 1.6.2007) [Lantikan Baru / Newly Appointed] | 1/2 |
| 6. DATUK AZLAN ZAINOL | 4/4 |

**KEHADIRAN AHLI-AHLI JAWATANKUASA LEMBAGA PENGURUSAN PRESTASI •
ATTENDANCE OF MEETINGS OF PERFORMANCE MANAGEMENT COMMITTEE**

Jumlah mesyuarat yang telah diadakan ialah 2 kali • *Total number of meetings held was 2*

| NAMA • NAME | KEHADIRAN • ATTENDANCE |
|--|------------------------|
| 1. TAN SRI ISMAIL ADAM | 2/2 |
| 2. DATUK AMAR WILSON BAYA DANDOT (Mulai / <i>From</i> 1.6.2007) [Lantikan Baru / <i>Newly appointed</i>] | 0/1 |
| 3. TUAN HJ. MD JAFAR ABDUL CARRIM (Tamat Tempoh Mulai / <i>Period Ended From</i> 31.5.2007) | 1/1 |
| DATUK HJ. AHMAD ALI LOPE ABDUL AZIZ (Mulai / <i>From</i> 1.6.2007) | 1/1 |
| 4. TUAN SYED SHAHIR SYED MOHAMUD (Keahlian Setakat / <i>Member Until</i> 31.5.2007) | 1/1 |
| ENCIK ANDREW LO KIAN NYAN (Mulai / <i>From</i> 1.6.2007) | 0/1 |
| 5. DATUK MOHD HASHIM HASSAN | 0/2 |
| 6. DATUK AZLAN ZAINOL | 2/2 |

**KEHADIRAN AHLI-AHLI JAWATANKUASA KECIL HALA TUJU •
ATTENDANCE OF MEETINGS OF HALA TUJU SUB COMMITTEE**

Jumlah mesyuarat yang telah diadakan ialah 1 kali • *Total number of meetings held was 1*

| NAMA • NAME | KEHADIRAN • ATTENDANCE |
|---|------------------------|
| 1. TUAN HJ MD JAFAR ABDUL CARRIM (Tamat Tempoh Mulai / <i>Period Ended From</i> 31.5.2007) | 1/1 |
| 2. PROF DATUK DR. ISMAIL MD SALLEH (Mulai / <i>From</i> 1.6.2007) | — |
| 3. DATO' IBRAHIM MAHALUDIN PUTEH (Mulai / <i>From</i> 1.6.2007) | — |
| 4. TUAN HAJI MAHMUD MOHD NOR (Keahlian Setakat / <i>Member Until</i> 31.5.2007) | 1/1 |
| 5. TAN SRI YONG POH KON (Mulai / <i>From</i> 1.6.2007) | — |
| 6. TUAN SYED SHAHIR SYED MOHAMUD | 1/1 |
| 7. ENCIK ANDREW LO KIAN NYAN | 1/1 |
| 8. PROF. DATUK DR. ISMAIL MD SALLEH (Keahlian Setakat / <i>Member Until</i> 31.5.2007) | 1/1 |
| 9. DATUK AZLAN ZAINOL | 1/1 |

Pernyataan Tadbir Urus Korporat

Statement on Corporate Governance

KEHADIRAN AHLI-AHLI JAWATANKUASA RISIKO PANEL PELABURAN •
ATTENDANCE OF MEETINGS OF INVESTMENT PANEL RISK MANAGEMENT COMMITTEE
 Jumlah mesyuarat yang telah diadakan ialah 4 kali • Total number of meetings held was 4

| NAMA • NAME | KEHADIRAN • ATTENDANCE |
|--|------------------------|
| 1. DATO' SRI MOHAMED NAZIR BIN ABDUL RAZAK | 4/4 |
| 2. DATO' MOHD RAZIF BIN ABD. KADIR | 1/4 |
| 3. ENCIK CHEAH TEK KUANG (Mulai / From 1.6.2007) [Lantikan Baru / Newly Appointed] | 2/3 |
| 4. DATUK AZLAN ZAINOL | 4/4 |

JAWATANKUASA LEMBAGA: TERMA RUJUKAN

Jawatankuasa Audit

Jawatankuasa ini bertanggungjawab untuk membantu Lembaga menilai keberkesanan Jabatan Audit Dalam. Selain itu, Jawatankuasa ini juga menilai keberkesanan dan kecukupan polisi operasi dan sistem kawalan dalaman termasuk polisi perakaunan, prosedur kewangan dan pengurusan akaun.

Jawatankuasa Kewangan Dan Pembangunan

Jawatankuasa ini bertanggungjawab terhadap perkara-perkara berkaitan dengan perolehan aset, pelupusan harta Lembaga dan pelantikan pakar runding untuk pembangunan harta Lembaga. Selain itu, Jawatankuasa ini juga bertanggungjawab terhadap perkara berkaitan dengan kewangan termasuk pembukaan akaun bank, kawalan perbelanjaan dan belanjawan.

Jawatankuasa Perjawatan, Pelantikan dan Perkhidmatan

Jawatankuasa ini adalah bertanggungjawab terhadap perkara-perkara berkaitan dengan pewujudan jawatan dalam organisasi, terma dan syarat perkhidmatan, struktur gaji, pelantikan pegawai atau perkhidmatan Lembaga dan perkara-perkara lain yang berkaitan.

Jawatankuasa Tatatertib

Jawatankuasa ini bertanggungjawab berhubung dengan tindakan tatatertib termasuk tindakan buang kerja dan turun pangkat terhadap pegawai dan pekhidmat Lembaga.

Jawatankuasa Kenaikan Pangkat

Bertanggungjawab terhadap perkara-perkara yang berkaitan dengan kenaikan pangkat pegawai-pegawai dan pekhidmat Lembaga.

BOARD COMMITTEES: TERMS OF REFERENCE

Audit Committee

The Committee is responsible to assist the Board in assessing the effectiveness of the Internal Audit Department. In addition, the Committee also evaluates the effectiveness and adequacy of operations policies, internal control system, which includes accounting policies, financial procedures and management of account.

Finance and Development Committee

The Committee is responsible for matters relating to the acquisition and disposal of assets and properties of the Board and in appointing consultants for the development of the Board's properties. In addition, the Committee also deals with financial matters which includes opening of bank account, control of expenses and annual budget.

Establishment, Appointment and Service Committee

The Committee is responsible to deal with matters related to the establishment of positions in the organisation, terms and conditions of service, salary structure of the offices and servants of the Board and other related matters.

Disciplinary Committee

The Disciplinary Committee is the disciplinary authority of the Board in respect of officers and servants, which includes dismissal and demotion of officers and servants of the Board.

Promotion Committee

The Committee is responsible for matters relating to the promotion of the officers and servants of the Board.

**BAYARAN ELAUN HONORARIUM DAN ELAUN KEHADIRAN MESYUARAT •
PAYMENT OF HONORARIUM AND ATTENDANCE ALLOWANCE**

| Bil. <i>No.</i> | Nama <i>Name</i> | Elaun Tetap <i>Fixed Allowance</i> | Kehadiran Ahli Silih Ganti Mesyuarat Lembaga <i>Alternate Board Members Attendance</i> | Kehadiran Ahli Lembaga ke Panel Pelaburan <i>Investment Panel Board Members Attendance</i> | Pengerusi Mesyuarat <i>Chairman of Meeting</i> | Kehadiran Mesyuarat Jawatankuasa Lembaga <i>Meeting Attendance</i> | Jumlah <i>Total</i> |
|--------------------------|---------------------|--|---|---|--|--|------------------------|
| | | (RM) | (RM) | (RM) | (RM) | (RM) | (RM) |
| 1. | Ahli Lembaga | 264,200 | — | 4,000 | 13,000 | 24,000 | 305,200 |
| 2. | Silih Ganti | — | 5,200 | — | — | 250 | 5,450 |
| 3. | Panel Pelaburan | 48,000 | — | — | 2,000 | 750 | 50,750 |
| JUMLAH/TOTAL (RM) | | 312,200 | 5,200 | 4,000 | 15,000 | 25,000 | 361,400 |

EMOLUMEN PENGURUSAN TERTINGGI • TOP MANAGEMENT EMOLUMENT

| Jawatan / <i>Position</i> | Gaji Tahunan / <i>Annual Salary</i> |
|--|-------------------------------------|
| Ketua Pegawai Eksekutif/Timbalan Ketua Pegawai Eksekutif (Operasi)/ Timbalan Ketua Pegawai Eksekutif (Pelaburan) <i>Chief Executive Officer/Deputy Chief Executive Officer (Operations)/ Deputy Chief Executive Officer (Investment)</i> | RM1,728,037 |

**BAYARAN HONORARIUM / ELAUN KEHADIRAN AHLI
LEMBAGA DAN PANEL PELABURAN**

Ahli Lembaga menerima elaun honorarium tetap sebanyak RM1,400.00 sebulan. Manakala, Ahli Lembaga Silih Ganti pula menerima elaun kehadiran mesyuarat sebanyak RM400.00 setiap kali mereka menghadiri Mesyuarat Lembaga dan RM250.00 setiap kali menghadiri Mesyuarat Jawatankuasa Lembaga. Ahli Panel Pelaburan dibayar elaun tetap RM1,000.00 setiap bulan dan bagi Ahli Panel Pelaburan yang juga menjadi Ahli Lembaga, dibayar elaun kehadiran mesyuarat sebanyak RM400.00 setiap kali menghadiri mesyuarat. Pengerusi Mesyuarat Jawatankuasa pula menerima elaun Pengerusi sebanyak RM500.00 setiap kali mereka mempengerusikan mesyuarat.

KOMUNIKASI DENGAN PEMEGANG KEPENTINGAN

Lembaga mengakui ia perlu bersikap telus dengan pemegang kepentingan khususnya ahli. Semua maklumat yang perlu mereka ketahui serta perkembangan penting seperti liabiliti mencarum,

pengeluaran dan manfaat, prosedur, saluran perkhidmatan baru serta perkara-perkara lain yang berkaitan sentiasa dimaklumkan kepada ahli dari semasa ke semasa. KWSP sebagai institusi pelaburan yang terbesar di Malaysia, seperti tahun yang sebelumnya, telah mengadakan sesi taklimat dengan syarikat-syarikat yang mana KWSP memegang saham yang besar. Pada tahun 2007, KWSP telah mengadakan 29 lawatan syarikat. KWSP juga telah menghadiri serta mengundi secara aktif dalam 162 Mesyuarat Agung Tahunan dan 94 Mesyuarat Agung Luar Biasa. Pada masa yang sama, KWSP telah membangkitkan beberapa isu serta telah membantah terhadap beberapa resolusi berkaitan dengan tadbir urus korporat, elaun pengarah, pemilihan pengarah, pemerolehan dan penggabungan, polisi dividen, pembelian semula saham dan skim pilihan saham pekerja. Seperti pada tahun 2006, KWSP terus memainkan peranan aktif sebagai pelabur portfolio dengan mengekalkan wakilnya dalam Lembaga Pengarah syarikat-syarikat yang tersenarai dan yang tidak tersenarai. Sehingga 31 Disember 2007, KWSP mempunyai wakilnya dalam Lembaga Pengarah 13 syarikat yang tersenarai.

Pernyataan Tadbir Urus Korporat

Statement on Corporate Governance

KEBERTANGGUNGJAWABAN DAN PENGAUDITAN

KWSP sebagai sebuah badan berkanun adalah dikehendaki untuk mengemukakan akaunnya kepada Pejabat Ketua Audit Negara bagi tujuan pengauditan setiap tahun sebelum dibentangkan di Parlimen. Lembaga juga menentukan rekod perakaunan dinyatakan dengan ketepatan yang berpatutan mengenai kedudukan kewangan organisasi untuk memberi pandangan berhubung status KWSP setakat akhir tahun kewangan yang benar dan saksama berdasarkan piawai perakaunan yang diterima pakai. Berhubung dengan kawalan dalaman, Lembaga telah mengambil langkah-langkah yang perlu untuk mengelak dan mengesan penipuan dan

penyelewengan. Antaranya ialah pewujudan Jabatan Pengurusan Risiko bertujuan membantu Pengurusan melaksanakan sistem kawalan dalaman yang berkesan. Pada masa yang sama, ia juga telah menyediakan rangka kerja tadbir urus risiko untuk membolehkan Pengurusan memantau fungsi-fungsi yang kritikal serta mengesan dan mengurangkan risiko yang terlibat untuk melaksanakan fungsi tersebut. Di peringkat ini, Lembaga berpendapat bahawa kawalan dalaman yang telah diwujudkan di KWSP adalah mantap dan berkesan. Bagaimanapun, kajian semula semua prosedur kawalannya akan diteruskan bagi memastikan keberkesanan dan kesempurnaan sistem yang sedia ada.

PAYMENT OF HONORARIUM AND ATTENDANCE ALLOWANCE OF BOARD AND INVESTMENT PANEL MEMBERS

The Board members receive a monthly fixed honorarium payment of RM1,400.00 and the alternate Board members receive an attendance allowance of RM400.00 for every meeting that they attended and RM250.00 for every committee meeting they attended. The Investment Panel members receive a monthly fixed honorarium of RM1,000.00 while Investment Panel members who are also on the Board receive attendance allowance of RM400.00 for every meeting that they attend. The Chairman of the Board Committees receives a Chairman allowance of RM500.00 for every meeting chaired.

companies including matters pertaining to corporate governance, directors remuneration, election of directors, mergers/acquisitions, dividend policy, share buy-back and employees share option scheme. As in 2006, the EPF continued with its approach of a more active portfolio investor by maintaining its nominees on the Board of listed and unlisted companies. As at 31 December 2007, the Board has nominees in 13 listed companies.

ACCOUNTABILITY AND AUDIT

As a statutory body, the EPF is required to submit its accounts to be audited by the Auditor General's Office every year before it is tabled at the Parliament for adoption. The Board also ensures that the accounting records disclosed with reasonable accuracy on the financial position of the organisation to give a true and fair view of the state of affairs of EPF at the end of the financial year based on applicable accounting standards. In connection with internal controls, the Board has taken necessary steps to prevent and detect fraud and other irregularities. This includes the establishment of a Risk Management Department to assist the Management in its effective implementation of an internal control system, providing a management framework and monitoring of critical areas, which is designed to identify and mitigate risks. At this juncture, the Board is of the view that the systems of internal controls being instituted throughout the organisation are sound and effective. Notwithstanding this, reviews of all existing control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the system.

COMMUNICATION WITH STAKEHOLDERS

The Board acknowledges the need to be transparent to its stakeholders particularly members. All major developments and material information such as changes in liability to contribute, withdrawals and benefits, procedures, new service delivery channels and other related matters are communicated to its members on a regular basis. As the biggest institutional investor in Malaysia, the EPF, as in the previous year, held dialogues with companies in which the EPF holds substantial stocks. In 2007, the Fund visited 29 companies. Beside this, the EPF also attended and voted actively in 162 Annual General Meetings (EAGM) and 94 Extraordinary Annual General Meetings (EGM) of these companies. The EPF also raised concerns and voted against a number of resolutions in the AGMs and EGMs of these

PERNYATAAN KAWALAN DALAMAN

STATEMENT ON INTERNAL CONTROL

TANGGUNGJAWAB

Lembaga mengakui bahawa ia bertanggungjawab terhadap sistem kawalan dalaman dan rangka kerja pengurusan risiko operasi KWSP. Sistem kawalan dalaman KWSP direka bentuk untuk mengurus risiko, bukannya untuk menghapuskan semua risiko yang berkaitan dengan pencapaian polisi dan matlamat organisasi. Oleh itu, sistem kawalan dalaman hanya dapat memberikan jaminan keberkesanan organisasi yang munasabah dan bukan secara mutlak.

CIRI-CIRI UTAMA KAWALAN DALAMAN

Berikut adalah ciri-ciri utama kawalan dalaman yang sedia ada di KWSP:

- Terma rujukan yang jelas yang menggariskan peranan dan tanggungjawab semua Jawatankuasa Lembaga dan Panel Pelaburan.
- Struktur organisasi KWSP yang mempunyai panduan yang jelas mengenai kebertanggungjawaban, penurunan kuasa dan tanggungjawab di semua peringkat urusan perniagaan organisasi. Pengurusan juga tertakluk kepada garis panduan polisi dan had penurunan kuasa dalam melaksanakan operasi harian, pelaburan, perolehan dan pelupusan aset.

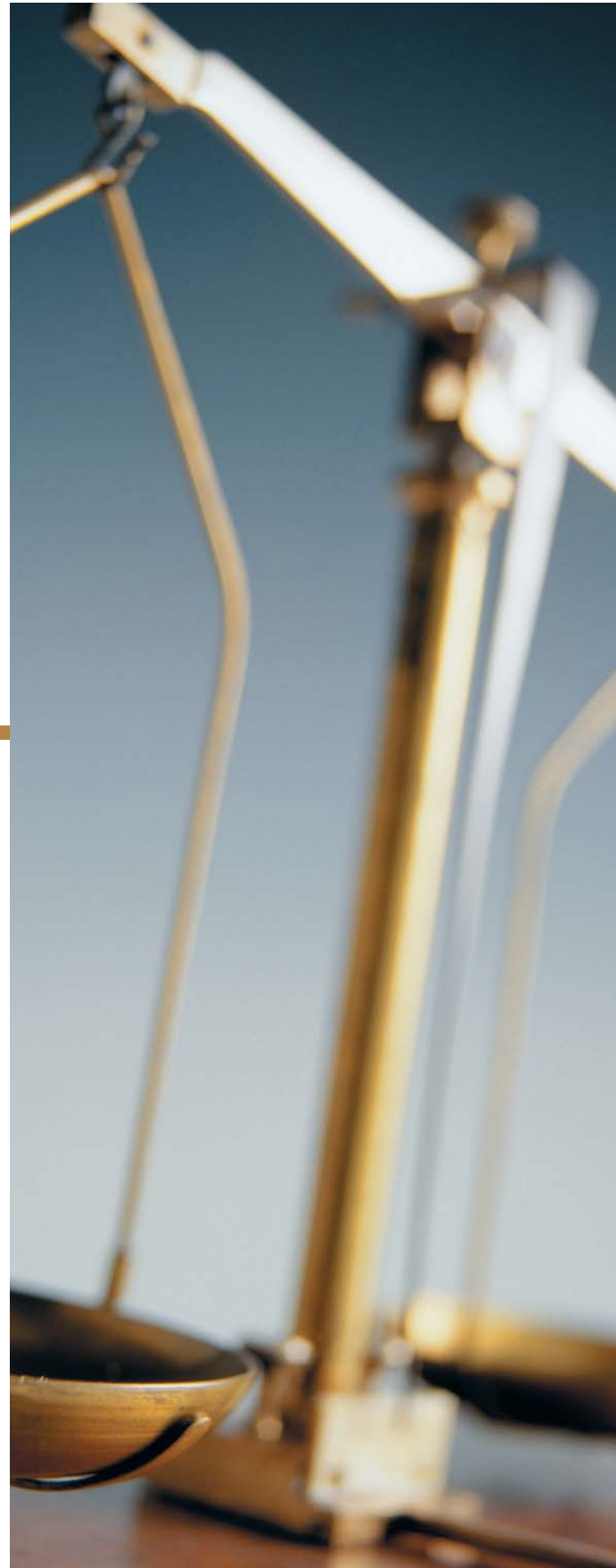
RESPONSIBILITY

The Board acknowledges that it is responsible for the EPF's system of internal controls and operational risk management framework. The system of internal controls is designed to manage rather than to eliminate all risk of failure in achieving the organisation's policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness.

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of internal controls that are in place in the EPF are:

- *Terms of reference that are clearly defined stating the roles and responsibilities of all committees of the Board and Investment Panel.*
- *Organisational structure with clearly defined lines of accountability, delegation of responsibility and levels of authorisation for all aspects of the business. There are policy guidelines and delegated authority limits imposed on management in respect of day-to-day operations, investments, acquisitions and disposal of assets.*



Pernyataan Kawalan Dalaman

Statement on Internal Control

- Mesyuarat Jawatankuasa Pengurusan diadakan secara berkala untuk mengenal pasti, membincang dan memutuskan isu-isu utama pengurusan, operasi, kewangan dan pelaburan. Lazimnya, Lembaga dan Panel Pelaburan menerima dan mengkaji semula laporan daripada Pengurusan. Terma rujukan Lembaga dan Panel Pelaburan serta Jawatankuasa Lembaga berkaitan dicatatkan dalam Pernyataan Tadbir Urus Korporat.
- Pelan perniagaan dan belanjawan tahunan adalah disediakan oleh unit-unit operasi dan dikaji semula oleh Jawatankuasa Pengurusan yang berkaitan dan Lembaga meluluskannya. KWSP mempunyai proses pelan perniagaan dan belanjawan tahunan yang terperinci dan formal yang mengambil kira matlamat jangka pendek dan jangka sederhana organisasi.
- Garis panduan yang teratur mengenai pengambilan dan pemecatan kakitangan, program latihan kakitangan, penilaian prestasi tahunan dan prosedur-prosedur lain yang relevan bagi memastikan kakitangan adalah kompeten dan diberi latihan yang mencukupi untuk melaksanakan tugas dan tanggungjawab mereka.
- Dokumentasi polisi dan prosedur yang jelas bagi memastikan pematuhan terhadap kawalan dalaman seperti pengasingan peranan dan tanggungjawab, penyemakan secara bebas pengesahan proses, kawalan capaian sistem dan lain-lain yang dikemaskinikan dari semasa ke semasa.
- Fungsi audit dalam bagi menyediakan penilaian bebas terhadap kecukupan dan keutuhan sistem kawalan dalaman. Ini dicapai menerusi kajian semula aktiviti-aktiviti utama perniagaan KWSP oleh Jabatan Audit Dalam berdasarkan pelan audit dalam tahunan yang diluluskan oleh Jawatankuasa Audit Lembaga.
- Dokumen Polisi Keselamatan Komunikasi dan Teknologi Maklumat yang menggariskan dasar dan prosedur yang perlu bagi memastikan kerahsiaan, keutuhan dan ketersediaan maklumat, data serta aplikasi dalam organisasi.
- Fungsi pengurusan risiko operasi (ORM) bagi membantu pengurusan dan pemilik risiko mengenal pasti, menilai dan mengkaji semula risiko-risiko penting serta menilai kecukupan kawalan dalaman bagi mengurangkan risiko. Fungsi pengurusan risiko operasi juga menyokong Jawatankuasa Lembaga Pengurusan Risiko dalam mengawasi aktiviti-aktiviti pengurusan risiko di KWSP. Pemilik risiko dan kawalan juga memberikan pengesahan digital berhubung dengan keberkesanan risiko dan kawalan milik mereka.
- Rancangan Kesenambungan Perniagaan (BCP) diadakan bagi memastikan kesinambungan perniagaan jika berlaku gangguan yang ketara atau bencana.

- *Management Committee meetings are held on a regular basis to identify, discuss and resolve operational, financial, investment and key management issues. The Board and Investment Panel receive and review reports from management on a regular basis. The terms of reference of the Board and Investment Panel and their respective committees for the year are noted in the Statement on Corporate Governance.*
- *Annual business plans and budgets are prepared by the operating units, reviewed by the relevant management committees and approved by the Board. There is a detailed and formalised annual business and budget planning process in place that looks at both the immediate and medium-term objectives of the organisation.*
- *Proper guidelines within the organisation for hiring and termination of staff, formal staff training programmes, annual performance appraisals and other relevant procedures are in place to ensure that staff are competent and adequately trained in carrying out their responsibilities.*
- *Documented policies and procedures to ensure compliance with internal controls such as segregation of duties, independent checks and verification processes, system access controls and are updated from time to time.*
- *An internal audit function that provides an independent assessment on the adequacy and integrity of the system of internal controls. This is achieved through the review of key activities of EPF businesses based on the annual internal audit plan, which is presented by the Internal Audit Department to the Board Audit Committee for approval.*
- *A Documented ICT Security Policy which outlines the necessary policies and procedures to ensure confidentiality, integrity and availability of information, data and application within the organisation.*
- *An operational risk management (ORM) function that facilitates the Management and risk owners to identify, assess and review significant risks as well as assess the adequacy of internal controls to mitigate it. The ORM function also supports the Board Risk Management Committee in overseeing risk management activities of the EPF. Risks and controls owners also provide digital assurance on the effective management of risks and controls under their ownership.*
- *Business Continuity Plans (BCP) are in place to ensure business continuity in case of significant upheavals or disaster.*

PERANCANGAN MASA DEPAN

Sebagai sebahagian daripada langkah KWSP dalam mempertingkatkan integriti dan ketelusan aktiviti pelaburan KWSP, sebuah sistem pelaburan baru akan dilaksanakan bagi memantapkan proses dan prosedur kerja pelaburan.

KWSP memberikan tumpuan yang paling utama terhadap peranan dan tanggungjawabnya sebagai pemegang amanah simpanan ahli. Selaras dengan usaha berterusan KWSP untuk memantap dan mempertingkatkan infrastruktur bagi menghalang dan mengesan fraud dan aktiviti-aktiviti penipuan, Lembaga telah meluluskan pembangunan pelan integrasi anti fraud yang dijangka disempurnakan menjelang pertengahan tahun 2009.

KESIMPULAN

Lembaga adalah yakin bahawa sistem kawalan dalaman KWSP adalah mantap dan mencukupi bagi melindungi kepentingan ahli. Kajian semula Lembaga terhadap keberkesanan kawalan dalaman adalah disokong oleh:

- Jawatankuasa Lembaga Pengurusan Risiko bermesyuarat sekurang-kurangnya empat kali setahun untuk mengawasi aktiviti pengurusan risiko KWSP;
- Jawatankuasa Audit Lembaga bermesyuarat sekurang-kurangnya empat kali setahun untuk mengkaji semula penemuan dan perakuan yang dikemukakan oleh juruaudit dalam dan Pejabat Ketua Audit Negara; dan
- Pejabat Ketua Audit Negara memberikan sijil audit tahunan terhadap akaun kewangan dan laporan pengurusan

Pernyataan ini dibuat berdasarkan resolusi semua ahli Lembaga bertarikh 18 Mac 2008.

FUTURE DEVELOPMENTS

As part of the EPF's efforts to enhance the integrity and transparency of its investment activities, a new investment system will be implemented to further strengthen its investment work processes and procedures.

The EPF places paramount importance on its role and responsibilities as the trustee of members' savings. In line with the EPF's continuous effort to further strengthen and enhance its current infrastructure to prevent and detect fraud and fraudulent activities, the Board has approved the development of an integrated anti-fraud plan which is anticipated to be completed by mid 2009.

CONCLUSION

The Board is confident that the system of internal controls in place within the EPF is sound and sufficient to safeguard the interests of members. The Board's review of the effectiveness of the system of internal controls is supported by:

- *The Board Risk Management Committee which meets at the minimum four times a year to oversee risk management activities of the EPF;*
- *The Board Audit Committee which meets at the minimum four times a year and reviews the findings and recommendations of the internal auditor and the Auditor General's Office; and*
- *The Auditor General's Office which gives the annual audit certificate on the financial accounts and management reports.*

This statement is made in accordance with the resolution of the members of the Board dated 18 March 2008.

PERNYATAAN PENGURUSAN RISIKO PELABURAN

STATEMENT ON INVESTMENT RISK MANAGEMENT

TANGGUNGJAWAB

Berdasarkan Seksyen 18(1) Akta Kumpulan Wang Simpanan Pekerja 1991, Panel Pelaburan adalah bertanggungjawab terhadap perkara-perkara berkaitan dengan pelaburan KWSP dan maklum akan tanggungjawabnya terhadap Rangka Kerja Pengurusan Risiko Pelaburan. Rangka Kerja ini untuk menguruskan risiko dan bukannya bertujuan menghapuskan risiko salah nyata atau kerugian yang dialami dalam melaksanakan polisi dan matlamat pelaburan organisasi. Oleh itu, ia hanya dapat memberikan jaminan yang munasabah terhadap keberkesanan organisasi dan bukan secara mutlak.

RANGKA KERJA PENGURUSAN RISIKO PELABURAN

KWSP telah mewujudkan rangka kerja pengurusan risiko yang merangkumi struktur tadbir urus risiko, polisi risiko dan proses, pengagihan modal risiko dan pengukuran risiko. Sebagai sebahagian daripada usaha penambahbaikan secara berterusan bagi memantapkan lagi pengurusan risiko, rangka kerja pengurusan risiko pelaburan telah dikaji semula pada tahun 2007 dan perubahan-perubahan yang sewajarnya akan dilaksanakan.



RESPONSIBILITY

In accordance with Section 18(1) of the Employees Provident Fund Act 1991, the Investment Panel is responsible for matters pertaining to the investments of the Fund; and it acknowledges responsibility for the investment risk management framework. The framework is designed to manage rather than to eliminate the risk of misstatement or loss in carrying out the organisation's investment policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness.

INVESTMENT RISK MANAGEMENT FRAMEWORK

EPF has put in place an investment risk management framework covering risk governance structure, risk policies and processes, risk capital allocation and risk measurement. As part of continuous improvement to enhance risk management, a review of the investment risk management framework was conducted in 2007 and appropriate changes will be implemented.

STRUKTUR PENGURUSAN RISIKO

Struktur tadbir urus risiko pelaburan telah ditingkatkan dengan penubuhan Jawatankuasa Risiko Panel Pelaburan yang dianggotai oleh ahli-ahli Panel Pelaburan. Jawatankuasa Risiko Panel Pelaburan ini bertanggungjawab untuk mengurus risiko berkaitan dengan keputusan pelaburan KWSP. Disamping itu, terdapat juga Jawatankuasa Risiko Pengurusan yang dipengerusikan oleh Ketua Pegawai Eksekutif yang bertanggungjawab untuk mentadbir aktiviti pengurusan risiko harian dan membantu Jawatankuasa Risiko Panel Pelaburan.

Selain itu, diwujudkan juga satu seksyen di bawah Jabatan Pengurusan Risiko bagi membantu Pengurusan dan Jawatankuasa Risiko Panel Pelaburan untuk melaksanakan pengukuran risiko secara bebas, memantau dan menyediakan laporan dari semasa ke semasa mengenai tahap pendedahan risiko pelaburan KWSP.

Pernyataan Tahap Risiko yang diluluskan oleh Panel Pelaburan secara umumnya menggariskan tahap risiko yang boleh diterima oleh KWSP dan ini menjadi asas bagi peruntukan dana pelaburan.

KAWALAN-KAWALAN RISIKO

Jawatankuasa Risiko Panel Pelaburan telah mewujudkan beberapa polisi dan had bagi memastikan penetapan tahap risiko yang berpatutan bagi setiap kelas aset. Selain itu, bagi menyokong polisi dan had tersebut, satu Sistem Pengurusan Risiko Pasaran, Model Portfolio Kredit dan Metodologi Penarafan Korporat telah diadakan bagi memastikan risiko diukur secara bersistematik.

Panel Pelaburan menerusi Jawatankuasa Risiko Panel Pelaburan mengkaji semula dari semasa ke semasa pengukuran risiko dan alokasi modal risiko, polisi-polisi yang berkaitan dengan risiko serta semua proses dan had bagi memastikan keberkesanan yang berterusan.

KESIMPULAN

Panel Pelaburan adalah yakin bahawa amalan pengurusan risiko pelaburan di KWSP adalah mantap dan memadai untuk melindungi pelaburan KWSP. Hasil kajian semula Panel Pelaburan terhadap keberkesanan Rangka Kerja Pengurusan Risiko Pelaburan adalah disokong oleh Jawatankuasa Risiko Panel Pelaburan yang bermesyuarat sekurang-kurangnya empat kali setahun untuk mengkaji semula risiko dan laporan pematuhan daripada Seksyen Risiko Pelaburan.

Pernyataan ini adalah dibuat berdasarkan resolusi semua ahli Panel Pelaburan bertarikh 10 April 2008.

RISK MANAGEMENT STRUCTURE

The investment risk governance structure has been enhanced with the formation of an Investment Panel Risk Committee. This committee comprises of members from the Investment Panel and is responsible for overseeing risk management in making EPF's investment decisions. In addition, a Management Risk Committee, chaired by the Chief Executive Officer, is responsible for administering risk management activities and assists the Investment Panel Risk Committee.

On a day-to-day basis, there is a dedicated Section within the Risk Management Department, that assist the Management and the Investment Panel Risk Committee by providing independent risk measurement, monitoring and reporting of EPF's investment risk exposures.

The Risk Appetite Statements, as approved by the Investment Panel, broadly outline the level of risks that EPF is willing to tolerate and form the basis of funds allocation for investment.

RISK CONTROLS

The Investment Panel Risk Committee has put in place various policies and limits to ensure the appropriate amount of risks are assigned to each asset class. To complement the policies and limits, Market Risk Management System, Credit Portfolio Model and Corporate Rating Methodology are installed to ensure the risks are systematically measured.

The Investment Panel through the Investment Panel Risk Committee regularly reviews the risk measurement, risk capital allocation, risk policies, processes and limits to ensure their continued effectiveness.

CONCLUSION

The Investment Panel is confident that the investment risk management practices in place within EPF are sound and sufficient to safeguard the investments of the EPF. The Investment Panel's review of the effectiveness of the investment risk management framework is supported by the Investment Panel Risk Committee, which meets at the minimum four times a year and reviews risk and compliance reports from the Investment Risk Section.

The statement is made in accordance with the resolution of the members of the Investment Panel dated 10 April 2008.