

## PERNYATAAN TADBIR URUS KORPORAT

### STATEMENT ON CORPORATE GOVERNANCE

“ KWSP sentiasa menggalakkan amalan tadbir urus korporat yang baik dan berusaha untuk menyokong penerapan amalan terbaik tadbir urus korporat di kalangan syarikat-syarikat pelaburannya dalam usaha untuk melindungi dan meningkatkan nilai pelaburan KWSP.

*The EPF has always promoted good corporate governance and has endeavoured to advocate corporate governance best practices among its listed investee companies to protect and enhance its investments.* ”

Setakat Disember 2009, pelabur institusi mempunyai pegangan lebih kurang 45.16% daripada keseluruhan modal pasaran syarikat-syarikat tersenarai di Bursa Malaysia yang berjumlah RM988 bilion. Disebabkan pengaruh pelabur institusi yang signifikan dalam pasaran saham tempatan, pelabur institusi secara berterusan menggalakkan syarikat-syarikat tersenarai untuk memperbaiki amalan terbaik tadbir urus korporat semasa. Keperluan untuk syarikat-syarikat mematuhi sepenuhnya amalan terbaik tadbir urus korporat timbul akibat dari berlakunya beberapa kegagalan dan skandal korporat. Ini juga telah disemarakkan dengan evolusi dan pertemuan di antara amalan terbaik dan standard antarabangsa bersama-sama dengan persaingan yang hebat dalam perniagaan dan untuk mendapatkan pembiayaan.

Sebagai pelabur institusi utama di Malaysia, KWSP sentiasa menggalakkan amalan tadbir urus korporat yang baik dan berusaha untuk menyokong penerapan amalan terbaik tadbir urus korporat di kalangan syarikat-syarikat pelaburannya dalam usaha untuk melindungi dan meningkatkan nilai pelaburan KWSP. Selain mengadakan perjumpaan dan dialog dengan syarikat-syarikat yang mana KWSP melabur, KWSP juga memainkan peranan secara aktif dalam Mesyuarat Agung Tahunan dan/atau Mesyuarat Agung Luar Biasa dengan membangkitkan isu-isu berkaitan tadbir urus korporat. Di samping itu, KWSP turut mengadakan perjumpaan dan dialog dengan pihak-pihak berkuasa iaitu Suruhanjaya Sekuriti dan Bursa Malaysia secara berterusan untuk menangani isu-isu tadbir urus korporat di kalangan syarikat-syarikat tersenarai.

Selain itu, KWSP juga secara dalaman telah menubuhkan Jawatankuasa Tadbir Urus Korporat dan telah melaksanakan penilaian suku tahunan amalan tadbir urus korporat KWSP semenjak 2007. Hasil penilaian ini yang meliputi sembilan elemen penting tadbir urus korporat telah dibentangkan kepada Jawatankuasa Pengurusan Prestasi KWSP dalam bentuk Indeks Tadbir Urus Korporat KWSP (CGI). Indeks ini juga menjadi sebahagian daripada Petunjuk Prestasi Utama (KPI) organisasi.

Sembilan elemen penting CGI adalah akauntabiliti, ketelusan, tanggungjawab, kebebasan, pengurusan risiko dan kawalan dalaman, tanggungjawab korporat, fokus, kesaksamaan dan pematuhan kepada peraturan, diterangkan secara ringkas dalam jadual berikut:

*As of December 2009, institutional investors held approximately 45.16% of the total market capitalisation of listed companies in Bursa Malaysia amounting to RM988 billion. Due to their significant influence in the local stock market, institutional investors have continuously encouraged listed companies to improve their existing corporate governance practices. The need for companies to stringently adhere to corporate governance best practices comes in the wake of several corporate failures and scandals. It has also been fuelled by the evolution and convergence of international best practices and standards, together with intense competition for business and funding.*

*As a major institutional investor in Malaysia, the EPF has always promoted good corporate governance and has endeavoured to advocate corporate governance best practices among its listed investee companies to protect and enhance its investments. Besides engaging its investee companies through meetings and dialogues, the EPF also participates actively in their Annual General Meetings (AGMs) and/or Extraordinary General Meetings (EGMs) where pertinent corporate governance issues are highlighted. In addition, the EPF is continuously engaging the regulators, namely the Securities Commission and Bursa Malaysia through dialogues to address issues of corporate governance among listed companies.*

*In addition, the EPF has internally established a Corporate Governance Committee and has been conducting quarterly assessments of its own corporate governance practices since 2007. The results of the assessment which covers nine key corporate governance attributes are reported to the Performance Management Committee in the form of the Corporate Governance Index (CGI). The CGI also forms part of the EPF's key performance indicators (KPIs).*

*The CGI's nine key corporate governance attributes, namely, accountability, transparency, responsibility, independence, risk management and internal control, corporate responsibility, focus, fairness and regulatory compliance, are briefly described in the following table:*

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ELEMEN/ATTRIBUTE	HURAIAN/DESCRIPTION
Akauntabiliti/Accountability	Penubuhan Jawatankuasa Lembaga dan komposisinya bagi membantu Lembaga dalam melaksanakan tugasnya dengan efisien./Establishment of Board Committees and their composition, to assist the Board in discharging its duties efficiently.
Ketelusan/Transparency	Pendedahan maklumat seperti dasar utama, KPI, latar belakang Ahli Lembaga dan kehadiran mesyuarat, statistik prestasi operasi dan kewangan, penyata kewangan dilaporkan di dalam laporan tahunan, laman web korporat atau melalui pengumuman akhbar./Disclosure of information such as core policies, KPIs, Board Members' backgrounds and meeting attendance, operational and financial performance statistics, financial statements in annual reports, corporate website or press announcements.
Tanggungjawab/Responsibility	Penubuhan Jawatankuasa Lembaga bagi membolehkan Ahli Lembaga melaksanakan tugas mereka dengan berkesan dan efisien./Establishment of Board Committees for Board Members to discharge their duties effectively and efficiently.
Kebebasan/Independence	Pengasingan tugas Lembaga dan Pengurusan, mengurus/meminimumkan percanggahan kepentingan dan penglibatan secara aktif dengan juruaudit (dalaman dan luaran)./Separation of Board and management, managing/minimising conflict of interest and active engagement with auditors (internal and external).
Pengurusan Risiko & Kawalan Dalaman/Risk Management & Internal Control	Pelaksanaan rangka kerja dan proses kawalan dalaman serta pengurusan risiko operasi./Internal controls and operational risk management framework and processes.
Tanggungjawab Korporat/Corporate Responsibility	Garis panduan mengenai tanggungjawab korporat di dalam pelaburan dan aktiviti lain./Guidelines on corporate responsibility on investments and other activities.
Fokus/Focus	Kepatuhan kepada operasi teras organisasi melalui dasar dan proses yang jelas./Adhering to core business of the organisation through clearly defined policies and processes.
Kesaksamaan/Fairness	Komunikasi atau dialog dengan pelbagai pemegang berkepentingan./Communication or dialogue with various stakeholders.
Pematuhan Pengawasan/Regulatory Compliance	Pematuhan kepada Akta KWSP 1991 dan peraturan lain yang berkaitan dengan KWSP./Compliance to EPF Act 1991 and other regulations which are applicable to EPF.

Pada bulan November 2008, PricewaterhouseCoopers Advisory Services Sdn Bhd (PwCAS) telah dilantik untuk melaksanakan penilaian bebas berkenaan keperluan untuk mengadakan penilaian tadbir urus korporat KWSP dan CGI. PwCAS dalam penilaiannya berpandangan bahawa CGI KWSP meliputi sebahagian besar elemen penting yang terdapat dalam rangka kerja tadbir urus korporat dan wujudnya kesedaran serta penghayatan mengenai pentingnya tadbir urus korporat yang baik dalam organisasi ini.

## LEMBAGA DAN PANEL PELABURAN

### Tugas dan Tanggungjawab Utama Lembaga dan Panel Pelaburan

Lembaga memikul beberapa tanggungjawab khusus seperti mengawal selia pelaksanaan dasar berkaitan dengan operasi KWSP, mengenal pasti bidang risiko penting dan mengambil langkah-langkah yang sewajarnya untuk mengurus risiko-risiko itu dan dalam masa yang sama mengkaji kecukupan dan integriti sistem kawalan dalaman. Selain daripada Lembaga, Akta KWSP 1991 juga memperuntukkan penubuhan Panel Pelaburan yang bertanggungjawab terhadap hala tuju strategik dan perkara-perkara berkenaan dengan pelaburan KWSP. Ia juga menentu dan meluluskan garis panduan pelaburan serta dasar mengenai kawalan risiko dan alokasi aset.

### Pelantikan Lembaga dan Panel Pelaburan

Ahli-ahli Lembaga dan Panel Pelaburan serta Ketua Pegawai Eksekutif (KPE) dilantik oleh Menteri Kewangan. Bagi melaksanakan tanggungjawab ini, Menteri Kewangan hanya melantik individu-individu yang mempunyai rekod prestasi yang terbukti dalam integriti, kebolehan dan kebolehpercayaan untuk memastikan mereka melaksanakan tanggungjawab dengan berkesan. Pelantikan adalah untuk tempoh dua tahun dan Menteri Kewangan akan mengkaji prestasi dan keberkesanan setiap Ahli Lembaga dan Panel Pelaburan secara individu.



*In November 2008, PricewaterhouseCoopers Advisory Services Sdn Bhd (PwCAS) was appointed to conduct an independent evaluation on the reasonableness of the EPF's corporate governance assessment and the CGI. PwCAS in its evaluation noted that the CGI encompassed most key areas found in corporate governance frameworks and that there appeared to be a keen appreciation and awareness of the importance of good corporate governance within the EPF.*

## THE BOARD AND INVESTMENT PANEL

### Main Duties and Responsibilities of the Board and Investment Panel

*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.*

### Appointment to the Board and Investment Panel

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



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### Komposisi Lembaga dan Panel Pelaburan

Akta KWSP 1991 memperuntukkan bahawa keahlian Lembaga hendaklah tidak melebihi 20 orang termasuk Pengerusi dan KPE. Setakat 2009, Lembaga KWSP mempunyai 17 orang Ahli Lembaga. Kesemuanya tidak mempunyai kuasa eksekutif kecuali KPE sebagai Ahli Ex-Officio. Selain Pengerusi dan KPE, komposisi Lembaga adalah terdiri daripada wakil di kalangan pemegang berkepentingan, iaitu lima Ahli Lembaga mewakili Kerajaan, tiga Ahli Lembaga mewakili majikan, empat Ahli Lembaga mewakili pekerja dan tiga Ahli Lembaga profesional dari pelbagai latar belakang.

Panel Pelaburan, yang diketuai oleh Pengerusi Lembaga KWSP, terdiri daripada tujuh Ahli Panel dan mempunyai wakil daripada Bank Negara, Kementerian Kewangan, serta tiga pakar kewangan bebas yang mewakili badan korporat. KPE adalah Ahli Ex-Officio.

Ahli-ahli Lembaga KWSP serta Panel Pelaburan mempunyai pengalaman luas dalam pelbagai bidang, memberikan kompetensi dan keupayaan yang kukuh dalam melaksanakan tugas mereka dengan berkesan.

### Jawatan Pengerusi dan Ketua Pegawai Eksekutif

Jawatan Pengerusi dan KPE KWSP dipegang oleh dua individu yang berlainan. Pengasingan fungsi dan tanggungjawab adalah bagi memastikan keseimbangan kuasa dan autoriti, supaya tidak berlaku penumpuan kuasa pada seseorang individu. Lembaga, yang diketuai oleh Pengerusi adalah bertanggungjawab untuk memimpin dan mengawal organisasi, manakala KPE dan Pengurusan Tertinggi adalah bertanggungjawab terhadap operasi harian KWSP.

### Jawatankuasa Lembaga/Panel Pelaburan

Untuk memastikan pelaksanaan tugas dengan cekap, Lembaga telah menubuhkan pelbagai Jawatankuasa Lembaga/Panel Pelaburan untuk mengawal selia perkara-perkara spesifik berkaitan dengan operasi organisasi. Setiap jawatankuasa melaksanakan tanggungjawab masing-masing mengikut terma rujukan yang telah ditetapkan. Antara bidang-bidang tugas Jawatankuasa Lembaga/Panel Pelaburan adalah seperti berikut:

- **Jawatankuasa Audit Lembaga**

Jawatankuasa Audit Lembaga bertanggungjawab untuk membantu Lembaga dalam menilai keberkesanan Jabatan Audit Dalam. Selain itu, Jawatankuasa ini juga menilai keberkesanan dan kecukupan dasar operasi, sistem kawalan dalaman, dasar perakaunan, prosedur kewangan dan pengurusan akaun KWSP. Jawatankuasa ini terdiri daripada enam orang ahli jawatankuasa termasuk Pengerusi dan empat mesyuarat telah diadakan dalam tahun 2009.

### Composition of the Board and Investment Panel

The EPF Act 1991 dictates that the Board's membership should comprise not more than 20 persons, inclusive of the Chairman and CEO. As of 2009, there have been 17 Board Members, all with non-executive powers except the CEO as the Ex-Officio Member. Besides the Chairman and the CEO, the Board's composition includes representatives from various stakeholders, consisting of five members representing the Government, three members representing employers, four members representing the employees and an additional three professional members from various backgrounds.

The Investment Panel, headed by the Chairman of the EPF Board, consists of seven members and has representatives from Bank Negara, the Ministry of Finance, and three professional members representing corporate bodies. The CEO is the Ex-Officio Member.

The EPF's Members of the Board together with the Investment Panel possess a wide spectrum of experience, which leads to competence and a strong ability in discharging their duties effectively.

### The Positions of Chairman and Chief Executive Officer

The positions of EPF's Chairman and the CEO 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 be no concentration of power in one person. While the Board headed by the Chairman assumes the overall responsibility to lead and control the Board, the day to day operations are the responsibility of the CEO and Senior Management.

### Board/Investment Panel Committees

To ensure the efficient discharge of its duties, the Board has formed various Board/Investment Panel Committees to oversee specific matters pertaining to the running of the organisation. Each committee operates within clearly defined terms of reference. The terms of reference of Board/Investment Panel Committees are set out as follows:

- **Board Audit Committee**

The Board Audit Committee is responsible for assisting the Board in assessing the effectiveness of the Internal Audit Department. In addition, this Committee also evaluates the effectiveness and adequacy of operations policies and the internal control system, as well as accounting policies, financial procedures and the management of accounts. The Committee consists of six committee members including the Chairman and there were four meetings held in 2009.

- **Jawatankuasa Tatatertib Lembaga**

Jawatankuasa Tatatertib Lembaga bertanggungjawab berhubung dengan tindakan disiplin ke atas pegawai dan pekhidmat KWSP. Ia mempunyai kuasa untuk memberhentikan dan menurunkan pangkat pegawai-pegawai dan pekhidmat KWSP. Jawatankuasa ini terdiri daripada lima orang ahli jawatankuasa termasuk Pengerusi dan empat mesyuarat telah diadakan dalam tahun 2009.

- **Jawatankuasa Pengurusan Risiko Lembaga**

Jawatankuasa Pengurusan Risiko Lembaga bertanggungjawab membantu Lembaga mengawasi semua aktiviti pengurusan risiko operasi, mengkaji semula risiko utama yang wujud dalam organisasi dan sistem kawalan dalaman yang perlu ada untuk menguruskannya, dan melaporkan hasil penemuan kepada Lembaga. Jawatankuasa ini terdiri daripada enam orang ahli jawatankuasa termasuk Pengerusi dan empat mesyuarat telah diadakan dalam tahun 2009.

- **Jawatankuasa Risiko Panel Pelaburan**

Jawatankuasa Risiko Panel Pelaburan bertanggungjawab mengawasi risiko pelaburan, termasuk memperakukan cadangan tahap risiko agregat untuk kelulusan Panel Pelaburan, meluluskan polisi pengurusan dan had risiko, mengkaji semula pendedahan risiko dan memberikan panduan berkaitan amalan pengurusan risiko dalam lingkungan fungsi pelaburan. Jawatankuasa ini terdiri daripada empat ahli jawatankuasa termasuk Pengerusi dan empat mesyuarat telah diadakan dalam tahun 2009.

- **Jawatankuasa Kewangan dan Pembangunan**

Jawatankuasa Kewangan dan Pembangunan bertanggungjawab meneliti dan mengawal perbelanjaan KWSP. Jawatankuasa ini juga memperakukan belanjawan tahunan kepada Lembaga selain perkara-perkara seperti pelupusan aset tetap KWSP serta perkara berkaitan kewangan seperti pembukaan akaun utama bank dan kawalan perbelanjaan. Jawatankuasa ini terdiri daripada enam orang ahli jawatankuasa termasuk Pengerusi dan tujuh mesyuarat telah diadakan dalam tahun 2009.

- **Jawatankuasa Perjawatan, Pelantikan dan Perkhidmatan**

Jawatankuasa Perjawatan, Pelantikan dan Perkhidmatan bertanggungjawab terhadap perkara-perkara berkaitan penubuhan jawatan dalam organisasi, terma dan syarat perkhidmatan, struktur gaji pegawai dan perkara-perkara lain yang berkaitan dengan pembangunan sumber manusia. Jawatankuasa ini terdiri daripada enam orang ahli jawatankuasa termasuk Pengerusi dan empat mesyuarat telah diadakan dalam tahun 2009.

- **Board Disciplinary Committee**

*The Disciplinary Committee is the disciplinary authority of the EPF in respect of its officers and servants. It has the authority to dismiss and demote officers and servants of the Board. There are five committee members including the Chairman and four meetings were held in 2009.*

- **Board Risk Management Committee**

*The Board Risk Management Committee is responsible for assisting the Board to oversee all operational risk management activities, reviewing the key risks inherent in the organisation and the necessary system of internal control to manage them, and reporting its findings to the Board. This Committee consists of six committee members including the Chairman and there were four meetings held in 2009.*

- **Investment Panel Risk Committee**

*The Investment Panel Risk Committee is responsible for investment risk oversight, which includes recommending the aggregate risk appetite for Investment Panel sign-off, approving risk management policies and limits, reviewing risk exposure and providing direction in relation to risk management practices within the investment function. There are four committee members including the Chairman and four meetings were held in 2009.*

- **Finance and Development Committee**

*The Finance and Development Committee is responsible for reviewing and controlling the EPF's expenditure. This Committee also makes recommendations on the yearly budget to the Board besides matter such as the disposal of EPF's fixed assets as well as financial matters relating to the opening of the main bank account and budget control. The Committee consists of six committee members including the Chairman and there were seven meetings held in 2009.*

- **Establishment, Appointment and Service Committee**

*The Establishment, Appointment and Service Committee is responsible for dealing with matters related to the establishment of positions in the organisation, terms and conditions of service, salary structure of the officers and other human resources development matters. There are six committee members including the Chairman and four meetings were held in 2009.*

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### Mesyuarat Lembaga dan Panel Pelaburan

Sejumlah 10 mesyuarat Lembaga dan 19 mesyuarat Panel Pelaburan telah diadakan pada 2009. Butir-butir kehadiran ahli adalah seperti berikut:

### The Board and Investment Panel Meetings

A total of 10 Board and 19 Investment Panel meetings were held in 2009. The details of members' attendance at meetings are as follows.

### Mesyuarat Lembaga/Board Meetings

NAMA/NAME	KEHADIRAN/ ATTENDANCE
1. Tan Sri Samsudin Osman (Pengerusi)/(Chairman)	10/10
<b>Wakil Kerajaan/Government Representatives</b>	
2. Datuk Latifah Datuk Abu Mansur (Naib Pengerusi)/(Vice Chairman)	} 9/10
Datuk Nozirah Bahari (Ahli Silih Ganti)/(Alternate Member)	
3. Tan Sri Ismail Adam	} 10/10
Datuk Ab. Khalil Ab. Hamid (Ahli Silih Ganti)/(Alternate Member)	
4. Dato' Segarajah Ratnalingam (mulai 1 Jun 2009)/(from 1 June 2009)	7/7
Datuk Thomas George a/l M.S. George (sehingga 31 Mei 2009)/(until 31 May 2009)	} 10/10
Encik Mohd Azman Abd. Mubin (Ahli Silih Ganti)/(Alternate Member)	
5. Datuk Hj Sukarti Wakiman	} 7/10
Datuk Hj Nordin Siman (Ahli Silih Ganti)/(Alternate Member)	
6. Datuk Hj Mohamad Morshidi Abdul Ghani (mulai 2 Ogos 2009)/(from 2 August 2009)	} 8/10
Datuk Amar Wilson Baya Dandot (sehingga 1 Ogos 2009)/(until 1 August 2009)	
Datu Abdul Ghafur Shariff (Ahli Silih Ganti)/(Alternate Member)	
<b>Wakil Majikan/Employers Representatives</b>	
7. Dato' Azman Shah Haron	7/10
8. Tan Sri Mustafa Mansur (mulai 1 Jun 2009)/(from 1 June 2009)	6/6
Tan Sri Yong Poh Kon (sehingga 31 Mei 2009)/(until 31 May 2009)	1/4
9. Encik Mohd Hasnol Ayub (mulai 1 Jun 2009)/(from 1 June 2009)	4/6
Datuk Hj Ahmad Ali Lope Abdul Aziz (meninggal dunia pada 7 Februari 2009)/(deceased on 7 February 2009)	1/1
Tuan Hj Mahmud Mohd Nor (sehingga 31 Mei 2009)/(until 31 May 2009)	4/4
<b>Wakil Pekerja/Employees Representatives</b>	
10. Tuan Syed Shahir Syed Mohamud	9/10
11. Encik Ahmad Shah Mohd Zin	5/10
12. Encik Andrew Lo Kian Nyan	7/10
13. Cik Chin Yung Chiew @ Rebecca	9/10
<b>Profesional/Professionals</b>	
14. Tan Sri Lee Lam Thye (mulai 1 Jun 2009)/(from 1 June 2009)	5/6
Prof. Datuk Dr Ismail Md Salleh (sehingga 31 Mei 2009)/(until 31 May 2009)	4/4
15. Datuk Dr Hussein Awang (mulai 1 Jun 2009)/(from 1 June 2009)	6/6
16. Encik Halim Hj Din (mulai 1 Jun 2009)/from 1 June 2009)	6/6
Dato' Mohammed Azlan Hashim (sehingga 31 Mei 2009)/(until 31 May 2009)	3/4
<b>Ex-Officio</b>	
17. Tan Sri Azlan Zainol	10/10

**Mesyuarat Panel Pelaburan/Investment Panel Meeting**

NAMA/NAME	KEHADIRAN/ ATTENDANCE
1. Tan Sri Samsudin Osman (Pengerusi)/(Chairman)	19/19
2. Datuk Latifah Datuk Abu Mansur	9/19
3. Puan Nor Shamsiah Mohd Yunus	14/19
4. Dato' Sri Mohamed Nazir Abdul Razak	10/19
5. Dato' Mohammad Azlan Hashim (mulai 1 Jun 2009)/(from 1 June 2009)	6/10
Dato' Sri Abdul Wahid Omar (sehingga 31 Mei 2009)/(until 31 May 2009)	4/9
6. Encik David Lau Nai Pek (mulai 1 Jun 2009)/(from 1 June 2009)	7/10
Encik Cheah Tek Kuang (sehingga 31 Mei 2009)/(until 31 May 2009)	7/9
7. Tan Sri Azlan Zainol (Ex-Officio)	19/19

**BAYARAN HONORARIUM DAN ELAUN KEHADIRAN AHLI LEMBAGA DAN PANEL PELABURAN/PAYMENT OF HONORARIUM AND ATTENDANCE ALLOWANCE OF BOARD AND INVESTMENT PANEL MEMBERS****Jenis Elaun/Types of Allowances**

ELAUN (RM)/ ALLOWANCE (RM)	LEMBAGA/ BOARD	PANEL PELABURAN/ INVESTMENT PANEL	LEMBAGA/PANEL PELABURAN/ JAWATANKUASA AUDIT LEMBAGA/ JAWATANKUASA PENGURUSAN RISIKO LEMBAGA/JAWATANKUASA RISIKO PANEL PELABURAN/BOARD/INVESTMENT PANEL/ BOARD AUDIT COMMITTEE/BOARD RISK MANAGEMENT COMMITTEE/INVESTMENT PANEL RISK COMMITTEE	JAWATANKUASA LEMBAGA LAIN/ OTHER BOARD COMMITTEES
Honorarium (sebulan)/ (per month)	2,000	2,000	–	–
Pengerusi Mesyuarat/Chairman of Meeting	–	–	1,000	1,000
Kehadiran Mesyuarat (termasuk Ahli Silih Ganti)/Meeting Attendance (including Alternate Members)	–	–	1,000	800

Pada tahun 2009, jumlah bayaran honorarium dan elaun Ahli Lembaga dan Ahli Panel Pelaburan adalah masing-masing sebanyak RM657,800 dan RM170,600./For the year 2009, the total honorarium and allowance paid to the Board and Investment Panel Member was RM657,800 and RM170,600 respectively.

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### Emolumen Pengurusan Kanan/*Emolument of Top Management*

JAWATAN/POSITION	EMOLUMEN (RM)/ EMOLUMENT (RM)
Ketua Pegawai Eksekutif/Timbalan Ketua Pegawai Eksekutif/Timbalan Ketua Pegawai Eksekutif (Operasi)/ Timbalan Ketua Pegawai Eksekutif (Polisi & Perancangan Korporat)/Timbalan Ketua Pegawai Eksekutif (Kewangan & Khidmat Pelanggan)/Timbalan Ketua Pegawai Eksekutif (Pelaburan)/ <i>Chief Executive Officer/ Deputy Chief Executive Officer (Operations)/Deputy Chief Executive Officer (Policy &amp; Corporate Planning)/ Deputy Chief Executive Officer (Finance &amp; Customer Care)/Deputy Chief Executive Officer (Investment)</i>	2,436,880

### KOMUNIKASI DENGAN PEMEGANG BERKEPENTINGAN

Lembaga mengakui ia perlu bersikap telus kepada pemegang berkepentingannya, khususnya ahli KWSP. Semua perubahan utama dan maklumat penting seperti tanggungan untuk mencarum, pengeluaran dan manfaat, prosedur, saluran penyampaian perkhidmatan baru dan perkara-perkara lain berkaitan sentiasa dimaklumkan kepada ahli dari semasa ke semasa. Dalam tahun 2009, KWSP telah mengadakan 10 mesyuarat/seminar dengan pelbagai pemegang berkepentingan. Ini termasuk, antara lain, Kongres Kesatuan Sekerja Malaysia (*Malaysian Trade Unions Congress, MTUC*), Gabungan Persatuan-Persatuan Pengguna-Pengguna Malaysia (*Federation of Malaysian Consumers Association, FOMCA*), Persatuan Pengguna Pulau Pinang (*Consumers Association of Penang, CAP*) dan Persatuan Perancangan Kewangan Malaysia (*Financial Planning Association of Malaysia, FPAM*).

Selain daripada itu, KWSP secara berterusan mengadakan sesi dialog dengan syarikat-syarikat yang mana KWSP melabur. Dalam tahun 2009, KWSP telah mengadakan sesi lawatan ke 27 syarikat (15 syarikat tempatan dan 12 syarikat asing/luar negara). KWSP juga telah menghadiri serta mengundi secara aktif dalam 118 Mesyuarat Agung Tahunan dan 41 Mesyuarat Agung Luar Biasa syarikat di mana KWSP melabur. Memandangkan KWSP lebih aktif dalam mengawal selia pelaburannya, KWSP telah melantik wakilnya dalam Lembaga Pengarah syarikat tersenarai dan tidak tersenarai. Setakat 31 Disember 2009, KWSP mempunyai wakil Lembaga Pengarah di dalam 8 syarikat tersenarai dan 13 syarikat tidak tersenarai.

### COMMUNICATION WITH STAKEHOLDERS

*The Board acknowledges the need to be transparent to its stakeholders, particularly the EPF's members. All major changes 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. During the year under review, the EPF conducted 10 meetings/seminars with various stakeholders, which include, among others, the Malaysian Trade Unions Congress (MTUC), Federation of Malaysian Consumers Association (FOMCA), Consumers Association of Penang (CAP) and Financial Planning Association of Malaysia (FPAM).*

*Apart from that, the EPF continues to hold dialogues with its investee companies. In 2009, the EPF visited 27 companies (15 local companies and 12 foreign/overseas companies). The EPF also attended and voted actively in 118 AGMs and 41 EGMs of its investee companies. As the EPF becomes more active in overseeing its investments, the organisation has appointed its nominees on the Boards of listed and unlisted companies. As at 31 December 2009, the EPF had nominees in 8 listed companies and 13 unlisted companies.*



## PERNYATAAN KAWALAN DALAMAN

### STATEMENT ON INTERNAL CONTROL

“ Menjelang akhir 2010, semua proses teras KWSP yang berkaitan dengan sistem perkhidmatan pelanggan akan berlandaskan piawaian MS ISO 9001.

*By the end of 2010, all EPF core processes in relation to customer service delivery system will be based on the MS ISO 9001 standard.* ”

#### TANGGUNGJAWAB

Lembaga mengakui bahawa ia bertanggungjawab ke atas sistem kawalan dalaman dan rangka kerja pengurusan risiko operasi KWSP. Sistem kawalan dalaman tersebut dirangka untuk mengurus risiko dan bukan untuk menghapus semua risiko tidak mencapai dasar, matlamat dan objektif organisasi. Justeru, sistem kawalan dalaman hanya dapat memberikan jaminan keberkesanan yang munasabah dan bukan secara mutlak.

#### CIRI-CIRI UTAMA KAWALAN DALAMAN

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

- Terma rujukan yang ditakrif dengan jelas, menggariskan peranan dan tanggungjawab semua jawatankuasa Lembaga dan Panel Pelaburan.
- Sebuah struktur organisasi yang mempunyai panduan yang jelas mengenai kebertanggungjawaban, penurunan kuasa dan tanggungjawab di semua peringkat urusan bisnes organisasi. Pengurusan juga tertakluk kepada garis panduan polisi dan had penurunan kuasa dalam melaksanakan operasi harian, pelaburan, perolehan dan pelupusan aset.
- Mesyuarat jawatankuasa pengurusan diadakan dari masa ke semasa untuk mengenal pasti, membincang dan menyelesaikan isu-isu utama pengurusan, operasi, kewangan dan pelaburan. Lembaga dan Panel Pelaburan menerima dan mengkaji laporan daripada pengurusan dari masa ke semasa. Terma rujukan Lembaga dan Panel Pelaburan, serta jawatankuasa masing-masing bagi tahun ini dinyatakan dalam Penyata Tadbir Urus Korporat.
- Pelan bisnes dan belanjawan tahunan disediakan oleh unit-unit operasi, dikaji semula oleh jawatankuasa pengurusan yang berkaitan dan diluluskan oleh Lembaga. KWSP mempunyai proses perancangan pelan bisnes dan belanjawan tahunan terperinci dan rasmi yang mengambil kira objektif jangka pendek dan jangka sederhana organisasi.

#### 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 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.*
- *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 annual 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.*

## PERNYATAAN KAWALAN DALAMAN

### STATEMENT ON INTERNAL CONTROL



- KWSP mempunyai garis panduan yang teratur mengenai pengambilan dan pemecatan kakitangan, program latihan kakitangan, penilaian prestasi tahunan dan prosedur-prosedur lain yang berkaitan bagi memastikan kakitangan berdaya saing dan dilatih secukupnya untuk menjalankan tanggungjawab mereka.
- Dasar dan prosedur yang didokumentasi bagi memastikan pematuhan terhadap kawalan dalaman seperti pengasingan tugas, proses penyemakan dan pengesahan secara bebas serta kawalan capaian sistem, yang mana kesemuanya dikemaskini dari masa ke semasa.
- Sebuah fungsi audit dalam yang menyediakan penilaian bebas terhadap kecukupan dan kewibawaan sistem kawalan dalaman. Ini dicapai melalui kajian semula aktiviti bisnes utama KWSP berdasarkan pelan audit tahunan yang diluluskan oleh Jawatankuasa Audit Lembaga.
- Pelan pengurusan kawalan fraud bersepadu untuk mencegah dan mengesan fraud telah diwujudkan termasuk polisi Anti-Fraud dan Pendedahan Maklumat.
- Dasar Keselamatan ICT yang didokumen, menggariskan dasar dan prosedur yang perlu untuk memastikan kerahsiaan, kewibawaan dan ketersediaan maklumat, data dan aplikasi di dalam organisasi.
- Fungsi pengurusan risiko operasi ('ORM') yang membantu Pengurusan dan pemilik risiko mengenal pasti, menilai dan mengkaji semula risiko-risiko penting serta menilai kecukupan kawalan dalaman untuk mengatasi risiko tersebut. Fungsi ORM turut membantu Jawatankuasa Pengurusan Risiko Lembaga mengawasi aktiviti pengurusan risiko KWSP. Pemilik risiko dan kawalan turut memberikan pengesahan digital berhubung dengan keberkesanan risiko dan kawalan milik mereka.
- 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 as approved by the Board Audit Committee.
- An integrated fraud control management plan to prevent and detect fraud has been established including Anti-Fraud and Whistleblowing policies.
- 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 EPF. Risks and controls owners also provide digital assurance on the effective management of risks and controls under their ownership.

- Rancangan Kesenambungan Perniagaan ('BCP') diwujudkan bagi memastikan kesinambungan bisnes jika berlaku gangguan yang ketara atau bencana.
- Menjelang akhir 2010, semua proses teras KWSP yang berkaitan dengan sistem perkhidmatan pelanggan akan berlandaskan piawaian MS ISO 9001.

### PEMBANGUNAN MASA DEPAN

Setakat semasa, KWSP sedang dalam proses untuk melaksanakan sistem pelaburan baru yang akan mengukuhkan lagi proses dan prosedur kerja berkaitan pelaburan yang kini dijangka akan disiapkan pada pertengahan 2010.

KWSP akan melaksanakan piawaian perakaunan FRS 139 (*Financial Instruments: Recognition And Measurement*) mulai Januari 2010.

Sebagai sebahagian daripada usaha berterusan KWSP untuk mempertingkatkan pengurusan risiko serta penerapan budaya risiko, inisiatif berkaitan penjajaran Pengurusan Risiko (Kad Skor Risiko Korporat) dengan Pengurusan Prestasi (*Balanced Scorecard*) akan dilaksanakan pada penghujung 2010.

### KESIMPULAN

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

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

Pernyataan ini disediakan selaras dengan resolusi Ahli Lembaga bertarikh 29 Mac 2010.

- *Business Continuity Plans (BCP) are in place to ensure business continuity in case of significant upheavals or disaster.*
- *By the end of 2010, all EPF core processes in relation to the customer service delivery system will be based on the MS ISO 9001 standard.*

### FUTURE DEVELOPMENTS

*The EPF is currently in the process of implementing a new investment system which will further strengthen its investment work processes as well as procedures and is now anticipated to be completed by mid 2010.*

*The EPF will implement the accounting standard FRS 139 (Financial Instruments: Recognition And Measurement) effective January 2010.*

*As part of the EPF's continuous efforts to enhance risk management and to inculcate a risk culture, an initiative to align the Risk Management (Corporate Risk Scorecard) with the Performance Management (Balanced Scorecard) will be implemented by the end of 2010.*

### CONCLUSION

*The Board is assured 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 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.*

*The statement is made in accordance with the resolution of the Members of the Board dated 29 March 2010.*

# PERNYATAAN PENGURUSAN RISIKO PELABURAN

## STATEMENT ON INVESTMENT RISK MANAGEMENT

“ Panel Pelaburan yakin bahawa amalan pengurusan risiko pelaburan di KWSP adalah kukuh dan memadai untuk melindungi pelaburan KWSP.

*The Investment Panel is confident that the investment risk management practices in place within the EPF are sound and sufficient to safeguard the investments of the EPF.* ”

### TANGGUNGJAWAB

Berdasarkan Seksyen 18(1) Akta Kumpulan Wang Simpanan Pekerja 1991, Panel Pelaburan bertanggungjawab terhadap perkara-perkara berkaitan pelaburan KWSP dan menggalas tanggungjawab terhadap rangka kerja pengurusan risiko pelaburan. Rangka kerja ini diwujudkan untuk mengurus dan bukannya menghapuskan risiko salah nyata atau kerugian dalam melaksanakan dasar, matlamat dan objektif pelaburan organisasi. Justeru itu, ia hanya boleh memberi jaminan keberkesanan yang munasabah dan bukan secara mutlak.

### RANGKA KERJA PENGURUSAN RISIKO PELABURAN

KWSP telah menyediakan rangka kerja pengurusan risiko pelaburan yang meliputi struktur tadbir urus risiko, pelbagai dasar dan proses risiko, alokasi modal risiko dan pengukuran risiko. Rangka kerja ini sentiasa dikaji semula sebagai sebahagian daripada usaha berterusan untuk meningkatkan lagi pengurusan risiko di KWSP.

### STRUKTUR PENGURUSAN RISIKO

- Panel Pelaburan, melalui Jawatankuasa Risiko Panel Pelaburan, bertanggungjawab untuk mengawasi pengurusan risiko berkaitan dengan keputusan pelaburan yang dibuat oleh KWSP;
- Jawatankuasa Risiko Pengurusan, yang dipengerusikan oleh Ketua Pegawai Eksekutif, bertanggungjawab untuk memantau dan mengkaji semula aktiviti-aktiviti pengurusan risiko dan membantu Jawatankuasa Risiko Panel Pelaburan; dan
- Jabatan Pengurusan Risiko membantu Pengurusan dan Jawatankuasa Risiko Panel Pelaburan dengan menyediakan ukuran, pemantauan dan pelaporan secara bebas bagi pendedahan risiko pelaburan KWSP.

### 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 mitigate 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

*The EPF has put in place an investment risk management framework covering risk governance structure, risk policies and processes, risk capital allocation and risk measurement. The framework is regularly reviewed as part of a continuous effort to enhance risk management in the EPF.*

### RISK MANAGEMENT STRUCTURE

- *The Investment Panel through the Investment Panel Risk Committee is responsible for overseeing risk management pertaining to EPF's investment decisions making;*
- *The Management Risk Committee, chaired by the Chief Executive Officer, is responsible for monitoring and reviewing risk management activities and supporting the Investment Panel Risk Committee; and*
- *The Risk Management Department supports the Management and the Investment Panel Risk Committee by providing independent measurement, monitoring and reporting of EPF's investment risk exposures.*

## KAWALAN RISIKO

Pernyataan Tahap Risiko yang diluluskan oleh Panel Pelaburan menggariskan secara umum tahap risiko yang boleh diterima oleh KWSP dan menjadi asas kepada alokasi dana untuk pelaburan. Kajian semula terhadap alokasi aset sentiasa dilaksanakan untuk memastikan bahawa dana yang dilaburkan adalah selaras dengan tahap risiko KWSP.

Jawatankuasa Risiko Panel Pelaburan telah menyediakan pelbagai dasar dan had untuk memastikan penetapan risiko yang berpatutan bagi setiap kelas aset. Tambahan kepada dasar dan had tersebut, Sistem Risiko dan Atributasi Prestasi, Model Portfolio Kredit dan Penarafan Korporat, telah dilaksanakan dan dipertingkatkan secara berterusan untuk memastikan risiko diukur secara sistematik.

Panel Pelaburan, melalui Jawatankuasa Risiko Panel Pelaburan sentiasa mengkaji semula pengukuran risiko, alokasi modal risiko, pelbagai polisi, proses dan had risiko untuk memastikan keberkesanan yang berterusan.

## KESIMPULAN

Panel Pelaburan yakin bahawa amalan pengurusan risiko pelaburan di KWSP adalah kukuh dan memadai untuk melindungi pelaburan KWSP. Kajian semula Panel Pelaburan terhadap keberkesanan rangka kerja pengurusan risiko pelaburan ini dibantu oleh Jawatankuasa Risiko Panel Pelaburan yang bermesyuarat sekurang - kurangnya empat kali setahun dan mengkaji semula laporan risiko dan pematuhan daripada pihak pengurusan.

Pernyataan ini disediakan berdasarkan resolusi semua Ahli Panel Pelaburan bertarikh 9 Mac 2010.

## RISK CONTROLS

*The Risk Appetite Statements, as approved by the Investment Panel, broadly outline the level of risks that the EPF is willing to tolerate and form the basis of funds allocation for investment. A review on asset allocation is regularly conducted to ensure funds are invested within the EPF's risk appetite.*

*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, Risk and Performance Attribution Systems, a Credit Portfolio Model and Corporate Rating are installed and continuously enhanced 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 the 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 a minimum of four times a year and reviews risk and compliance reports from the management.*

*The statement is made in accordance with the resolution of the Members of the Investment Panel dated 9 March 2010.*