



AHAM ASSET MANAGEMENT BERHAD

(formerly known as Affin Hwang Asset Management Berhad)

Company No. 19970104290 (429786-T)

BOARD CHARTER

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BOARD CHARTER

1.0 INTRODUCTION

The Board of Directors (“the Board”) of AHAM Asset Management Berhad (“the Company or AHAM Capital”) shall accord the highest priority towards observing and applying the principles and best practices of good governance in all its business and related activities.

The members of the Board (“the Board or the Directors”), shall at all times and without exception act in a manner consistent with the principles of honesty, integrity, transparency, disclosure and accountability consistent with good corporate governance when carrying out their fiduciary and financial duties and responsibilities.

2.0 OBJECTIVES

The objectives of the Board Charter are to document for the reference and information of the Directors:-

- (a) their duties, roles and responsibilities; and
- (b) the key procedures relating to the activities of the Board.

3.0 THE BOARD

3.1 General Roles and Responsibilities

The Board, representing the Shareholder(s), is empowered to ensure the proper management of the entity, including optimising long-term financial returns. The Board is responsible for ensuring that the Group is properly and professionally managed in order to achieve its targets.

In addition to fulfilling its obligations to increase Shareholders’ value, the Board has responsibility to the Company’s customers, employees and suppliers, and to the communities where it operates, all of whom are fundamental to a successful business.

The duties, powers and functions of the Board are governed by the Company’s Constitution, the Companies Act, regulatory guidelines, and requirements that are in force.

Having regard to the responsibilities and obligations, the Board will direct and supervise the management of the business and affairs of the Company including:

- (a) ensuring that the Company's goals are clearly established and that a strategic plan is in place to achieve them;
- (b) establishing policies to strengthen the performance of the Company including ensuring that the Management is proactively seeking to add value to the business through innovation, initiative, technology, new products and the development of its business capital;
- (c) monitoring the implementation of the Company's strategy, and establishing mechanisms for the implementation of Company policies and plans, and the performance of legal and fiduciary obligations that affect the business;
- (d) overseeing the conduct of the Company's business to evaluate whether the business is being properly managed. This includes ensuring the solvency of the Company and the ability of the Company to meet its contractual obligations and to safeguard its assets;
- (e) appointing the Managing Director, including setting the terms, objectives and goals of his/her employment contract, and where necessary, terminating his/her employment with the Company;
- (f) ensuring that the Company has appropriate business risk management processes, including adequately robust control environment encompassing internal control systems, management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;
- (g) appointing Board committees to address specific issues, considering recommendations of the various Board committees and discussing problems and reservations arising from these committees' deliberations and reports;
- (h) ensuring that the statutory accounts of the Company are fairly stated and conform to relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;

- (i) ensuring that there is in place an appropriate succession planning mechanism for Directors;
- (j) ensuring that the Company and subsidiaries (if any) adheres to high standards of ethics and corporate behavior including transparency in the conduct of business. Directors are required to comply with, amongst others, the declaration of any personal, professional or business interests, direct or indirect which may conflict with Directors' responsibilities and to refrain from voting on such transactions with the Company;
- (k) ensuring that there is in place an appropriate investor relations and communications programme;
- (l) ensuring there is a Schedule of Matters Reserved for Collective Decision of the Board; and
- (m) Directors should consult the Company Secretary and/or Chairman, as required for any clarifications on their responsibilities and duties and any dealings from which potential conflict of interest situation may arise.

Directors must at all times be aware of their roles and responsibilities under applicable guidelines issued by the regulators from time to time as per Appendix 1.

3.2 Roles and Responsibilities of the Board towards Anti-Bribery and Anti-Corruption ("ABC")

The Board understands that the responsibility for good corporate governance rests with them and therefore strives to follow the principles and best practices of corporate governance by adopting a "zero tolerance" approach towards all forms of corruption and bribery.

The Board observes the highest standard of ethical conduct, integrity and accountability as well as relevant policy which covers the Company's approach to ABC. The Board will continue to uphold the said policy.

The Board is responsible for establishing a culture of zero-tolerance towards bribery, and to ensure that there is an effective implementation of the ABC programme to counter any potential or real cases of corruption.

The Board will strive to make clear and have a united stance about the culture they expect AHAM Capital employees to have, and to enforce consequences of breaching the provisions of AHAM Capital's ABC programme.

Guided by the Directive issued by the Prime Minister's Office to ensure an effective ABC programme, AHAM Capital will practice the highest level of integrity and ethics, comply fully with the applicable laws and regulatory requirements on anti-bribery and corruption and effectively manage the key corruption risks of AHAM Capital.

3.3 Schedule of Matters Reserved for Collective Decision of the Board

The authorities of the Board are specified below. The authorities may be varied from time to time as determined unanimously by the Board.

(a) Conduct of the Board

- The appointment of Directors.
- Appointment and removal of Company Secretaries.
- Appointment and removal of Board Committees members.
- Approval of terms of references ("TORs") of Board committees and amendments to such terms.
- Appointment and removal of the Managing Director and, his/her duties and the continuation (or not) of his/her services.

(b) Operational

- Approval of business strategies and Company operational plans and budgets.
- Ongoing review of performance against business strategy and Company operational plans, including monitoring of key risks and risk management policies and actions.
- Set authority limits including limits for capital expenditure, bad debts and fixed assets write-off.

- Approval of significant investment or divestment in a company/ business/property.
 - Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities.
 - Approval of changes in the major activities of the Company.
- (c) Financial
- Approval of quarterly, interim (if any) and annual financial statements based on recommendations of the Board Audit Committee.
 - Approval of the Annual Directors' Report and Statutory Accounts.
 - Approval of interim dividends, the recommendation of final dividends and the making of any other distribution subject to the approval of Shareholder(s) (where necessary).
 - Adoption of accounting policies.
 - Approval of corporate policies and procedures which have material impact on the Company, including the Company's system of internal control.
 - Approval of the Board's responsibility statement for preparing of the annual audited accounts.
- (d) Other Matters
- The granting of powers of attorney by the Company.
 - The entering into of any indemnities or guarantees, provided they are not already covered in any authority limits set by the Board.
 - Recommendations for the alteration of Constitution of the Company.
 - Change of the accounting reference date, registered office and name of the Company.

- Issue of any debt instruments.
- Scheme of reconstruction or restructuring.
- Any other significant business decision.
- Any other matters requiring the convening of a general meeting of Shareholder(s) or any class of Shareholder(s).

3.4 Specific Responsibilities

The Board's specific responsibilities shall include the following:

- (a) meet at least once every quarter to deliberate, monitor performance and make decisions on company matters;
- (b) set corporate values and clear lines of responsibility and accountability that are communicated throughout the organization;
- (c) succession planning, including appointing, training and performance evaluation;
- (d) review regularly the adequacy and the integrity of the internal control systems and management information systems including systems for compliance with applicable laws, regulations, directives and guidelines;
- (e) review regularly the anti-corruption compliance activities of the Company;
- (f) establish procedures to avoid self-serving practices and conflicts of interest including dealings of any form with related entities;
- (g) establish and ensure the effective functioning of various committees appointed by the Board; and
- (h) ensure strong compliance with anti-money laundering and counter terrorism financing requirements as provided in guidelines, circulars or directives issued by SC and other regulators.

3.5 Duties of Directors

Directors are responsible for the stewardship of the Company and overseeing the management of the Company's business. Directors should use their best efforts to ensure that the Company is properly managed and constantly improved so as to protect and enhance Shareholders' value.

In executing their responsibilities, the Directors should be guided by the Board Charter and their responsibilities include:

- (a) attending Boards meetings, but where attendance at meetings is not possible, ensuring that appropriate steps are taken to obtain leave of absence;
- (b) acquiring knowledge about the business of the Company, the statutory and regulatory requirements for effective discharge of their duties to the Company, and are aware of the physical political and social environment in which it operates;
- (c) studying in advance information packets and documentary materials provided, to ensure preparedness to discuss their contents at Board meetings;
- (d) assisting the Chairman in providing the Company with effective leadership;
- (e) being available to advise Management in between Board meetings when necessary;
- (f) actively participating in and effectively contributing to Board discussions towards meeting the duties and responsibilities of the Board;
- (g) always being alert to the potential for conflicts of interests that may affect the performance of his or her fiduciary duties to the Company and seeking to avoid these potential conflicts wherever possible; and
- (h) acting honestly, in good faith and in the best interests of the Company as a whole, using due care and diligence in fulfilling his or her responsibilities, and exercising the powers attached to that office.

3.6 Composition of the Board

The Board shall consist of qualified individuals with diverse experience, backgrounds and perspective.

At any one time, at least one-third (1/3) of the Board members shall be Independent Directors:

- (a) The Independent Directors shall provide independent judgement, experience and objectivity without being subordinated to operational considerations; and
- (b) The Independent Directors shall ensure that the interest of all Shareholder(s) and not only the interests of a particular faction or group are taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration.

If, on any matter discussed at a Board meeting, any Director holds views contrary to those of any of the Directors, the Board minutes should clearly reflect this.

The views of Management shall be represented at meetings of the Board by the presence of the Managing Director, and other senior executives when required by the Board.

3.6 Appointment of Director(s)

3.6.1 The appointment of a new Director shall be a matter for consideration and decision by the Board.

- Criteria for the appointment of new Directors should be based on qualifications, experience and expertise, potential for making a positive contribution to the Company's performance, commitment to attend Board meetings regularly and their ability to devote sufficient time and attention to the affairs of the Company.
- Not involved in any form of bribery or corruption.

3.6.2 The directorships held by any Director who is also a Director of a listed entity shall not exceed the number specified by the laws, rules or regulations applicable to the Company.

3.6.3 The Company Secretary shall take appropriate action to:

- (a) ensure that the appointments of new Directors are properly executed; and
- (b) make arrangements for new Directors participation in the Company's induction programme aimed at communicating the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company.

4.0 MEETINGS OF THE BOARD

4.1 A full agenda and comprehensive Board papers shall be circulated to all Directors well in advance of each Board meeting.

4.2 Amongst others, the Board papers shall include the following:

- (a) Financial performance of the Company;
- (b) Minutes of the relevant Board's Committees meetings;
- (c) Review of the operations of the Company (where applicable);
- (d) Investment review;
- (e) Sales & marketing review;
- (f) Compliance report;
- (g) Review of the Annual Budget.

4.3 The confirmed minutes of each Board meeting shall be kept by the Company Secretary and shall be made available for inspection by any Director during office hours.

5.0 CHAIRMAN AND MANAGING DIRECTOR

The Company shall define the authority and responsibility equation between the Chairman and the Managing Director to ensure proper and smooth running of the Company.

5.1 Chairman

The Chairman is elected from the members of the Board to provide effective leadership to the Board and the Company, and the necessary mentoring to the Managing Director to ensure that the Board meets its obligations to its Shareholder(s). Among others, the responsibilities of the Chairman include:

- (a) providing leadership to the Board;
- (b) chairing meetings of the Board in such a manner that will stimulate debate on issues before the Board and encourage the most effective contribution from each Director;
- (c) chairing meetings of Shareholder(s);
- (d) establishing procedures to govern Board's activities;
- (e) ensuring the Board's full discharge of its duties;
- (f) scheduling meetings of the Board;
- (g) ensuring a proper flow of information to the Board, reviewing adequacy and timing of documentary materials in support of Management's proposal and review of the performance of the Company;
- (h) ensuring adequate lead time for effective study and discussion of business under consideration;
- (i) establishing guidelines for the conduct of Directors, and ensuring that each Director makes significant contribution during Board's discussion of matters;

- (j) acting as liaison between the Board and Management. The Chairman should act as the main informal link between the Board and Management and particularly between the Board and the Managing Director;
- (k) ensuring that all Directors, when taking up office, are fully briefed on the terms of their appointment, duties and responsibilities and the business of the Company;
- (l) together with the Managing Director, representing the Company and/or Group to external parties; Shareholder(s), creditors, consumer groups, local communities, and federal, state, and local governments;
- (m) in conjunction with the Managing Director, playing a leading role in:
 - Formulating the Board's strategic direction and planning process.
 - Encouraging high standards of propriety and promoting efficient and effective use of staff and other resources throughout the organization.
 - Fostering high corporate ethical standards and positive relationships with the Company's stakeholders.
- (n) actively participating in the selection of Directors and ensuring the membership of the Board is properly balanced;
- (o) should ensure that there is a succession plan for the Board; and
- (p) carrying out other duties as requested by the Board as a whole, depending on need and circumstances.

5.2 Managing Director

The Managing Director is accountable to the Board for the overall organization, management, and staffing of the Company and for its procedures in financial and operational matters, including conduct and discipline. This includes promoting by leadership and example. Directors should support the Managing Director in undertaking this responsibility. The responsibilities of the Managing Director include:

- (a) fostering a corporate culture that promotes ethical practices, encourages individual integrity and fulfils social responsibility;
- (b) maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of quality employees at all levels;
- (c) developing and recommending to the Board, a long-term strategy and vision for the Company that leads to the creation of Shareholder(s) value;
- (d) developing and recommending to the Board, the Company's operational plans and budgets that support the Company's long-term strategy;
- (e) ensuring achievement of objectives and goals, as contained in the strategic plan;
- (f) fostering a corporate culture that promotes adherence to laws and regulations of the country;
- (g) managing the overall business and overseeing the day to day operations of the Company;
- (h) ensuring continuous improvement in the quality and value of the products and services provided by the Company;
- (i) ensuring that the Company achieves and maintains a satisfactorily competitive position within its industry;
- (j) recommending management structure and operating authority levels which include delegation of responsibilities to Management;
- (k) ensuring that the Company has an effective management team below the level of the Managing Director and has an active plan for its development and succession. Reporting to the Board annually on the succession and management development plan;
- (l) ensuring, in co-operation with the Board, that there is an effective succession plan in place for the Managing Director's position;

- (m) formulating and overseeing the implementation of major corporate policies;
- (n) being accountable to the Board for the propriety and regularity of the finances;
- (o) being responsible for the financial management of the Company and overseeing the handling of financial matters which include keeping proper accounts for prudent and economical administration and to ensure efficient and effective use of all the resources;
- (p) reporting to the Board periodically on the financial positions of the Company;
- (q) reporting to the Board on key performance indicators in relation to the financial results, market conditions and other developments;
- (r) recommending annual management salary increment; and
- (s) reporting on significant business decisions.

6.0 BOARD COMMITTEES

The Board appoints the following Board Committees with specific Terms of Reference:

- (a) Board Audit Committee.
- (b) Board Compliance and Risk Management Committee.
- (c) Group Board Nomination and Remuneration Committee.

7.0 REMUNERATION OF DIRECTORS

The Board of Directors with the approval of the Shareholder(s) shall set remuneration of Directors at levels which are sufficient to attract and retain qualified and competent Directors needed to run the Company successfully.

8.0 FINANCIAL REPORTING

8.1 Transparency

- (a) The Company aims to present a clear and balanced assessment of the Company's financial position and performance.
- (b) The Directors shall ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.
- (c) The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit of the financial statements.

8.2 Company Auditors

- (a) The Board has a formal and transparent arrangement for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Board Audit Committee.
- (b) Appointment of the Company Auditors is subject to annual approval of the Shareholder(s) at Annual General Meeting.

8.3 Internal Control and Risk Management

- (a) The critical review of all aspects of the Company's activities and its internal controls shall be undertaken by an independent third-party internal audit services provider or the Company's own internal audit function. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries shall be undertaken on a regular basis;
- (b) The Board shall ensure that the system of internal controls are reviewed on a regular basis; and
- (c) The Board Audit Committee shall be provided with reports regarding the outcome of such reviews on a regular basis.

9.0 GENERAL MEETINGS

9.1 Annual General Meeting (“AGM”)

- (a) The AGM is an important event in the Company’s corporate calendar. The Company regards the AGM as the principal forum for dialogue with Shareholder(s) and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company’s Shareholder(s);
- (b) The Chairman shall encourage active participation by the Shareholder(s) during the AGM; and
- (c) The Chairman and, where appropriate, the Managing Director shall respond to Shareholder(s)’ queries during the meeting. Where necessary, the Chairman will undertake to provide written answer to any significant question that cannot be readily answered at the meeting.

9.2 Extraordinary General Meeting (“EGM”) / Shareholders’ Meeting

The Directors may convene EGM or Shareholders’ meeting in accordance with the provisions of the Company’s Constitution.

10.0 COMMUNICATION WITH SHAREHOLDER(S)

- 10.1 The Board acknowledges the need for Shareholder(s) to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with Shareholder(s) and investors.
- 10.2 The Board ensures the timely release of financial results on a quarterly basis to provide Shareholder(s) with an overview of the Company’s performance and operations.
- 10.3 The Company’s website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

11.0 RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Company, the Board recognizes that no Company can exist by maximizing Shareholder(s) value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

11.1 Employees

- (a) The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company;
- (b) The Company shall adopt comprehensive and documented policies and procedures with respect to the following:
 - Occupational safety and health with the objective of providing a safe and healthy working environment for all employees;
 - Industrial relations with the objective of managing employees' welfare and well-being in the work place.

11.2 Environment, Social, and Governance ("ESG")

- (a) The Board acknowledges the need to safeguard and minimize the impact to the environment in the course of achieving the Company's vision and mission;
- (b) The Board to set clear ESG framework and policies as well as effective oversight.
- (c) The Board to ensure sustainability activities are aligned to the corporate strategies and values.
- (d) The Board to employ the following strategies in promoting sustainability:
 - Adoption of a framework to manage present and future impacts on the Company's stakeholders;

- Ensure the Company's corporate principles are in line with ESG policies;
- Include specific strategies in resolving the issues and concerns of the key stakeholders;
- Ensure that all parties are informed effectively of the sustainability objectives;
- Ensure integration of stakeholder interests and values into corporate strategy; and
- Establish a Sustainability Committee and ESG Team within the Company and spells out their functions, roles, and responsibilities.

11.3 Social Responsibility

- (a) The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates; and
- (b) The Company supports charitable causes and initiatives on community development projects.

12.0 COMPANY SECRETARY

- 12.1 The Board shall ensure it is supported by a qualified and competent Company Secretary, who meet the requirements of the Companies Act, 2016.
- 12.2 The Company Secretary is accountable to the Board on all governance matters.
- 12.3 The Company Secretary is the central source of information and renders advice to the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.
- 12.4 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.
- 12.5 The Board members have unlimited access to the professional advice and services of the Company Secretary.

13.0 APPLICATION

- 13.1 The principles set out in this Board Charter are:
- (a) kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities; and
 - (b) applied in practice having regard to their spirit and general principles rather than to the letter alone.
- 13.2 The Board shall endeavor to comply at all times with the principles set out in this Charter.
- 13.3 In this Charter, any reference to any provision of legislations, guidelines, circulars or directives shall include all amendments, modifications, consolidations or replacements as may be issued from time to time.
- 13.4 The Board Charter is made available for reference on the Company's website.

APPENDIX 1

Notwithstanding the roles and responsibilities of the Board as specified under item 3.1 above, the Board is also responsible for various matters stipulated in the SC Guidelines applicable to AHAM. The roles and responsibilities of the Board, amongst others are as follows: -

1. **Anti-Money Laundering, Counter-Terrorism Financing (“AML/CFT”) And Counter Proliferation Financing Guidelines (“AMLA Guidelines”)**

- a) The Board must maintain accountability and oversight for establishing AML/CFT policies and procedures.
- b) The Board must provide oversight and accord adequate priority and dedicated resources to manage ML/TF risks faced by the reporting institution including defining the lines of authority and responsibility for implementing the AML/CFT measures.
- c) The Board must approve policies and procedures regarding AML/CFT measures.
- d) The Board must ensure that the approved policies and procedures are implemented effectively by the senior management.
- e) The Board must monitor the effectiveness of the implementation of the policies and procedures.
- f) The Board must ensure that the policies and procedures are periodically reviewed and improved where required.
- g) The Board must ensure effective independent audit function in assessing and evaluating the robustness and adequacy of overall AML/CFT measures.
- h) The Board must ensure that the board keeps itself updated and is aware of new or emerging trends of ML/TF and understand the potential impact of such developments to the reporting institution.

2. **Guidelines On Unit Trust Funds**

- a) The Board must comprise at least two independent members, while maintaining a minimum ratio of at least one-third independent members (Board composition). Should there be a change to the Board composition resulting in a breach of this requirement, must take necessary steps to rectify the breach as soon as practicable and in any case, no later than three months from the date of change.

- b) The Board must, in addition to their duties and responsibilities as directors, represent and safeguard the interests of unit holders.
- c) Any members of the Board must not hold office as director of more than one management company at any one time.
- d) All members of the Board must exercise the degree of care and diligence that a reasonable person would exercise in the position as Director of a management company.
- e) All members of the Board must act in the best interests of unit holders and, if there is a conflict between unit holders' interests and its own interests, give priority to unit holders' interests.
- f) The Board must observe high standards of integrity and fair dealing in managing the fund to the best and exclusive interest of unit holders.
- g) The Board must appoint a Compliance Officer who must directly report to the Board of Directors.
- h) The Board must appoint an individual as a designated person responsible for the fund management function of the fund, whether the function is undertaken internally within the management company or externally. Where the fund management function is undertaken by an external party, the management company must ensure that the fund manager appoints a designated person for the fund.
- i) The Board must ensure that the financial statements of the fund give a true and fair view of the fund's financial position as at the end of the fund's financial period.
- j) The Board must establish, implement and maintain a risk management framework that is commensurate with its business.
- k) The Board must establish, implement and maintain risk management policy and procedures of the fund, which is to be documented in a standalone document, to effectively monitor, measure and manage risks of the investment positions of the fund and their overall contributions to the risk profile of the fund.
- l) The Board must ensure that the human resource, technology and systems employed are adequately and appropriately resourced, at all times, for the proper establishment, implementation and maintenance of the risk management policy and procedures.

- m) The Board must establish, implement, maintain policies and procedures and ensure proper records are in place in relation to the fund's valuation and pricing.
- n) The Board must maintain an internal audit function to report on the adequacy, effectiveness and efficiency of the management, operations, risk management and internal controls.

3. Guidelines On Exchange Traded Funds ("Etf")

- a) The Board must, in addition to their duties and responsibilities as directors, represent and safeguard the interests of unit holders of the ETF.
- b) The Board must comprise at least two independent members, while maintaining a minimum ratio of at least one-third independent members ("board composition"). Should there be a change to the board composition resulting in a breach of this requirement, the management company must take necessary steps to rectify the breach as soon as practicable and in any case, no later than three months from the date of change.
- c) Any members of the Board must not hold office as director of more than one management company at any one time.
- d) The Board must ensure that the assets of the ETF are:
 - clearly identified as the ETF's assets;
 - held separately from the assets of the management company and any other fund managed by the management company; and
 - conduct all transactions for the ETF on arm's length basis.
- e) The Board must appoint:
 - a full-time Chief Executive Officer;
 - a Compliance Officer who must report directly to the Board;
 - an individual as a designated person responsible for the fund management function of the ETF, whether the function is undertaken internally within the management company or externally.

4. Governance of Cyber Risk

- a) The Board must provide oversight and accord sufficient priority and resources to manage cyber risk, as part of the capital entity's overall risk management framework.
- b) The Board must ensure that the capital market entity's policies and procedures relating to cyber risk are presented for the Board's deliberation and approval.
- c) The Board must ensure that the approved cyber risk policies and procedures are implemented by the Management.
- d) The Board must monitor the effectiveness of the implementation of the entity's cyber risk policies and ensure that such policies and procedures are periodically reviewed and improved, where required. This may include setting performance metrics or indicators, as appropriate to assess the effectiveness of the implementation of cyber policies and procedures.
- e) The Board must ensure that adequate resources are allocated to manage cyber risk including identifying a responsible person (responsible person) who is accountable for the effective management of cyber risk.
- f) The Board must ensure that the Management continues to promote awareness on cyber resilience at all levels within the entity.
- g) The Board must ensure that the impact of cyber risk is adequately assessed when undertaking new activities, including but not limited to any investments decision, merger and acquisition, adoption of new technology and outsourcing arrangements.
- h) The Board must ensure that the board keeps itself updated and is aware of new or emerging trends of cyber threats, and understand the potential impact of such threats to the entity.

5. Guidelines on Compliance Function for Fund Management Companies

- a) The Board must ensure that:
 - only licensed persons can carry out regulated activities;
 - at least one director is a CMSRL holder; and
 - the fund management company complies with the 11 core principles as set out in Chapter 3 of Guidelines on Compliance Function for Fund Management Companies and the securities laws, regulations and all relevant guidelines.

b) The Board must also ensure that AHAM:

- establishes, implements and maintains an effective internal control framework to prevent and detect abusive or inappropriate investment practices or conflicts of interest between proprietary transactions, employees' transactions, and clients' transactions.
- conducts at least yearly review on the effectiveness of its internal control framework.
- written policies and procedures are in place.
- provide clear line of reporting, authorisation and proper segregation of functions with a view to manage conflicts of interest that may arise in the course of doing its business.
- prevent any flow of price-sensitive information between the different areas of operations of the organization.
- prevent unauthorised or fraudulent transactions.
- prevent front-running, churning or any other market misconduct by directors or employees.
- preserve the confidentiality of clients' information.
- mitigate the risk arising from a situation where an individual is in control of all aspect pertaining to a single transaction.
- competent persons are appointed to supervise and manage the fund management company and that such persons are always subject to oversight of the Board.
- has adequate financial, human, technology and other resources which commensurate with its business.
- that it assess its cyber security resilience and preparedness including confidentiality, integrity and availability of data and services as stipulated under the Guidelines on Management of Cyber Risk.
- establishes and maintains proper system of record keeping.
- one or more compliance officers are appointed.
- all matters raised by the compliance officer or the compliance committee (where such committee has been established), including any noncompliance with any provisions of the relevant laws, regulations and guidelines, are properly addressed.
- undertakes an effective oversight function on the overall compliance framework of the fund management company.
- conducts at least an annual review on the effectiveness of the compliance framework.
- provides effective and adequate support to the compliance officer and ensure that the compliance officer is not prevented in any way from discharging his responsibilities including making the appropriate report to the relevant regulatory authority on any breaches or non-compliance.

- that any representations, including in the form of electronic communication made to clients are conducted with due care, skill and diligence to enable the clients to make balanced and informed decisions.

6. Guidelines on Private Retirement Schemes (“PRS”)

- a) The Board must comprise at least two independent members, while maintaining a minimum ratio of at least one-third independent members (“board composition”). Should there be a change to the board composition resulting in a breach of this requirement, the PRS Provider must take necessary steps to rectify the breach as soon as practicable and in any case, no later than three months from the date of change.
- b) The Board must, in addition to their duties and responsibilities as directors, represent and safeguard the interests of members.
- c) All members of the Board must not:
 - (i) hold office as a director of more than one PRS provider at any one time; and
 - (ii) hold office as a director of a management company which is not within the group of companies.