
BPCAL Corporate Governance Report

Bank Pictet & Cie (Asia) Ltd (the “Bank”), is incorporated in Singapore and operates under a wholesale bank license granted by the Monetary Authority of Singapore (“MAS”).

As a Singapore incorporated entity, the Bank is guided by:

- the Banking (Corporate Governance) Regulations (the “Regulations”)
- the Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore (the “Guidelines”)

The Bank has complied with the Regulations and has taken measures to observe the Guidelines, where applicable.

Board of Directors

Board Composition and Independence

As at the date of this report, the Bank’s Board of Directors (“BoD” or the “Board”) comprises 2 Independent Directors and 2 Executive Directors:

Mr François Pictet	Chairman of the Board (Non-Executive Director)
Mr Tee Fong Seng	Executive Director, CEO Pictet Wealth Management Asia
Ms Sharon Chou	Executive Director, CEO of the Bank and Pictet Wealth Management South Asia
Mr Koh Boon Hwee	Non-executive Director, Lead Independent Director
Ms Karen Loon	Non-executive Director, Independent Director

Mr Francois Pictet, Managing Partner of Pictet Group was appointed as Chairman of the Board on 15 November 2021 in place of Mr Boris Collardi who has resigned as Chairman and Director of the Bank.

Mr Tee Fong Seng, CEO of PWM Asia was appointed as a Director on 28 May 2021, and Ms Sharon Chou, CEO of the Bank and PWM South Asia was appointed as a Director on 16 March 2022. Mr Nicolas Pictet, Mr Claude Haberer and Mr Dominique Jooris resigned as Directors on 31 March 2022, 26 November 2021 and 27 March 2021 respectively.

The roles of Chairman and Chief Executive Officer (“CEO”) are separated which is consistent with the principle of ensuring appropriate balance of authority, increased accountability and greater capacity of the Board for independent decision making. The Board has delegated to the CEO authority over the day-to-day management of the Bank. The independent directors are assessed to meet the criteria for independence as prescribed under the Regulations.

Each member of the Board has extensive experience in the banking and finance industry and collectively, provides the requisite skills and competencies to effectively steer and direct the affairs of the Bank. The directors' professional qualifications and background are described in Annex I.

Board Conduct and Responsibilities

The Board undertakes matters reserved to the Board, including responsibilities normally carried out by the Nominating Committee. The responsibilities of the Board include:

- Review and approve the Bank's overall business plan or strategy, risk appetite and performance objectives
- Review and approve changes to the capital structure of the Bank
- Review and approve financial policies and announcements
- Review the adequacy of internal control and risk management systems established and maintained within the Bank
- Monitor and approve major investments and contracts
- Ensure adequate and effective delegation of authority framework is in place to provide clear direction to management and the Board
- Review and approve appointment of directors, each member of each board committee, the CEO, Deputy CEO, Chief Financial Officer ("CFO") and Chief Risk Officer ("CRO") of the Bank
- Regarding the appointment and/or re-appointment of a director, determine independence from management, business relationship or substantial shareholder of BPCAL
- Review resignation reason for directors, each member of each board committee, the CEO, Deputy CEO, CFO and CRO of the Bank
- Oversee the development of a process for evaluation of the performance of the Board, its board committees and directors and propose performance criteria

The Board and its committees shall meet at least once a year and are updated on matters such as business strategy and performance, capital adequacy, internal procedures, compliance and operational matters during board and board committee meetings. The Board members have access to the Bank's management committee members and the Corporate Secretary to obtain any information that they may require on the Bank.

Board Development

Where applicable, the directors will be updated on new developments such as (but not limited to) new laws, regulatory developments and their impact on the Bank, new products, changes to accounting standards, changing commercial risks, corporate governance, risk management, which are provided by persons either internal or external to the Bank who are well-versed in the relevant topic(s). Relevant (internal or external) training or courses shall be made available to directors by the Bank, where deemed appropriate.

For new directors, introductory information, briefings by senior executives in their respective areas will be provided, where relevant, to allow the incoming director to be familiar with the Bank's business and governance practices.

Board Assessment

The Board reviews the nomination as well as departure of key appointment holders including directors as prescribed under the Regulations. One-third of the directors is subject to re-nomination and re-appointment every year. On an annual basis, the Board ensures that its directors remain qualified for office as prescribed under the Regulations. Directors may serve on other Boards, but are expected to set aside adequate time for their oversight of matters relating to the Bank.

Board Committees

The Bank is exempted from setting up a Nominating Committee (“NC”) and Remuneration Committee (“RC”) on the premise the relevant roles and responsibilities of the NC and RC are undertaken by the Board and the Board of Partners at the Pictet Group level respectively.

Audit Committee

As at the date of this report, BPCAL’s Audit Committee (“AC”) comprises:

- Ms Karen Loon - *Chairperson*
- Mr Koh Boon Hwee
- Mr François Pictet

Following the resignation of Mr Nicolas Pictet, Mr François Pictet was appointed on 31 March 2022.

The AC supports the Board in the oversight of financial statement preparation and integrity, internal controls (including financial, operational, compliance and information technology controls), internal audit and external audit.

The AC shall meet at least twice a year and whenever deemed necessary.

The AC reviews the independence of the external auditors annually, taking into consideration the non-audit services to the bank and has assessed the nature and extent of such services to be at a level that does not impede objectivity.

The Bank has in place a whistle-blowing policy that is subject to AC review to ensure adequate arrangements are in place for employees to raise concerns, in confidence, about possible improprieties such that independent investigations and appropriate follow-up actions may be taken.

Risk Management Committee

As at the date of this report, BPCAL’s Risk Management Committee (“RMC”) comprises:

- Mr Koh Boon Hwee - *Chairperson*
- Ms Karen Loon
- Mr Tee Fong Seng

Following the resignation of Mr Nicolas Pictet, Mr Tee Fong Seng was appointed on 31 March 2022.

The RMC oversees the establishment and operation of an independent risk management system for managing risks on an enterprise-wide basis, ensures that BPCAL is sufficiently resourced to monitor risk by the various risk categories, reviews BPCAL's risk profile, reviews key risk trends in the context of BPCAL's risk appetite, and contributes to the promotion of a sound risk culture and adequate control environment.

The RMC shall report to the BoD at least on a half yearly basis. The RMC will meet whenever appropriate to achieve its mission but no less than 2 times per year.

Risk Management and Internal Controls

The Board has received assurance from the CEO, management, internal and external auditor on the effectiveness of the Bank's risk management and internal controls, including financial, operational, compliance and information technology controls and risk management systems, as well as the financial records have been properly maintained and the financial statements give a true and fair view of the Bank's operations and finances.

Directors' Attendance at Meetings

The Board held five meetings in 2021. The attendance rate was high at each meeting.

The Risk Committee and Audit Committee held four meetings and two meetings respectively in 2021. The attendance rate was high for the Risk Committee meetings and all members attended all the Audit Committee meetings.

Remuneration Policy

The Bank's remuneration policies, including remuneration of directors and executive officers, are subject to review and approval by the Board of Partners at the Pictet Group level.

The Pictet Group Remuneration Policy defines an approach and practices that are effective, sound and responsible and that serves to align the interests of the Group, its employees, clients, business partners and capital owners in a sustainable long-term perspective, while preventing conflicts of interest and not encouraging excessive risk-taking.

Remuneration is formulated to ensure it is compliant with relevant regulations and is in line with the job functions and performance of the individual officers, the Bank and the Pictet Group. The Pictet Group regularly conducts benchmarking to ensure its remuneration remains competitive and

consistent with wider market practices. Total remuneration comprises of fixed salary, performance linked variable, parts and other remuneration elements.

Related Party Transactions

The Bank has established policies and procedures on related party transactions. Measures are taken to ensure that terms and conditions of related party lendings are not more favourable than those granted to non-related obligors under similar circumstances.

Updated in 1 April 2022

Annex 1

Francois Pictet (*Chairman*)

François Pictet has been a Managing Partner of the Pictet Group since 2021. He is responsible for the Technology & Operations division. He also oversees PMW's Asian and Middle East commercial effort.

Before being named Managing Partner, François was Head of the Pictet Investment Office, the ultra-high-net-worth investment arm of Pictet Wealth Management.

Prior to joining Pictet in 2015, he worked at the private equity firm AEA Investors in London. Prior to that he was in M&A advisory at Credit Suisse in Zurich and at two non-governmental organizations active in the fields of microfinance and socially responsible investing.

François holds a Master's degree of Advanced Studies in Business Law from the University of Geneva and Lausanne.

Tee Fong Seng (*Executive Director, CEO PWM ASIA*)

Tee Fong Seng was first appointed to the Board in 2021. He is a private-banking veteran with in-depth knowledge of the wealth management business across Asia. Before joining Pictet, he was Chairman of EFG Bank's Asia Advisory Board and a member of its Global Board. He spent most of his career with Credit Suisse as Vice Chairman for Asia, CEO Hong Kong Branch and Head of Private Banking Singapore; and at UBS, where he was Head of Wealth Management South East Asia and Deputy Branch Manager for UBS Singapore.

Fong Seng is also Dean's Fellow at the Singapore Management University's Lee Kong Chian School of Business; a Board member of apVentures, a non-profit venture philanthropic organization; and a Distinguished Fellow (Wealth Management) of the Institute of Banking and Finance Singapore.

Fong Seng is a Chartered Management Accountant (ACMA, London) and holds a Bachelor of Business Administration from National University of Singapore.

Sharon Chou (*Executive Director, CEO of the Bank and PWM SOUTH ASIA*)

Sharon became CEO of the Bank and Pictet Wealth Management South Asia in early 2021 and was appointed as a Director of the Bank in early 2022. She joined Pictet in 2011 as CEO of Pictet Wealth Management North Asia, and Alternate Chief Executive for Pictet Wealth Management Asia.



Before Pictet, Sharon worked for BNP Paribas in Hong Kong for 14 years. Her initial appointment was in risk management, where she oversaw a team of analysts who monitored irregular transactions. She subsequently became head of counterparty risk for the entire private banking division in the region. Her last position at BNP Paribas – which she held for ten years before moving to Pictet – was regional head of credit and risk management for Asia. This role required her to sit on the regional executive committee and advise senior management on risk and regulatory issues, including drafting internal directives.

Before her career at BNP Paribas in Hong Kong, she was employed by regional banks in the US for more than ten years in various positions, chiefly in credit analysis and audit roles, and at ICP Enterprises Company Ltd in Taiwan for two years.

Sharon holds an MBA from Claremont Graduate School, with a concentration in Accounting and Finance. She also earned credentials as a Certified Public Accountant in the state of Illinois, USA.

Koh Boon Hwee (*Non-executive Director, Lead Independent Director*)

Koh Boon Hwee was first appointed to the Board in 2014 and last re-elected as Director in 2019. Koh Boon Hwee is the Chairman of Altara Ventures Pte Ltd, a venture capital firm providing early and growth stage capital and expertise to entrepreneur led start ups and SMEs largely in South East Asia.

He is also the Chairman of Sunningdale Tech Ltd, Rippledot Capital Advisers Pte Ltd and Agilent Technologies, Inc and a Board Member of GIC Pte Ltd. He is also the Chairman of the Securities Industry Council.

He started his career in 1977 at Hewlett Packard and rose to become its Managing Director in Singapore from 1985-1990. From 1991-2000, he was Executive Chairman of the Wuthelam Group.

Boon Hwee was also the Chairman of the Singapore Telecom Group (SingTel) and its predecessor organisations from 1986-2001, Chairman of Singapore Airlines Limited from 2001-2005, Chairman of DBS Bank from 2006-2010 and served on the Board of Temasek Holdings Pte Ltd from 1996-2010. He was Chairman of AAC Technologies Holdings Inc from 2004-2020.

He was also the Chairman of the Board of Trustees and its predecessor Council of the Nanyang Technological University (NTU) from 1993 until his retirement in March 2021. He was a Director of the Hewlett Foundation in the United States from September 2007 until his retirement in March 2022, and Chairman of the Investment Committee overseeing the Endowment's investment from July 2015 until his retirement.

He received his Bachelor's Degree (First Class Honours) in Mechanical Engineering from the Imperial College of Science and Technology, University of London, and his MBA (Distinction) from the Harvard

Business School. He also received honorary doctorates from Imperial College London in 2014 and from NTU in 2021.

Karen Loon (*Non-executive Director, Independent Director*)

Ms Loon was first appointed to the Board in 2019 and was last re-elected as Director in 2020. Karen Loon is a Chartered Accountant with over 30 years of international, cross-cultural experience working with banks, capital markets and wealth management players across Asia Pacific.

Formerly PwC Singapore's Banking and Capital Markets Leader, and a senior Financial Services Assurance Partner and client relationship partner, she is recognised for her work with listed local and multinational bank boards and C-Suites on bank governance, controls and risk management, audit and financial due diligence.

Karen has close to two decades of board experience with not-for-profit and professional bodies in Singapore. She is a member of the Governing Council of the Singapore Institute of Directors (from November 2021), a committee member of BoardAgender (Singapore), a member of the Finance Committee of the Singapore University of Technology and Design, Treasurer and board member of the INSEAD Directors Network, and the former Chair of the Singapore council of Chartered Accountants Australia and New Zealand (from 1 January 2021 to 31 December 2021).

She is a Fellow of Chartered Accountants Australia and New Zealand, a Graduate member of the Australian Institute of Directors, an MBA from Macquarie Graduate School of Management, and an Executive Master of Change and Certificate in Corporate Governance from INSEAD.