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## Corporate Governance Report

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**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 (the “Board”) comprises 2 Independent Directors, 2 non-Executive Director and 1 Executive Director:

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

Mr Hans Isler, was appointed as Director on 1 September 2023 in place of Mr Koh Boon Hwee who has resigned as Director of the Bank on 31 August 2023.

The roles of Chairman and Chief Executive Officer (“CEO”) are separate 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.

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## **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 the Bank
- 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. The Board members may also request for independent professional advice, at the Bank's expense, if necessary.

## **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.



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## **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.

The Board reviewed the appointments of the Deputy CEO and CFO effective 1 January 2023 and 5 October 2020 respectively, and accepted the departure of the CRO effective 20 June 2023.

## **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, the Bank’s Audit Committee (“AC”) comprises:

- Ms Karen Loon - *Chairperson*
- Mr Hans Isler
- Mr François Pictet

Following the resignation of Mr Koh Boon Hwee, Mr Hans Isler was appointed on 1 September 2023.

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.



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## **Risk Management Committee**

As at the date of this report, the Bank's Risk Management Committee ("RMC") comprises:

- Mr Hans Isler - *Chairperson*
- Ms Karen Loon
- Mr Tee Fong Seng

Following the resignation of Mr Koh Boon Hwee, Mr Hans Isler was appointed on 1 September 2023 as Chairperson.

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

The RMC shall report to the Board 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 four meetings in 2023 and directors attended all meetings.

The Risk Committee and Audit Committee held four meetings and two meetings respectively in 2023. The committee members attended all Risk Committee meetings and all Audit Committee meetings.

## **Remuneration Policy and Matters**

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



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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.

The Bank is part of the Pictet Group and is not listed on any exchange. There is limited value in providing further disclosures on the remuneration of directors, CEO and top 5 key management personnel other than what has already been disclosed in the financial statements. Furthermore, the Bank's substantial shareholder is a holding company and none of the directors and CEO have immediate family members who are employees of the Bank.

## **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 27 March 2024



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## Annex 1

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### **Francois Pictet** (*Chairman*)

Mr Francois Pictet, Managing Partner of Pictet Group was appointed as Chairman of the Board on 15 November 2021 and re-elected on 23 May 2022. Mr 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** (*Vice Chairman, PWM ASIA*)

Tee Fong Seng was first appointed to the Board on 28 May 2021 and re-elected as Director on 23 May 2022. 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 first appointed as a Director of the Bank on 16 March 2022 and re-elected on 15 May 2023. She joined Pictet in 2011 as CEO of Pictet Wealth Management North Asia, and Alternate Chief Executive for Pictet Wealth Management Asia.



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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.

### **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.

Karen has previously worked as PwC Singapore’s Banking and Capital Markets Leader, where she served as a senior Financial Services Assurance Partner and client relationship partner. Additionally, she is a recognised author, thought leader, and speaker on diversity and inclusion.

Karen has over twenty years 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 and the Finance Committee of the Singapore University of Technology and Design. In the past, she has served as Treasurer and board member of the INSEAD Directors Network and a committee member of BoardAgender.

Karen is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia, a Senior Accredited Director of the Singapore Institute of Directors, and a Graduate member of the Australian Institute of Directors. She also has a Bachelor of Economics from the University of Sydney, a Master of Business Administration from Macquarie Graduate School of Management, an Executive Master of Change and a Certificate in Corporate Governance (IDP-C) from INSEAD. Currently, Karen is pursuing her PhD from NIODA.

### **Hans Isler** (*Non-executive Director, Lead Independent Director*)

Hans Isler was appointed to the Board effective 1 September 2023. He has been an independent, non-executive Director with Banque Pictet & Cie SA since 2014 and a member of Pictet & Cie Group SCA’s supervisory board since 2017 where he currently chairs the Risk Committee.



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Until 2001, Hans Isler was a partner at Arthur Andersen and up to 2011 with EY, where he assumed various leadership roles within the financial services practice. Since 2012 he has held various functions as independent non-executive board member in a variety of entities, public as well as privately held, regulated and non-regulated, including for not for profit organisations. He has also served as alternate magistrate for the Court of Audit of the Canton of Geneva. Prior to joining Arthur Andersen, he was a delegate for the International Committee of the Red Cross.

His current engagements other than for the Pictet group include directorships with the MKS PAMP Group, with worldwide activities in the precious metals market, Banque du Léman, a Geneva based retail bank, Valcourt SA a fixed income broker as well as governance roles with Doctors without Borders, Geneva Call and for the Audemars Piguet Foundation.

He has received an MBA from the St.Gallen Business School and qualified as a Swiss Certified Public Accountant.

### **Evelyn Yeo** (*Deputy CEO of the Bank and Head of Asia Investments*)

Evelyn joined Pictet in 2019 as Head of Asia Investments and is responsible for Research (macroeconomic, equity), Solutions (discretionary, advisory) and Distribution teams in Asia. Effective 1 January 2023, Evelyn was appointed Deputy CEO of the Bank.

She has over 20 years' industry experience with leadership positions covering investment office, mandate consulting and sales management with Bank Julius Baer and UBS.

Evelyn holds a bachelor's degree in Accountancy from Nanyang Technological University and an MBA at University of Chicago Booth School of Business. She is a CAIA charterholder and a member of MENSA Singapore.

### **Yap Kian Seng** (*Chief Financial Officer*)

Yap Kian Seng joined Pictet in early October 2020 as CFO Asia, overseeing the Finance & Treasury functions.

Prior to joining Pictet, Kian Seng had spent more than 24 years in various Financial & Product Controlling leadership roles across UBS, Barclays, Standard Chartered and Deutsche Bank. His last role in UBS was APAC Head of Financial Controlling for Wealth & Asset Management business and concurrently serving as the CFO for their Singapore, Korea & Taiwan entities. He was also a key member of APAC Finance Management Committee responsible for driving the vision & objectives of the Finance function.

Kian Seng is a Chartered Accountant (Singapore) and CFA Charterholder. He was awarded Public Service Commission (PSC) Scholarship in 1990 and received his Bachelor Degree in Accountancy (First Class Honours) from Nanyang Technological University in 1994.

