GOVERNANCE

SGRF has a juristic personality and an independent financial status. It is regulated and supervised by the Financial Affairs and Energy Resources Council (FAERC).

SGRF has a Board of Directors which is responsible for the overall portfolio performance and the implementation of the policies and regulations as set by FAERC.

SGRF has a robust governance framework with clearly defined policies, process and procedures.The Management of SGRF is empowered by the Board to manage the Fund's investments and operational activities. SGRF has a number of committees to assist and support the Board and the Executive President in the decision making process.

The governance structure of SGRF consists of the following governing bodies:

FINANCIAL AFFAIRS AND ENERGY RESOURCES COUNCIL (FAERC)

FAERC is the regulative body of SGRF as it sets all the regulations and policies of the fund.

BOARD OF DIRECTOR

The Board is responsible for the direction and oversight of SGRF on behalf of FAERC for all aspects of SGRF business. In particular, the Board is responsible for ensuring the implementation of the provisions of all relevant Royal Decrees. Moreover, the Board's responsibilities include the approval of the Strategic Asset Allocation of the Fund, Investment Guidelines, Risk Management framework and Risk Appetite, Remuneration Structure, Governance, Policy and Procedure manuals, annual budget and selection of the financial institutions for investment purposes

AUDIT COMMITTEE (AC)

The AC ensures the integrity of SGRF's financial statements and financial reporting process and the systems of internal accounting and financial control. The AC is appointed by the Chairman of the Board. It consists of four members of which at least one member has strong Finance and Investment background.

INVESTMENT COMMITTEE (IC)

The IC is responsible for the Fund's overall investments. The IC reviews and approves the investment proposals prepared by investment units, monitors the Fund's performance and makes adequate recommendations to the Board as mandated by the Delegation of Authority

MANAGEMENT COMMITTEE

The underlying purpose of the MC is to assist the Executive President in overall leadership and management of SGRF. It also oversees the operations of the Fund and to facilitate discussions and decision-making on initiatives and issues with the aim of determining the strategic and operational directions of SGRF

The MC will provide a forum to promote greater collaboration and integration between the core business units, the support services units and the governance and policy units in SGRF.

RISK & COMPLIANCE UNIT

Risk and Compliance aims to create a comprehensive approach of risk management within SGRF to anticipate, identify, prioritise and manage material risks to SGRF's overall objectives. We adopt the COSO Enterprise Risk Management (ERM) Framework across the entire Fund. In doing so, we identify risks at corporate, Business Unit and process levels. Key Risks are categorised as Strategic risks, Investment risks, financial risks, Operational risks, Regulatory risks and Reputational risks.

The Unit is structured in such a manner to allow "specialisation Silos" within the units as well as delivery of all COSO ERM framework components. We have specialists responsible for relevant risks based on our investment classes in addition to operational reputational risks. In conducting our business we aim to adopt ISO standard 31000 and all other related standards.

SGRF recognises the importance of conducting business activities in conjunction with a sound internal control system. SGRF has an internal control structure that preserves the transparency of management and enhances corporate governance.

Our Compliance section monitors and reviews compliance with all rules, regulations including any bylaws of SGRF. Compliance is also responsible for making all SGRF employees aware of the importance of compliance with laws and regulations by providing regular training to all SGRF employees especially in relation to new policies and procedures.

CODE OF BUSINESS CONDUCT

Our Code of Business Conduct, created in August 2013, is our guide in doing the right thing in our business. It is based on our ethical values and behaviors and sets out compliance expectations for everyone working for SGRF.

The main structure of our Code of Business Conduct includes sections relating to personal trading, insider dealing, behavioral conduct, conflict of interest, gift policy and health and safety.

INTERNAL TENDERS COMMITTEE

The Tenders Committee, administers the tendering process.. The committee includes senior officials from SGRF and a representative from the Ministry of Finance. It also makes decisions or recommendations on the acceptance or rejection of such bids in accordance to statuary tendering policies

The committee is also responsible for approving the scope of work and setting the general rules and guidelines for bidders to follow in the tendering process.

HUMAN RESOURCES COMMITTEE (HR COM)

The HR Committee is constituted to develop policies governing HR practices and strategies addressing HR challenges. The Committee administers and review all matters regarding HR related issues including remunerations, promotion proposals, annual performance appraisals, resignations or termination of service.

IFSWF

The International Forum of Sovereign Wealth Funds (IFSWF) was established by the International Working Group of Sovereign Wealth Funds (IWG), which met in Kuwait City on April 5-6, 2009 (see "Kuwait Declaration"). IFSWF is a voluntary group of Sovereign Wealth Funds (SWFs), which will meet, exchange views on issues of common interest, and facilitate an understanding of the Santiago Principles and SWF activities.

SGRF is awaiting necessary approvals from the government to change its current status at IFSWF from a Permanent Observer to a full Member.