

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5288  
**COMPANY NAME** : SIME DARBY PROPERTY BERHAD  
**FINANCIAL YEAR** : December 31, 2021

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("the Board") of Sime Darby Property Berhad ("Sime Darby Property" or "the Company") is responsible to ensure sustainable long-term performance, creation of positive economic value and growth for the Group as well as maximise returns for shareholders.</p> <p>The Board is consistently steadfast to anticipate and analyse governance trends to enhance board effectiveness and future-proof the organisation against unforeseeable vulnerabilities, such as global health crisis and soaring commodity prices, with measures to ensure sustainable growth and business continuity, while enhancing resilience and adaptability to disruption on numerous opportunities in the new economy.</p> <p>The Board's oversight role will focus on continuing to build a resilient organisation while also laying the foundations for the Group's future success. The Board has a responsibility to drive the long-term success of Sime Darby Property, by constructively challenging and supporting the development of the Sime Darby Property Group's ("the Group") strategy, for the benefit of the broader group of stakeholders, consumers, society and shareholders, and at the same time, instil a culture of continuous change and developing talent to drive organisational transformation in an ever-challenging market environment.</p> <p>The Board is guided by its Board Charter to ensure that it effectively discharges its duties and responsibilities. The Board Charter is available at the Group's website. The Board has put in place a robust Corporate Governance Framework where specific powers of the Board are delegated to the relevant Board Committees and the Group Managing Director ("GMD").</p>

The Board is assisted by the following Board Committees during the financial year under review:

- 1) Audit Committee (“AC”)
- 2) Nomination and Remuneration Committee (“NRC”)
- 3) Risk Management Committee (“RMC”)
- 4) Board Tender Committee (“BTC”)

The Terms of Reference (“TOR”) of the AC, NRC and RMC are available on the Group’s website at [www.simedarbyproperty.com/who-we-are/corporate-governance](http://www.simedarbyproperty.com/who-we-are/corporate-governance).

The Board has clearly demarcated the day-to-day operational functions of the Management and the overall responsibilities of the Board through the Board Charter, Board Committees’ TOR, Group Policies and Limits of Authority, TORs and other governance documents.

As guided by the Board Charter, the Board assumes, among others, the following seven (7) principal responsibilities:

**1) Promoting Good Corporate Governance Culture**

The Board, together with Management, is committed to continuously promote a good corporate governance culture within the organisation. In discharging its duties and responsibilities, the Group’s business activities are governed by a set of high-level Group policies, known as the Group Policies and Authorities (“GPA”), which is a key component of Sime Darby Property’s corporate governance framework as they serve as a tool by which the Board formally delegates functions and powers to the Management. It clearly defines relevant matters and applicable limits, including those reserved for the Board’s approval, and those which the Board may delegate to the Board Committees, GMD and Management.

**2) Reviewing and Adopting a Strategic Plan for the Group**

The Board plays an active role in the development of the Group’s strategy and monitoring its performance and implementation.

- i) Sime Darby Property has an annual business plan process in place whereby the Board meets with the Management to discuss on the recommended corporate and operational strategies together with the proposed financial targets, investments and budgeted capital expenditures of the Group.

	<p>ii) As part of the strategic planning process, for the financial year 2021 (“FY2021”), a Board Strategy Retreat was held on 5 to 6 January 2021 for the Board to deliberate and provide feedback on the proposed FY2021 Corporate Direction and Priorities for Financial Years (“FY”) 2022 to 2024, and the FY2022 Annual Operating Plan (“AOP”), together with the proposed financial targets, investments and budgeted capital expenditure of the Group. These engagements also strengthen the working and personal relationship between the Board and Management as well as drive collaborative efforts and, promote trust within the organisation.</p> <p>iii) A Pre-Board strategy session was held in October 2021 to obtain feedback from the Board on the proposed Corporate Direction and Priorities for FY2021 to FY2023 as well as the proposed Financial Budget for FY2022. Sharing sessions from both local and international industry experts were also held as part of the Pre-Board Strategy session.</p> <p>iv) In November 2021, the Board approved the proposed Corporate Direction and Priorities for FY2021 to FY2023 and proposed Financial Budget for FY2022 with some suggested improvements / refinements. These would be tracked and reported to the Board every quarter. Thereafter, an Annual Management Dialogue for the top 400 leaders of the Group was held in January 2022 to provide insightful learnings and clarity on the corporate / business direction from the various presentations, especially on Sime Darby Property’s refreshed strategy SHIFT25, which will spearhead the Group’s transformation journey to becoming Malaysia’s leading and most admired real estate company by 2025.</p> <p>The Management gained constructive inputs / guidance from the Board on the way forward with its Corporate Direction as well as the regulatory landscapes and challenges of the property and real estate industries in Malaysia.</p> <p>The Board continues to provide its guidance, views and feedback to ensure that the strategies are well implemented and the business of the Group is properly managed to safeguard the shareholders’ interest in its journey towards becoming a real estate company by 2025, producing sustainable, impactful value to customers and stakeholders.</p> <p><b>3) <u>Overseeing Conduct of the Group’s Business</u></b></p> <p>The Board monitors the conduct of the Group’s business via the report by GMD during quarterly Board meetings. The Board, on a continuous basis, is well informed of the progress of the Group’s strategic initiatives and critical operational issues as well as its performance based on the approved Key Performance Indicators (“KPIs”).</p>
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	<p>The Board, comprising members with diversified knowledge and skills, are accessible and acts as a sounding board to the GMD and the Management team to bounce ideas and obtain views.</p> <p><b>4) <u>Identifying Principal Risks and Ensuring the Implementation of Appropriate Internal Controls and Mitigation Measures</u></b></p> <p>The Board, through the RMC, reviews in detail the key risk profile of the Group on a quarterly basis. A Risk Management Framework is in place to enable the Group to identify, assess and manage / mitigate risks.</p> <p>The Group Risk Heat Map is presented to the Board at its quarterly meetings to give a snapshot of the key risks impacting the Group. The RMC advises the Board on measures taken by Management and advice given by RMC to manage these key risks. The RMC assists the Board to fulfil its responsibilities relating to risk governance and risk management to manage the overall risk exposure of the Group to the acceptable level.</p> <p>The Board, through the AC, reviews the systems of internal controls of the Group to ensure, as far as possible, the protection of its assets and shareholders' investments. The Group Corporate Assurance ("GCA") department is responsible to assist the AC and the Board in undertaking regular and systematic reviews of the Group's internal control systems so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Company and the Group.</p> <p>The GCA has the authority to audit and review projects and systems at any time and report its findings directly to the AC. Any significant audit findings are reported and deliberated by the AC at its meetings, and subsequently reported to the Board.</p> <p>The Governance Oversight Management Committee ("GOMC") continues to drive, manage and monitor the implementation of Governance, Risk and Compliance Framework within the Group. The GOMC met four (4) times during the financial year under review.</p> <p><b>5) <u>Succession Planning</u></b></p> <p>The Board, through the NRC, is responsible to ensure that there is effective succession planning in place for Sime Darby Property. The NRC ensures that there is an appropriate dynamic of skills, experience and diversity on the Board, as well as a steady pool of talent for selection purposes.</p>
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The NRC, in September 2020, with the assistance of an external consultant, reviewed the Company's succession planning for senior critical roles and talent pool demographics, with the view of enhancing the Group's Succession Planning Framework, including talent management and human capital development for key critical management positions. The framework focuses on, amongst others, the determination of criticality of positions, identification and selection of talents based on pre-defined competency profiles and drawing up individual development plans to bridge any competency gap.

During the financial year under review and up to the date of this report, the NRC had successfully appointed several critical key management positions to strengthen the current Management team:

- i) Chief Marketing & Sales Officer
- ii) Chief People Officer
- iii) Group Company Secretary
- iv) Chief Operating Officer – Investment & Asset Management
- v) Deputy Chief Financial Officer

The factors considered by the NRC for the aforesaid appointments included suitability of the shortlisted candidates based on their profiles, professional achievements and personality assessments.

The NRC also reviewed the composition of the Board taking into consideration the mix of skills, competencies, experience, integrity, personal attributes and time commitment required of an individual Director to effectively fulfil his or her role as a Director to address any gaps. Diversity in terms of age, gender and ethnicity was also considered.

The NRC, during the financial year under review, recommended to the Board, the appointment of Dato' Hamidah Naziadin and Dr. Lisa Lim Poh Lin. Further details on the appointments are reflected under Practice 5.5.

**6) Overseeing the Development and Implementation of a Stakeholder Communications Policy for Sime Darby Property**

Sime Darby Property believes in building investor confidence through good corporate governance practices and communication with the stakeholders. The Group carried out its Investor Relations ("IR") activities in accordance with its policy in order to create and enhance shareholders' value.

	<p>The Board is apprised of IR activities as well as analysts' recommendations and market consensus of the Group's performance against the KPIs on a quarterly basis. Reports on movements of the share price of Sime Darby Property and Total Shareholders' Returns against indices and peers were also reported to the Board on a quarterly basis.</p> <p>The IR Framework for FY2022 provides proactive and effective IR engagement with various investors of the investment community, through liquidity boosting and IR targeted activities. The Public Relations Framework for 2022 would also support IR efforts through multiple channels and method to enhance share of voice.</p> <p>7) <b><u>Reviewing the Adequacy and Integrity of the Management Information and Internal Control Systems of Sime Darby Property Group</u></b></p> <p>The Board is ultimately responsible for the adequacy and integrity of the Group's management information and internal control systems. Details pertaining to the Company's internal control systems and its effectiveness are provided in the Statement on Risk Management and Internal Control on pages 207 to 213 of the Annual Report 2021.</p> <p>The Board is guided by its Board Charter which outlines the duties and responsibilities of the Board.</p> <p>The Board Charter is published on the Group's website at <a href="http://www.simedarbyproperty.com/who-we-are/corporate-governance">www.simedarbyproperty.com/who-we-are/corporate-governance</a>.</p> <p>All Board members exercise their powers for a proper purpose and in good faith in the best interests of the Group. In directing or managing the Group's business and affairs they exercise reasonable care, skill and diligence by applying their knowledge, skill and experience.</p> <p>The Board ensures that key transactions or critical decisions are deliberated and decided by the Board in a meeting. The Board also ensures that decisions and basis for those decisions, including any dissenting views are made known and properly minuted.</p> <p>The Directors are aware of their collective and individual responsibilities to all shareholders for the manner in which the affairs of the Company are managed and operated. The Board is satisfied that it has fulfilled these duties and obligations during the financial year under review.</p>
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<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is chaired by Encik Rizal Rickman Ramli, representing Permodalan Nasional Berhad ("PNB"), a major shareholder of Sime Darby Property. He is currently the Chief Investment Officer, Private &amp; Strategic Investments for PNB, who oversees all activities related to PNB's real estate portfolio including land banking, strategic development, domestic and international property investments, hospitality and affordable housing.</p> <p>Encik Rizal Rickman Ramli was appointed as Chairman of Sime Darby Property on 7 May 2021, following the retirement of Tan Sri Dr. Zeti Akhtar Aziz upon the conclusion of the Company's 48th Annual General Meeting ("AGM"). Prior to his appointment, he had served as a Director of the Company since 5 April 2018 and is familiar with the background and operations of the Group. Coupled with his experience in the property and real estate industries, as well as experience in other public and public listed companies, his appointment provides effective and seamless continuity in leading and addressing the legacy issues confronting the corporation, strengthening the financial position of the corporation and transforming the corporation towards a new direction.</p> <p>The roles of the Chairman of the Board are clearly specified in the Board Charter, which is available on Group's website at <a href="http://www.simedarbyproperty.com/who-we-are/corporate-governance">www.simedarbyproperty.com/who-we-are/corporate-governance</a>.</p> <p>The responsibilities of the Chairman, among others, are as follows:</p> <ol style="list-style-type: none"><li>1) Setting the values and ethical standards of the Group, instilling good corporate governance practices, leadership and effectiveness of the Board.</li><li>2) Ensures that procedures and processes are in place to facilitate effective conduct of the business of the Board.</li><li>3) Presides over Board meetings, stimulates debates on issues and encourages positive contributions from each Board member.</li></ol>

	<p>4) Ensures that Directors are properly briefed on issues arising at Board meetings and there is sufficient time allowed for discussion on complex or critical issues and where appropriate, arranges for informal meetings beforehand to enable thorough preparation so that ultimately, decisions can be made on a sound and well-informed basis.</p> <p>5) Leads the Board in setting key policies and directions and ensures that the Board fulfils its obligations under the Board Charter.</p> <p>Based on the findings of the Board Effectiveness Evaluation ("BEE") exercise conducted in the financial year under review, Encik Rizal Rickman Ramli had shown positive leadership in managing Boardroom dynamics effectively by providing an open and transparent environment that encourages participation and active debate amongst Directors. His appointment coming up from the ranks of the Board had proven to be effective and beneficial to the Company.</p> <p>The Chairman also ensured that there was continued focus on addressing critical matters and issues, through excellent stewardship and guidance throughout the year to navigate the challenges faced by the Company. Directors cited that the Chair's leadership style works well with the Company.</p> <p>The Chairman had, during the financial year under review, led a private session amongst the Non-Executive Directors, without the presence of Executive Director/GMD to obtain feedback on the 2022 Board strategy session and any other matters that the Non-Executive Directors wished to raise.</p> <p>During the financial year under review, the Chairman, being a PNB representative, had abstained from the deliberation and voting on resolutions / proposals deemed interested in (related party transactions). The Chairman had also abstained from discussion and the recommendation on his appointment in place of the outgoing Chairman, Tan Sri Dr. Zeti Akhtar Aziz.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The roles and responsibilities of the Chairman and the GMD are separated, clearly defined and documented in the Board Charter, which is available on Group's website at <a href="http://www.simedarbyproperty.com/who-we-are/corporate-governance">www.simedarbyproperty.com/who-we-are/corporate-governance</a>.</p> <p>The positions of Non-Executive Chairman and GMD are held by different individuals to ensure optimal balance, resulting in accountability and enhanced decision-making at Board level.</p> <p>The hierarchical structure with a focused approach and a distinct division of responsibilities ensures a balance of power and authority, such that no one individual has unfettered powers of decision-making. Separation in the role of the Chairman and GMD is also imperative as both roles have different expectations and serve distinct primary audiences.</p> <p>The Chairman primarily presides over meetings of Directors and is responsible for instilling good corporate governance practices, leadership and the effectiveness of the Board. The GMD is responsible for the execution of the Group's strategies in line with the Board's direction, oversees the operations of the Company and drives the Group's businesses and performance towards achieving the Group's vision and goals.</p> <p>Sime Darby Property is led by Dato' Azmir Merican as the GMD since April 2020. The GMD is presently the sole Executive Director on the Board. He is responsible for the overall operations of the business, its day-to-day management, organisational effectiveness and the implementation of the Group's strategies and policies.</p> <p>The GMD is assisted by the following Management Committees in the management of the Group's business to achieve its corporate targets and plans:</p> <ol style="list-style-type: none"><li>1) Group Management Committee</li><li>2) Governance Oversight Management Committee</li><li>3) Group Tender Committee</li><li>4) Group Investment Committee</li></ol>

	<p>Roles and responsibilities:</p> <ul style="list-style-type: none"> <li>• Develops and implements the Group's long-term strategy and vision leading to the creation of long-term profitability and stakeholder value;</li> <li>• Accountable to the Board for the financial management and reporting, including forecasts and budgets of the Group;</li> <li>• Promotes a corporate culture entrenched in core ethical values of individual as well as collective responsibility, integrity and accountability, and implements the Group's corporate social responsibilities;</li> <li>• Formulates and oversees the implementation of major corporate policies;</li> <li>• Develops the business direction of the Group and ensures that the business strategies are effectively executed in line with the Board's direction; and</li> <li>• Recommends suitable management structures and operating authority levels.</li> </ul> <p>Dato' Azmir Merican continues to drive the Group to explore emerging trends, manage disruptions and capitalise on opportunities to enable greater experience for its customers, streamline collaboration tools for greater efficiency and explore further market demands and trends impacting the business sector of housing construction through new technologies.</p> <p>Notwithstanding the prolonged challenges of COVID-19 pandemic during the financial year under review, the Group has to-date won numerous achievements under various categories among others, industry, sustainability, marketing and governance.</p>
<b>Explanation for departure</b>	<div> <div>:</div> <div></div> </div>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	<div> <div>:</div> <div></div> </div>
<b>Timeframe</b>	<div> <div>:</div> <div></div> </div>

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board, Encik Rizal Rickman Ramli is a Non-Independent Non-Executive Director and does not hold any position on any Board Committees in the Company since his appointment as Chairman on 7 May 2021. He had relinquished his role as a member of the NRC, RMC and BTC on the same date.</p> <p>The former Chairman, Tan Sri Dr. Zeti Akhtar Aziz who retired at the conclusion of the Company's 48th AGM in 2021 did not hold any membership in the Board Committees of the Company since her appointment on 23 July 2018.</p> <p>The Board Charter and TOR of the NRC had been revised on 25 November 2021 which clearly stipulates that the Chairman of the Board shall not be a member of any Board Committees of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group Company Secretary of Sime Darby Property is qualified to act as company secretary under Section 235 of the Companies Act 2016.</p> <p>The Group Company Secretary plays an advisory role to the Board particularly with regard to Sime Darby Property's Constitution, Board policies and procedures as well as its compliance with regulatory requirements and legislations.</p> <p>On 17 August 2021, Cik Noreen Melini Muzamli was appointed as a Group Company Secretary of Sime Darby Property. Her profile is available on page 169 of the Annual Report 2021.</p> <p>The Group Company Secretary is responsible for facilitating effective information flows within the Board and Board Committees and between Senior Management and Non-Executive Directors. All Directors have unrestricted direct access to the advice and services of the Group Company Secretary to facilitate the discharge of their duties.</p> <p>The Group Company Secretary attends all Board and Board Committees meetings and ensures that discussions and deliberations of the Board and Board Committees are properly documented and recorded in a timely manner, and subsequently communicated to the Management for appropriate actions. The Group Company Secretary further ensures that outstanding action items are properly tracked and monitored until such items are addressed and where necessary, reported to the Board.</p> <p>As part of good governance, pertinent comments and observations of each Director are also recorded in the minutes of meetings. The minutes of Board and Board Committees meetings are circulated to all Directors / Board Committee members for their perusal and comments. The Directors / Board Committee members may request further clarification or raise any comments on the minutes prior to the minutes being confirmed as a correct record of the proceedings of the Board / Board Committees at the subsequent meeting.</p>

	<p>The Group Company Secretary is also tasked with organising and facilitating the induction programme or onboarding session for new Directors and the ongoing professional development of all Directors.</p> <p>The Group Company Secretary keeps herself abreast of the evolving regulatory changes and developments in corporate governance through continuous training.</p> <p>Based on the findings of the BEE exercise conducted for the financial year under review, the Board is satisfied with the level of service provided by the Group Company Secretary. She had provided effective support to the Board, although new to the Company.</p> <p>Based on a survey conducted with internal stakeholders (Board and Management) of the Company, the Group Company Secretarial was rated at “4” (Stretch target). The areas of assessment under the survey included advisory and consultancy, internal processes, communication and overall assessment.</p> <p>The roles and responsibilities of the Group Company Secretary are clearly specified in the Board Charter, which is available on the Group’s website at <a href="http://www.simedarbyproperty.com/who-we-are/corporate-governance">www.simedarbyproperty.com/who-we-are/corporate-governance</a>.</p>	
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group Company Secretary tables the annual meeting calendar to the Board in advance of each new year in order to facilitate the Directors' time planning. The calendar provides all meetings scheduled for the Board and Board Committees including AGM and Board Strategy Retreat.</p> <p>The annual agenda outline of the Board and Board Committees for the coming year is also prepared in advance at the end of the previous year, setting out the tentative agenda items for each scheduled Board and Board Committee meetings during the year. It also serves to facilitate the Board and Management in planning the preparation of matters for discussion at the meetings scheduled during the year.</p> <p>A formal process on "Guidelines on Submission of Papers to the Board and Board Committees" has been established to assist the Management team in preparing papers and provide clarity in the process of submitting papers for the Board of Directors, Board Committees and Group Management Committee to the Group Company Secretarial in a timely manner. The said guideline would be reviewed on annual basis to ensure it remains updated and relevant.</p> <p>The Board meets at least once every quarter to review the financial, operational and business performances. Notices and agenda of meetings, duly endorsed by the Chairman, together with the draft minutes of the previous meeting which had been circulated for comments earlier on and relevant meeting papers are normally distributed at least five (5) working days before the meetings to ensure the Directors have sufficient time to review the papers and seek clarifications from Management before each meeting. Occasionally, the Board or Board Committee meetings may be called at shorter notice when critical and urgent decisions need to be made or when the Board's expeditious review or consideration is necessary. Urgent matters or papers may be presented for tabling or deliberation at Board meetings under 'Any Other Business' subject to the approval of the Chairman and GMD.</p>

	<p>Sime Darby Property had maintained its paperless meeting practice whereby meeting materials are distributed to the Directors via an electronic meeting management application, as part of its initiative to promote green environmental awareness and to minimise leakage of sensitive and confidential information. The Directors are provided with a device for this purpose, enabling the Directors to access the meeting materials in a timely and secured manner.</p> <p>Directors have direct access to the Management and have unrestricted access to any information relating to the Group to enable them to discharge their duties.</p> <p>In ensuring effective conduct of Board and Board Committee meetings, matters for approval are prioritised in the meeting agenda. Time allocation is also determined for each agenda item to manage the timing of the meetings efficiently.</p> <p>Key decisions are always made at Board meetings while Directors' Written Resolutions are reserved for administrative matters or to formalise matters that have been deliberated at Board meetings. All Directors' Written Resolutions are supported with sufficient information to enable the Directors to make informed decisions. Directors' Written Resolutions passed by the Board are thereafter tabled at the next Board meeting for notation.</p> <p>Where a potential conflict of interest arises, the Directors are required to make an immediate declaration to the Board if they have any interest in transactions to be entered into directly or indirectly with the Group. Such Director is required to abstain from participating in the deliberation and decision of the Board on all matters in which he / she has interest.</p> <p>The deliberations and decisions at the Board and Board Committee meetings are well documented in the minutes of meeting including matters where Directors abstained from voting or deliberations. After each Board meeting, a post-Board meeting will be held for both the GMD and the Group Company Secretary to cascade the decisions of the Board to the Management team for further action. The minutes of meetings will normally be circulated for comments and for follow up action by Management within two (2) weeks from the date of each meeting. This is to ensure that matters arising from the Board or Board Committees meetings are acted upon effectively and efficiently.</p> <p>The duly commented minutes of the meetings are subsequently tabled for confirmation at the next meeting. The minutes of the Board Committees are also presented to the Board for notation.</p> <p>Upon confirmation by the Board or Board Committees at the following meetings, the minutes will be signed by the Chairman of the said meeting as a correct record of the proceedings of the meeting. Actionable items will be recorded in the minutes as matters arising until they are eventually resolved.</p>
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<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter was adopted by the Board in August 2017 prior to the listing of Sime Darby Property on 30 November 2017. It clearly defines the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management as well as matters reserved for the Board.</p> <p>The Board Charter is being reviewed periodically to ensure that it is up to date with changes in the relevant regulations and best practices, so that it remains relevant and consistent with the Board's objectives and responsibilities.</p> <p>The Board Charter was last reviewed in November 2021 and published on the Group's website at <a href="http://www.simedarbyproperty.com/who-we-are/corporate-governance">www.simedarbyproperty.com/who-we-are/corporate-governance</a>.</p> <p>As stated in the Board Charter, the Board is in charge of leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act honestly, in good faith and shall use his / her reasonable care and skills in discharging his / her duties in the best interest of the Company.</p> <p>As for the day-to-day management of the Sime Darby Property Group, it is delegated to the GMD. This formal structure of delegation is further cascaded by GMD to the Management team. The GMD and Management team, collectively remain accountable to the Board for the performance of the Group.</p> <p>The Board, however, takes full responsibility for the oversight and overall performance of the Group. Matters reserved for the Board include:</p> <ol style="list-style-type: none"><li>1) Group strategy, plans and budget.</li><li>2) Acquisitions and disposals and transactions exceeding authority limits.</li><li>3) Approval of financial statements.</li><li>4) Changes to the GMD and Senior Management.</li><li>5) Changes in the key policies, procedures and delegated authority limits of the Group.</li></ol>

<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><u>Code of Business Conduct</u></p> <p>The Group's Code of Business Conduct ("COBC") encapsulates its beliefs, values and commitment to high standards of integrity and good governance. It is also the Group's testament to its commitment to various areas such as workplace, preservation and protection of the Group's assets and information, fostering an open and honest communication, ethical conduct, interaction with counterparties, business partner, customers, environment and communities, working with Joint Venture partner &amp; business alliances and when the Group deals with Government, regulators, political parties and non-government organisations.</p> <p>In discharging its functions, the Board adheres strictly to the COBC, which outlines the standards of behaviour expected from the Board of Directors, as well as employees of the Group. It also applies to all businesses and countries in which the Group operates.</p> <p>The COBC has been in place since prior to Sime Darby Property's listing and will be reviewed from time to time to ensure it remains current and relevant. The Group Compliance Office is responsible for coordinating and periodically reviewing and updating the COBC to ensure continuing relevance.</p> <p>All employees are expected to understand the principles and standards stipulated and must comply with it not only based on its form but also on the substance of the ethical principles and conduct stated in the COBC. Given that organisational integrity is imperative towards establishing a culture that supports long-term success, all employees are expected to conduct themselves professionally with the COBC in mind.</p>

	<p><u>Vendor COBC</u></p> <p>The Group recognises that the values and business practices of counterparties may vary and will significantly impact the Group. As such, the Group's Vendor COBC and Vendor Integrity Pledge was developed in 2020 to set out the expected standard of behaviours of its vendors and counterparties, covering compliance requirements, governance and management systems, ethical practices, protection of assets and information, environmental protection and employment practice. It is a step up and improvement to the previous practices, which required the Group's vendors and counterparties to comply with its employee's COBC and Vendor's Letter of Declaration.</p> <p><u>No Gift Policy</u></p> <p>The 'No Gift Policy' was implemented across the organisation which prohibits the Directors, Management and employees of Sime Darby Property Group from offering, giving, soliciting or accepting any form of gifts to avoid creation of perception of bribery in the Group's business dealings. The said policy is in line with Sime Darby Property's commitment to achieve the highest standard of ethics and integrity.</p> <p><u>Anti-Bribery Management System Manual</u></p> <p>The Company also took cognizance of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009") which came into effect on 1 June 2020, that stipulates a corporate liability principle that imposes liability on a commercial organisation for corruption committed by persons associated with the organisation to obtain a business advantage ("Corporate Liability provision").</p> <p>The Company had taken proactive actions since 2019 to prepare the Group for the Corporate Liability provision and ensure that it has adequate procedures in place designed to prevent associated persons from undertaking conduct that would be in breach of the newly enforced provision. In 2020, the Board adopted the Anti-Bribery Management System Manual ("ABMS"), guided by the requirements and principles articulated in the ISO37001 : 2016 Anti-Bribery Management System.</p> <p><u>Other Related Policies</u></p> <p>The Board has adopted the following policies as part of the Group's efforts to support the implementation of the anti-bribery and corruption and ethical principles articulated in the Groups' COBC and to uphold the highest standards of good governance:</p> <ol style="list-style-type: none"> <li>1) Anti-Bribery and Corruption Policy, which covers facilitation payment;</li> <li>2) Anti-Money Laundering Policy;</li> </ol>
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	<p>3) Conflict of Interest Policy; and 4) Sponsorship and Donation Policy, including political contribution.</p> <p>Various engagement activities were conducted to spread awareness of the policies and to address any concerns. Employees of Sime Darby Property Group are required to attest to an Integrity and Compliance Pledge on annual basis to confirm their understanding and continued compliance with all laws and regulations, and Group's policies and procedures, including the COBC.</p> <p>The COBC is made available to the employees through the SharePoint and is accessible to the public for reference on the Group's website at <a href="http://www.simedarbyproperty.com/who-we-are/corporate-governance">www.simedarbyproperty.com/who-we-are/corporate-governance</a>.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Sime Darby Property employees are expected to operate with the highest standard of integrity as they work with the Group's business partners who share the same views and principles. Any breach of such principles and any offence committed against the Group's interest is viewed seriously by the Group, which will result in immediate action against the parties responsible.</p> <p>The Board has put in place a Whistleblowing Policy and Procedures ("WPP") that provides a transparent mechanism and avenue for employees or any external party to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines or raise concerns on any misconduct, in a safe and confidential manner.</p> <p>Examples of such misconduct included, but not limited to the following:</p> <ol style="list-style-type: none"><li>1) Fraud;</li><li>2) Misappropriation of assets;</li><li>3) Sexual harassment;</li><li>4) Criminal breach of trust;</li><li>5) Illicit and corrupt practices;</li><li>6) Questionable or improper accounting;</li><li>7) Misuse of confidential information;</li><li>8) Acts or omissions which are deemed to be against the interest of the Company, laws, regulations or public policies;</li><li>9) Giving false or misleading information (including suppression of any material facts or information);</li><li>10) Breaches of Group Policies and / or Code of Business Conduct; or</li><li>11) The deliberate concealment of any of the above matter or other acts of wrongdoings.</li></ol> <p>The Audit Committee ("AC") is responsible for overseeing the implementation of the WPP for the Group whilst duties relating to the day-to-day administration of the WPP are performed by the Group Corporate Assurance ("GCA"), while Group Compliance Office ("GCO") manages the WB policy, training and communication requirements. The GCA will investigate each</p>

	<p>claim independently. Upon completion of each investigation, a report will be prepared to the Chairman of AC and is made available to other AC members. The GCA shall prepare a summary report on the status of investigation and present it to the AC on a quarterly basis.</p> <p>During the financial year under review, several complaints channelled through the Whistleblowing channels had been considered, addressed and dealt with in the strictest confidence by the GCA in consultation with the Chairman of the AC.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Sime Darby Property is principally responsible for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets, as stipulated in the Board Charter:</p> <p>1) <u>Board</u></p> <p>i) In reviewing and adopting the strategic plan for the Group, the Board must ensure that the plan supports long-term value creation and includes strategies on environmental, social and governance ("ESG"), economic as well as safety and health considerations underpinning sustainability.</p> <p>ii) In identifying principal risks and ensuring the implementation of appropriate internal controls and mitigations measures, the Board must also review, approve and monitor the Group's governance of sustainability including setting the Company's sustainability strategies, priorities and targets.</p> <p>2) <u>RMC</u></p> <p>The RMC has been delegated to assist and support the Board's responsibility of overseeing the Group's objectives, strategy, policies and practices pertaining to sustainability which comprise contributing to a better society, combating climate change and delivering sustainable development.</p> <p>The Board had, in August 2021, agreed that sustainability matters be deliberated at the RMC and that non-RMC members within the Board were welcomed to attend the RMC meetings for sustainability updates and discussions.</p>

	<p>The progress update on Sustainability strategy is presented to the RMC on a quarterly basis. The updates focused on the Group's four (4) imperatives of decarbonise operations and products, good biodiversity practices, develop resilient inclusive communities and being a socially responsible business.</p> <p>The Board oversees the Group's sustainability governance and provides Management with the cadence to implement impactful activities. The Board is supported by the GMD at the executive level, who ensures the tone from the top is understood to embed sustainability in business processes down to operations where products and services are delivered.</p> <p>The GMD's responsibilities include making sure that sustainability is driven via a dedicated functional department and implemented through the respective committees and task forces such as the Health, Safety and Environment ("HSE") Committee and the Human Rights Task Force. Supporting this tone from the top is the Group's bespoke internally developed and administered annual Sustainability Index ("SUSDEX"); Carbon footprint project (since 2010); waste/recycling and water footprint projects (since 2016) and reduction targets for the latter three (3). In past years, SUSDEX was applied to all property development business units. From 2021, refined SUSDEX tools are also applied to the Group's Leisure, Industrial &amp; Logistics and Investment &amp; Asset Management business segments as well. The overall rationale of applying SUSDEX across the business is threefold:</p> <ul style="list-style-type: none"> <li>• to measure sustainability levels across the economic, social and environmental spheres.</li> <li>• to serve as an engagement process with operational teams to position the property development segment for green certification.</li> </ul> <p>In 2019, Sime Darby Property embarked on an assessment of the many facets of sustainability in relation to its business to determine the most impactful contributions that can be made in delivering a greater purpose tied to the United Nations' Sustainable Development Goals ("SDGs") and the emerging climate crisis. As a result of that process, the Board had, in March 2020, approved the Sime Darby Property 2030 Sustainability Goals ("2030 Goals"). In 2021, a Sustainability Strategy was developed whereby the strategy tied 2030 Goals, to the Group's four (4) imperatives, and an aspiration to decarbonise its products and operations. This strategy was also endorsed by the Board in the fourth quarter of 2021.</p> <p>The 2030 Sustainability Goals, consists of eighteen (18) goals that support the SDGs, based on the Group's ability to deliver impact in these areas. A systematic and highly customised approach was taken to identifying the goals to ensure alignment to the organisation while also contributing to selected goal indicators.</p>
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	<p>Based on the yearly targets in the 2030 Sustainability Goals, the Group established sustainability-linked green sustainability Key Performance Indicator ("KPI") in 2020 and 2021. The GMD and the relevant personnel in Senior Management are accountable for the Green Sustainability KPI. This serves as the starting point to catalyse organisational transformation, and to tie in sustainability with the work scope and day-to-day functions of its people.</p> <p>During the financial year under review, Board and Senior Management underwent robust discussions and constructive challenge sessions to establish a cohesive Sustainability Strategy, Priorities and Framework (as mentioned above) to achieving carbon negative status, which are still being developed.</p> <p>The Board Charter and TOR of the RMC are available on the Group's website at <a href="http://www.simedarbyproperty.com/who-we-are/corporate-governance">www.simedarbyproperty.com/who-we-are/corporate-governance</a>. The Sustainability Report is available on pages 76 to 105 of the Annual Report 2021.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group is cognisant of the fact that stakeholders are internal and external parties whose actions and decisions can impact or who can be impacted by the Group's activities, products or services. The Group regularly engage with stakeholder groups (i.e. Investors &amp; Analysts, Media, Debt Providers, Existing and Potential Customers, Suppliers/ Contractors/ Strategic Partners, Employees and Regulators &amp; Industry Affiliates) to develop a holistic understanding of the Group's Sustainable Goals and Progress, Sustainability Material Matters, value proposition in order to meet their needs and expectations while also identifying opportunities and mitigating risks, through various platforms such as the AGM, Annual Reports, meetings, briefings, site visits, interviews, press releases, email communications, website updates, community activities, audits, townhalls, focus group discussions, advisory groups, consultations and forums.</p> <p>Details on Sime Darby Property's sustainability journey, as well as reports and analysis of the Group's stakeholder engagements, are available in its Sustainability Report on the Group's website at <a href="http://www.simedarbyproperty.com/sustainability">www.simedarbyproperty.com/sustainability</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b> :	Applied				
<b>Explanation on application of the practice</b>	<p>The updates on Sustainability Report are presented at the quarterly RMC meetings, and thereafter briefed to the Board at its quarterly meetings.</p> <p>As part of the BEE for FY2021, a Sustainability Leadership Workshop was conducted for the Board of Directors, by the Institute of Corporate Development Malaysia ("ICDM") in collaboration with Russell Reynolds Associates, on 6 January 2022 as an avenue to go deeper on specific focus areas such as 'Sustainability' and 'Board Dynamics', address underlying challenges, align the Board on its priorities and talk about emerging opportunities and challenges in the current state and desired future state.</p> <p>The key objective of the workshop is to provide additional insights into the board evaluation process, complementing the online findings and focusing on specific areas of interest. Ultimately, the targeted outcome of the workshop is to generate additional 'sustainability-focus' takeaways to the overall evaluation report. A second workshop will be conducted in the first half of 2022 together with the Senior Management to finalise the details on the action plans/ roadmap, especially on the certain sustainability initiatives suggested during the first workshop.</p> <p>The Group Company Secretary will continue to share sustainability-related training programmes/ webinars/ dialogues relevant to the company and its business, including climate-related risks and opportunities by external/ professional bodies for Directors' consideration.</p> <p>Details of training/ seminars/ conferences attended and participated by the Directors during the financial year under review are set out below:</p> <table><tr><th>Director</th><th>Training/ Seminar/ Conference</th></tr><tr><td><b>Rizal Rickman Ramli</b></td><td>1) Board Retreat of Sime Darby Property on Transforming through the Crisis 2) PNB Management Virtual Retreat: 2021 Kick-Off by D Jungle People 3) PNB Public Markets Dialogue 2021 4) Responsible Investment and the Sustainability Agenda 5) EES 2021 – Leadership Action Workshop 6) IRE Asia Business Update and Investment Strategy</td></tr></table>	Director	Training/ Seminar/ Conference	<b>Rizal Rickman Ramli</b>	1) Board Retreat of Sime Darby Property on Transforming through the Crisis 2) PNB Management Virtual Retreat: 2021 Kick-Off by D Jungle People 3) PNB Public Markets Dialogue 2021 4) Responsible Investment and the Sustainability Agenda 5) EES 2021 – Leadership Action Workshop 6) IRE Asia Business Update and Investment Strategy
Director	Training/ Seminar/ Conference				
<b>Rizal Rickman Ramli</b>	1) Board Retreat of Sime Darby Property on Transforming through the Crisis 2) PNB Management Virtual Retreat: 2021 Kick-Off by D Jungle People 3) PNB Public Markets Dialogue 2021 4) Responsible Investment and the Sustainability Agenda 5) EES 2021 – Leadership Action Workshop 6) IRE Asia Business Update and Investment Strategy				

	Director	Training/ Seminar/ Conference
	<b>Rizal Rickman Ramli</b>	7) Sustainability Framework Visioning Workshop 8) PNB Knowledge Forum on Rising Above COVID-19: Reimagining Work in Malaysia & Beyond 9) Recent Updates to the Malaysian Code of Corporate Governance ("MCCG") 10) Pre-Board Strategy Engagement of Sime Darby Property on: i) Technology and Innovation: Designing for the Future of Construction ii) Productising Funds: Keppel Capital's Journey iii) The Rise of Industrial and Logistics Development iv) Addressing the Challenges and Untapped Opportunities in Affordable Housing 11) PNB Knowledge Forum 2 on Climate Change: A New Green Deal for Malaysia
	<b>Dato' Azmir Merican</b>	1) Board Retreat of Sime Darby Property on Transforming through the Crisis 2) NS Insight Investment Webinar: Business As (Un)Usual - Invest NS 2021 (Panel Speaker) 3) PT Hutama Karya (Persero) on "Future of Construction" Workshop 4) Rebuilding the Economy Sustainability Post COVID-19 5) CEO Roundtable: Leaders for Climate Action 6) Bain Virtual CEO Forum 7) PNB Knowledge Forum - Rising Above COVID-19: Reimagining Work in Malaysia & Beyond 8) CEO Action Network – Climate Governance Malaysia Property & Construction Sector Round Table III: Improving Resilience and Minimising Ecological Damage 9) Recent Updates to the MCCG 10) The Hub Live 2021 at Climate Week New York City Climate Week NYC's 'Roundtable: Leadership in the Climate Decade' 11) SIDC Business Foresight Forum 2021: Transformative Innovation Reshaping Business Realities in Extraordinary Times Leadership In Times of Certain Uncertainty 12) CIMB Cooler Earth Sustainability Summit 2021 13) 12 <sup>th</sup> International Conference on World Class Sustainable Cities 2021 (WCSC 2021): Low Carbon Society: From Blueprint To Implementation 14) Bain Virtual CEO Forum: Deep Dive Session – Purpose, Sustainability and the Citizen Firm 15) Khazanah Megatrends Forum 2021: The Invention of Tomorrow 16) Pre-Board Strategy Engagement of Sime Darby Property on: i) Technology and Innovation: Designing for the Future of Construction ii) Productising Funds: Keppel Capital's Journey iii) The Rise of Industrial and Logistics Development iv) Addressing the Challenges and Untapped Opportunities in Affordable Housing

		17) BMCC - BHC Malaysia Climate Action Week: Race To Zero: Keeping Up The Momentum Incorporating ESG Practices into Your Business 18) UNGCMB - VERITAS Dubai Expo 2020 CEO Roundtable Webinar: Climate Action and the Property Market 19) The Repercussion of the Recent Federal Court Ruling on Liquidated Agreed Damages for Property Developers
	<b>Dato' Jaganath Derek Steven Sabapathy</b>	1) Board Retreat of Sime Darby Property on Transforming through the Crisis 2) Recent Updates to the MCCG 3) Pre-Board Strategy Engagement of Sime Darby Property on: i) Technology and Innovation: Designing for the Future of Construction ii) Productising Funds: Keppel Capital's Journey iii) The Rise of Industrial and Logistics Development iv) Addressing the Challenges and Untapped Opportunities in Affordable Housing
	<b>Tengku Datuk Seri Ahmad Shah</b>	1) Board Retreat of Sime Darby Property on Transforming through the Crisis 2) PNB Knowledge Forum on Rising Above COVID-19: Reimagining Work in Malaysia & Beyond 3) Recent Updates to the MCCG 4) Pre-Board Strategy Engagement of Sime Darby Property on: i) Technology and Innovation: Designing for the Future of Construction ii) Productising Funds: Keppel Capital's Journey iii) The Rise of Industrial and Logistics Development iv) Addressing the Challenges and Untapped Opportunities in Affordable Housing
	<b>Dato' Seri Ahmad Johan Mohammad Raslan</b>	1) EPF Sustainability Day Webinar 2) Climate Governance Malaysia Webinar 3) Board Retreat of Sime Darby Property on Transforming through the Crisis 4) Business Council for Sustainable Development Forum on Human Rights 5) Audit Committee Conference 2021 on Setting the Right Priorities for Audit Committee in 2021 6) 30% Club Panel on Board Diversity Reflection and Improvement 7) ICDM Ethics Training 8) CEO Action Network/ Climate Governance Malaysia 'Can Malaysia Achieve New Zero by 2050?' 9) CLSA Institutional Investors Webinar on ESG 10) PwC UK Webinar on A Clear Path in a Time of Change: Global Trends Event 11) Financial Times UK Webinar 'The Proposed Reforms to Audit and Corporate Governance' 12) Asia School of Business Webinar on MCCG 2021 13) SRI Conference on 'Responding to Investor Demand for ESG Action Post COVID-19' 14) ICAEW Members Forum on Chartered Accountants and Sustainability

		<ul style="list-style-type: none"> <li>15) Ecobusiness Webinar on Carbon Targets in Malaysia</li> <li>16) IIAM/MICG Governance Forum Panelist</li> <li>17) MCCG Revision 2021: The Evolving Role of Company Secretaries</li> <li>18) EY UK Webinar on Modern Slavery</li> <li>19) Nominating and Remuneration Committees – Beyond Box-Ticking &amp; Enhancing Effectiveness</li> <li>20) Recent Updates to the MCCG</li> <li>21) Securities Commission Briefing on Capital Market Masterplan</li> <li>22) S&amp;P Seminar on Downside Risks for Malaysian Banks</li> <li>23) ICDM Directors' Training on Board Trends</li> <li>24) Pre-Board Strategy Engagement of Sime Darby Property on: <ul style="list-style-type: none"> <li>i) Technology and Innovation: Designing for the Future of Construction</li> <li>ii) Productising Funds: Keppel Capital's Journey</li> <li>iii) The Rise of Industrial and Logistics Development</li> <li>iv) Addressing the Challenges and Untapped Opportunities in Affordable Housing</li> </ul> </li> <li>25) EY UK Webinar on Building Digital Ecosystem</li> <li>26) PwC Malaysia Budget Webinar</li> <li>27) Audit Oversight Board – Audit Committee Conversation</li> </ul>
	<b>Datin Norazah Mohamed Razali</b>	<ul style="list-style-type: none"> <li>1) Board Retreat of Sime Darby Property on Transforming through the Crisis</li> <li>2) Understanding Increasing Investor Expectations for Climate Governance</li> <li>3) Nominating and Remuneration Committees – Beyond Box-Ticking &amp; Enhancing Effectiveness</li> <li>4) Collaboration in the Boardroom: Behavioural and Relationships</li> <li>5) Business Law and the Transition to a Net Zero Carbon Economy</li> <li>6) MISC MAP Market Outlook 2021: <ul style="list-style-type: none"> <li>i) Offshore Wind Industry Outlook</li> <li>ii) Oil Tankers, LNG Carriers and Marine Repair Markets Outlook</li> <li>iii) LNG and LNG Shipping Markets Outlook</li> <li>iv) Digitisation and Decarbonisation in the Maritime Industry</li> <li>v) Global Energy Market Outlook and Trends</li> </ul> </li> <li>7) Implementing Amendments in the MCCG</li> <li>8) Masterclass: Board Behavioural Dynamics</li> <li>9) Launch of the 2020 Malaysian Board Practices Review Report</li> <li>10) Climate Governance Malaysia Property &amp; Construction Sector Roundtable 1: Can Malaysia Achieve Net Zero Carbon Emissions by 2050?</li> <li>11) Qualified Risk Director Programme (QRD): Establishing an Empowered Board Risk Committee Directors Guide to Enterprise Risk Management (ERM) and ISO 31000</li> <li>12) PNB Knowledge Forum- Rising Above COVID-19: Reimagining Work in Malaysia &amp; Beyond</li> <li>13) Nominating and Remuneration Committees – Beyond Box-Ticking &amp; Enhancing Effectiveness</li> </ul>

		<ul style="list-style-type: none"> <li>14) Capital Market Director Programme for Fund Management <ul style="list-style-type: none"> <li>i) Directors as gatekeepers of market participants</li> <li>ii) Emerging and Current Regulatory Issues in the Capital Market</li> <li>iii) Emerging and Current Regulatory Issues in the Capital Market</li> <li>iv) Business Challenges and Regulatory Expectations – What Directors Need to Know (Fund Management)</li> </ul> </li> <li>15) Recent Updates to the MCCG</li> <li>16) Pre-Board Strategy Engagement of Sime Darby Property on: <ul style="list-style-type: none"> <li>i) Technology and Innovation: Designing for the Future of Construction</li> <li>ii) Productising Funds: Keppel Capital's Journey</li> <li>iii) The Rise of Industrial and Logistics Development</li> <li>iv) Addressing the Challenges and Untapped Opportunities in Affordable Housing</li> </ul> </li> <li>17) Intentional Integrity: How Smart Companies Can Lead an Ethical Revolution</li> <li>18) Arbitration: Talk on Essentials of Arbitration</li> <li>19) Cybersecurity Awareness Programme for Board of Directors</li> <li>20) MISC Directors Training 2021: <ul style="list-style-type: none"> <li>i) Reputation &amp; Crisis Management</li> <li>ii) Overview on the MCCG 2021 and the SC Guidelines on Conduct of Directors of Listed Issuers and their Subsidiaries</li> <li>iii) Climate Governance Principles</li> <li>iv) Implementing TCFD and Driving Towards Net Zero</li> <li>v) Related Party Transactions – Their Implications to the Board of Directors, the Audit Committee and Management</li> </ul> </li> </ul>
	<b>Dato' Soam Heng Choon</b>	<ul style="list-style-type: none"> <li>1) Board Retreat of Sime Darby Property - Transforming through the Crisis</li> <li>2) Impact of MCO 2.0 on the Malaysian Property Market</li> <li>3) Malaysia Tax Lens for Property Developers in the New Normal</li> <li>4) World Bank Symposium on Sustainable Age Care Financing-Global Lessons and Best Practices</li> <li>5) Climate Change Actions Blue Green Infrastructure</li> <li>6) The Business of Retirement Villages Malaysia &amp; Ageing Singapore</li> <li>7) Financial Support for Housing Development</li> <li>8) PNB Knowledge Forum - Rising Above COVID-19: Reimagining Work in Malaysia &amp; Beyond</li> <li>9) Intricacies During Tax Audits and Investigation</li> <li>10) Construction Claims and ADR Conference</li> <li>11) Can Malaysia Achieve Net Zero Emissions by 2050 Property &amp; Construction Sector Round Tables</li> <li>12) KASpaces Malaysia National Workshop on Sustainable Urban Planning</li> <li>13) Malaysia Macro Outlook 2H2021 and 2022: Reopening and Recovery Sector Plays</li> <li>14) Nominating and Remuneration Committees – Beyond Box-Ticking &amp; Enhancing Effectiveness</li> <li>15) SHARED A Webinar: FMCO vs. LAD</li> <li>16) Recent Updates to the MCCG</li> </ul>

		17) Pre-Board Strategy Engagement of Sime Darby Property on: i) Technology and Innovation: Designing for the Future of Construction ii) Productising Funds: Keppel Capital's Journey iii) The Rise of Industrial and Logistics Development iv) Addressing the Challenges and Untapped Opportunities in Affordable Housing 18) Climate Action and the Property Market
	<b>Mohamed Ridza Mohamed Abdulla</b>	1) Board Retreat of Sime Darby Property - Transforming through the Crisis 2) How to be an Effective Non-Executive Director in a Disruptive World 3) Webinar on Managing Strategic Risk in Remote Working Environment: An Insight for Finance Leaders 4) Director's Briefing – Introduction to Artificial intelligent (AI) – Bank of the Future 5) Director's Briefing – Fintech Opportunities 6) Director's Briefing – Banking as a Service – Evolution of Digital Banking 7) Rethinking our Approach in Cyber Defence in FIS 8) Virtual launch Ceremony of BIMB-ARABESQUE Global Sariah Sustainable Equity Fund 9) Integrating Environment, Social & Corporate Governance Into Banking Business 10) Duties and Responsibilities of Directors of a Listed Companies 11) Emerging Risk Trends & Integrated Risk Management 12) A Tale of Synergies: Uncovering Islamic Finance and Arbitration 13) Third Party Funding: A First for Malaysia But a Leap for Islamic Investor in MESEA 14) General Banking Architecture 15) Cambridge Institute for Sustainability Leadership Programme 16) An Introduction to Cryptocurrency and Blockchain Laws in Malaysia 17) Recent Updates to the MCGG 18) Pre-Board Strategy Engagement of Sime Darby Property on: i) Technology and Innovation: Designing for the Future of Construction ii) Productising Funds: Keppel Capital's Journey iii) The Rise of Industrial and Logistics Development iv) Addressing the Challenges and Untapped Opportunities in Affordable Housing
	<b>Dato' Hamidah Naziadin</b>	1) Securities Commission's Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries 2) Recurrent Related Party Transactions 3) Investor Perspective on ESG 4) Driving Climate Change through Executive Compensation 5) Pre-Board Strategy Engagement of Sime Darby Property on: i) Technology and Innovation: Designing for the Future of Construction ii) Productising Funds: Keppel Capital's Journey iii) The Rise of Industrial and Logistics Development

		iv) Addressing the Challenges and Untapped Opportunities in Affordable Housing
	<b>Dr. Lisa Lim Poh Lin</b>	Pre-Board Strategy Engagement of Sime Darby Property on: i) Technology and Innovation: Designing for the Future of Construction ii) Productising Funds: Keppel Capital's Journey iii) The Rise of Industrial and Logistics Development iv) Addressing the Challenges and Untapped Opportunities in Affordable Housing
<b>Explanation :</b> <b>for</b> <b>departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure :</b>		
<b>Timeframe :</b>		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Sime Darby Property's Corporate Scorecard for FY2021 was developed based on 3Ps namely, Profit (Deliver Sustainable Value), People (Contribute to a Better Society) and Planet (Minimise Environmental Harm and across 7 Focus Areas).</p> <p>Safety and Sustainability is one of the seven (7) Focus Areas of the scorecard carrying a weightage of 10% of the overall score, is targeted towards championing a 'Force for Good'. The Key Performance Indicators ("KPIs") comprised of the following:</p> <ol style="list-style-type: none"><li>1) <u>Environmental</u> Reduction of Operational Carbon Emission towards 2030 Carbon Negative</li><li>2) <u>Social</u> Focused on the implementation of Sime Darby Property standards of workers quarters' occupational hygiene practices and amenities, beyond Act 446 of the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990.</li><li>3) <u>Governance</u> Reporting on safety observation / concern reporting aimed at improving the culture of reporting within the organisation.</li></ol> <p>The respective KPIs for Safety &amp; Sustainability were developed based on thorough analysis / review of key challenges and issues which were discussed and monitored extensively throughout the calendar year via various internal management platforms and quarterly updates to / discussions with the Board of Directors.</p> <p>Upon the recommendation of the NRC, the Board had deliberated and approved a total rating of 4.6 (exceed expectation) for these KPIs.</p> <p>Based on the NRC's review for FY2021 performance, the aforesaid KPIs will be retained and deepened; with focus on social component of ESG considered for the FY2022 Corporate Scorecard also within the individual Senior Management members' scorecards for greater accountability to drive Safety and Sustainability as a key collective agenda.</p>

<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	<p>Sustainability of Sime Darby Property is led by the GMD and driven via a dedicated functional department, namely the Safety &amp; Sustainability Department is led by Encik Mohd Razif Mohd Yusoff, General Manager of Safety &amp; Sustainability and overseeing sustainability matters and Encik Sharif James Zainal Aziz as the Head, Group Corporate Sustainability to provide due focus on material sustainability matters.</p> <p>The key responsibilities of the Sustainability Department are as follows:</p> <ol style="list-style-type: none"><li>1) Sustainability Strategy Management Formulate the Group's Sustainability Strategy and Roadmap as well as lead the integration of sustainability / ESG considerations in business operations, decision making and risk management.</li><li>2) Sustainability Implementation and Integration Lead the implementation of the sustainability policies and procedures, drive and consider sustainability improvement plans in collaboration with businesses and functions, and elevate the efficacy of sustainability programmes.</li><li>3) Stakeholder Management and Communications Plan Support the engagement to advance the Group's sustainability goals by leading the articulation of sustainability messages to internal and external stakeholders.</li><li>4) Build a sustainability Culture Lead internal sustainability culture building, by introducing management tools, creating awareness, and where necessary, training and provide the environment for employees to be motivated to implement the sustainability plans.</li></ol>

	<p>5) Governance</p> <p>Manage the overall governance (policies, procedures, manuals, etc) and administration (business plan, budget, etc) for the sustainability function.</p>
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### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><u>Refreshment of Board and Board Committee Composition</u></p> <p>The main functions and duties of the NRC include, but not limited to:</p> <ol style="list-style-type: none"><li>1) Annual evaluation, review and recommend to the Board the appropriate size of the Board, required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors shall bring to the Board to ensure that they are in line with Sime Darby Property's requirements.</li><li>2) Period review of the term of office of all Board Committees.</li><li>3) Ensure appropriate assessment of Directors on an ongoing basis.</li></ol> <p>The Board, through the NRC, will regularly review the Board and Board Committees compositions and ensure their continuing effectiveness that fits the Company's objectives and strategic goals. The tenure of Independent Directors had also been limited to 9 years without further extension, to ensure continued effective functioning and progressive refreshing of the Board.</p> <p>The findings of the BEE conducted for the FY2020 showed that consideration should be given to source and appoint professionals with other skills sets such as branding, technology (i.e. smart technology, big data and digital) and sustainably, who could enhance the Board composition.</p> <p>In August 2021, the NRC reviewed and deliberated on the composition of the Board and Board Committees taking into consideration the mix of skills (based on the Board's skills matrix), competencies, industry experience, integrity, personal attributes, tenure and time commitment required of a Director to effectively fulfil his or her role as a Director. This included diversity in terms of age, gender and ethnicity. Board members' representation in the Board Committees, individual tenures, 2020 BEE results, succession planning as well as the strategic priorities of the Company going forward were also considered. With the Board's support, the NRC initiated the search and selection of potential</p>

women candidates from existing Directors' recommendations, major shareholder's database and independent source, with experience and expertise in a combination of the following areas (in order of preference) to complement and strengthen the existing Board :

- i) Talent Development
- ii) Sustainability
- iii) Property & Real Estate Industry
- iv) Accounting / Finance
- v) Branding
- vi) Technology (i.e. smart technology, big data and digital)

After a rigorous and robust selection process, the Board, as per the NRC's recommendation, had approved the appointment of Dato' Hamidah Naziadin and Dr. Lisa Lim Poh Lin as Directors of the Company on 1 October 2021. The Board, upon the recommendation by the NRC, also approved the appointment of new members to the following Board Committees during the financial year under review:

Director	Board Committees
Dato' Hamidah Naziadin	NRC
Dr. Lisa Lim Poh Lin	RMC
Dato' Soam Heng Choon	BTC

The NRC believes that the appointment of Dato' Hamidah Naziadin and Dr Lisa Lim Poh Lin with their background and expertise in talent development, sustainability and investment management, respectively, would support, complement and strengthen the existing Board. The NRC also believes that Dato' Soam Heng Choon would be able to contribute effectively to BTC's discussions due to his vast experience in property development and construction industry.

#### Retirement and Re-election of Directors

Pursuant to Rule 111 of the Constitution, at least one-third (1/3) of the Directors for the time being shall retire from office at each AGM. Rule 112 of the Constitution states that all Directors shall retire from office once in each three (3) years. A retiring Director shall be eligible for re-election.

Based on the schedule of retirement by rotation determined by the NRC, Dato' Jaganath Derek Steven Sabapathy, Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj and Datin Norazah Mohamed Razali are due to retire at the 49th AGM in accordance with Rule 111 of the Company's Constitution.

	<p>For the purpose of determining the eligibility of the Directors to stand for re-election at the 49th AGM, the Board through the NRC, had assessed each of the retiring Directors, and considered the following:</p> <ol style="list-style-type: none"> <li>1) The Directors' performance and contribution, based on the Self and Peer Assessment results of the BEE 2021.</li> <li>2) The Directors' level of contribution to the Board deliberations through his/her skills, experience and strength in qualities as well as their effective leadership as chairperson of respective Board Committees.</li> <li>3) The level of independence demonstrated by the Independent Director and the ability to act in the best interests of the Company in decision-making.</li> <li>4) The Directors have the character, integrity, experience and competence to discharge their role effectively.</li> <li>5) The Directors' ability to commit and devote adequate time to fulfil their responsibilities effectively.</li> </ol> <p>Based on the aforesaid assessment, the Board and the NRC are satisfied that the individual Directors (including the retiring Directors) of the Company have met the performance criteria required of an effective and high-performance Board and the Board's expectations by continuously discharging their duties diligently as Directors of the Company. Accordingly, the Board recommends the re-election of Dato' Jaganath Derek Steven Sabapathy, Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj and Datin Norazah Mohamed Razali at the 49th AGM.</p> <p>Dato' Jaganath Derek Steven Sabapathy, Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj and Datin Norazah Mohamed Razali who are due to retire at the 49th AGM in accordance with Rule 111 of the Company's Constitution, being eligible, have offered themselves for re-election at the 49th AGM.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board comprises ten (10) Directors out of which 70% are Independent Directors:</p> <ul style="list-style-type: none"><li>(a) Seven (7) Independent Non-Executive Directors ("INED");</li><li>(b) Two (2) Non-Independent Non-Executive Directors including Chairman; and</li><li>(c) GMD.</li></ul> <p>Based on the above, the Board has complied with the requirement to have more than 50% INEDs on its Board during the financial year under review which is higher than the 1/3 requirement of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia").</p> <p>Sime Darby Property has a Board Composition Policy in place since 26 July 2017 prior to the Company's listing on 30 November 2017, which sets out the approach of the Board with regard to the composition of the Board and also, addresses specific requirements of the MMLR of Bursa Malaysia and the MCGG. Based on the principles of the Board Composition Policy, the Board acknowledges that a Board comprising a majority of Independent Directors allows more effective oversight of Management.</p> <p>Dato' Jaganath Derek Steven Sabapathy, the Senior INED acts as a sounding board for the Chairman and serves as an intermediary for the other Non-Executive Directors where necessary and on matters that are deemed sensitive. He also provides an alternative avenue of communication for shareholders and stakeholders to convey their concerns and raise any issues so these can be channelled to and addressed by the relevant parties. The Senior INED, in common with the other Non-Executive Directors, has the same legal responsibilities to the Group as all other Directors.</p> <p>The Board also assessed the independence of the INEDs during the financial year under review. The Board was satisfied with the level of independence demonstrated by all the INEDs and was of the view that they could continue to bring sound independent and objective judgement to Board deliberations. Each INED also provided his / her declaration of independence to the Company in compliance with the criteria set out in the MMLR.</p>

<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.3**

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Not applicable - Step Up 5.4 adopted	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	:  As at 31 December 2021, none of the Independent Directors have served the Company beyond nine (9) years pursuant to Practice 5.3 of the MCCG 2021.  In line with the Step-Up Practice 5.4 of the MCCG 2021, the Board had also approved the revised Board Charter and TOR of the NRC on 25 November 2021 which includes the limit on the tenure of its independent directors to nine (9) years without further extension.

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><b><u>Appointment of Directors</u></b></p> <p>The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations and it recognises that a diversified Board would contribute to give a positive and valuable impact on Sime Darby Property Group. In line with this, the Board considers all elements of diversity i.e. skills set, experience, age, ethnicity, nationality and gender in the nomination, selection and appointment of candidates to the Board.</p> <p>There is a clear and transparent process for the nomination, selection and appointment of suitable candidates to the Board of Sime Darby Property and achieving Board balance through diversity in skillset, experience, age, ethnicity, nationality and gender. The principle is encapsulated in the Board Composition Policy Framework and TOR of NRC.</p> <p>The formal process involves the NRC first identifying the gaps in the Board composition before sourcing, screening, conducting the initial selection of potential candidates and assessing the ability to perform effectively on those who have been identified. During the selection process, all candidates are considered taking into account the following criteria:</p> <ol style="list-style-type: none"><li>1) Required skills, knowledge, expertise and experience;</li><li>2) Time commitment, character, professionalism and integrity;</li><li>3) Ability to work cohesively with other Board members;</li><li>4) Specialist knowledge or technical skills in line with the Company's strategy;</li><li>5) Diversity in age, gender and experience / background; and</li><li>6) Number of directorships in companies outside the Group, including on boards of non-listed companies.</li></ol>

The Board comprises Directors with diverse demographics, skills and experience, all of whom contribute diverse perspectives and insights on Board decisions. The findings of the BEE conducted in 2021 showed that the Board has the right mix of Directors with good balance of skills and background. Whilst, the composition was viewed appropriate, there were suggestions to add an additional skill of technology/ digital background, as well as a wider geographical representation to the Board, when the need arises.

The current Board's diversity (total of 10 directors) is depicted as follows:

<b>Independence</b>	70% Independent Director		30% Non-Independent Director	
<b>Gender</b>	70% Male		30% Female	
<b>Ethnicity</b>	70% Malay	20% Chinese	10% Indian	
<b>Age Band</b>	20% 50 years below	40% 51 – 60 years	40% Above 60 years	
<b>Tenure</b>	50% Less than 3 years	30% 3 to 6 years	30% 7 to 9 years	10% 10 to 12 years
<b>Experience and Skills</b>	Talent Development			10%
	Sustainability			20%
	Real Estate & Property			40%
	Management			10%
	Consultancy			40%
	Accounting, Corporate Finance and Investment & Asset Management			40%

A more detailed description on the diverse background, experience and composition of the Board are made available in the Board of Directors' Profile contained in the Annual Report 2021.

	<p>All members of the Board and Board Committees achieved full attendance for meetings held in 2021. There was also engagement between the Board members and Management, both formally and informally throughout the year. These demonstrate Directors' ability to commit and devote adequate time to fulfil their responsibilities effectively. Although some Directors hold multiple directorships, they managed to commit and devote their time to the Board/ Board Committee meetings. The Board is satisfied that each Director has devoted sufficient time to effectively discharge his/her responsibilities.</p> <p><b><u>Appointment of Key Senior Management</u></b></p> <p>For appointment of Key Senior Management, the NRC will consider and review the candidates based on objective criteria, merit and with due regard for diversity in skills, competencies, experience, age, gender, cultural background and other qualities prior to recommendation to the Board for approval.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC of Sime Darby Property reviews the composition of the Board and Board Committees, and considers the gaps in the composition and requirements before sourcing, screening and conducting the initial selection of potential candidates.</p> <p>During the financial year under review, the NRC had sourced for suitably qualified candidates to be considered for appointment as Independent Non-Executive Director through the recommendations of existing Board members, database of its major shareholder and an independent source, namely the Institute of Corporate Directors Malaysia ("ICDM"). This was to facilitate the NRC in identifying the most suitable and qualified candidate, with appropriate diversity in terms of ethnicity, age and gender, to complement and further strengthen the current Board.</p> <p>In its selection of suitable candidates, the NRC adheres to the guidelines stipulated in the Board selection criteria set out in the Board Appointment Process as mentioned above under Practice 4.5 and on page 187 of the Annual Report 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The profiles of Directors are published in the Annual Report and Group's website. These include their age, gender, tenure of service, directorship in other companies (listed and non-listed), working experience and any conflict of interest as well as their shareholdings in Sime Darby Property, if any.</p> <p>The views of the NRC on the appointment of Dato' Hamidah Naziadin and Dr. Lisa Lim Poh Lin on 1 October 2021 are set out Practice 5.1 of this report and in the NRC Report on page 187 of the Annual Report 2021.</p> <p>The Board and NRC's assessment and recommendations on the proposed re-election of Directors retiring pursuant to Rules 92.3 and 111 of the Constitution of the Company are set out in Practice 5.1 of this report and the Explanatory Notes to the Notice of 49th AGM to ensure shareholders have sufficient information to make an informed decision on the proposed re-election of Directors retiring.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.8**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NRC is chaired by Datin Norazah Mohamed Razali, an Independent Non-Executive Director.</p> <p>The details of the NRC's activities for the Financial Year Ended ("FYE") 31 December 2021 are set out in the NRC Report on pages 183 to 190 of the Annual Report 2021.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	As at 31 December 2021, the Board comprises three (3) women Directors, namely Datin Norazah Mohamed Razali, Dato' Hamidah Naziadin and Dr. Lisa Lim Poh Lin constituting 30% of the Board's composition of ten (10) Directors.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.10**

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Composition Policy of Sime Darby Property was first adopted by the Board on 26 July 2017. The policy ensures that the mix and profiles of Board members in terms of age and gender provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The policy on gender diversity is set out under the NRC Report on page 186 of the Annual Report 2021.</p> <p>The TOR of the NRC, last reviewed in November 2021, also includes gender diversity in its selection criteria for new appointments on the Board and Senior Management of Sime Darby Property Group. The updated TOR also indicates that the NRC shall consider and recommend to the Board the composition of the Board, which must comprise a majority of Independent Directors and at least 30% women Directors. The participation of women in Senior Management shall also be reviewed to ensure sustainable talent pipeline in Sime Darby Property. The TOR of the NRC is available on Group's website at <a href="http://www.simedarbyproperty.com/who-we-are/corporate-governance">www.simedarbyproperty.com/who-we-are/corporate-governance</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

## Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board, through the NRC, conducts an annual review and assessment on effectiveness of the Board, the Board Committees, the individual Directors and Board Committee members of Sime Darby Property. This assessment for the financial year under review, covers the performance of individual Directors, Board Committees and Board as a whole, with specific focus on areas such as Sustainability and Board Dynamics. It is especially important in deciding whether a Director who is subject to re-election can be recommended accordingly at the next AGM.</p> <p>Pursuant to and in line with the best practices of the MCCG, the NRC engaged PwC to conduct the BEE of the Company for the FYE 30 June 2018 to FYE 31 December 2020.</p> <p>During the financial year under review, the NRC had engaged another independent third-party consultant namely, the Institute of Corporate Directors Malaysia ("ICDM") led by an experienced international facilitator to facilitate objective and candid BEE in a different approach and methodology. Specific focus was conducted on board dynamics and sustainability pursuant to the updated MCCG, to address underlying challenges and to align the Board on its priorities and discuss on emerging opportunities and challenges in the current and desired future states.</p> <p>The BEE was conducted through a hybrid approach to identify key themes of strengths and areas for improvement. The scope of evaluation covered the following areas:</p> <ol style="list-style-type: none"><li>1) Online governance assessment, as well as board committees and individual director questionnaire.</li><li>2) One-on-one interviews with the Chairmen of the Board and Key Board Committees, as well as the GMD.</li><li>3) Sustainability Leadership Workshop for the Board members and selected Senior Management.</li></ol>

	<p>The overall results of the BEE were positive on four (4) key components of the evaluation, namely the Basic Ingredients, Strategy, Managing Risks and Dynamics &amp; Information. The Board is cohesive, professional and diverse with complementary skillsets and is able to provide the necessary guidance to management, as well as have open and transparent discussions that is led well by the Chairman.</p> <p>Based on ICDM's observation on the Board, the Board is cognisant of what it can do better and improve on. Management had also rated the Board highly across all four (4) components.</p> <p>Whilst the Board was satisfied with the BEE results that trended positively, it also noted the areas of enhancement for 2022 which included the following:</p> <ol style="list-style-type: none"> <li>1) Strategy on emerging issues such as technology, people strategy (e.g. remuneration, performance management, succession planning and culture) and ESG.</li> </ol> <p>The initial Sustainability Strategy was approved for implementation at the Board Meeting held on 26 August 2021 and is currently in the rollout stage for internal implementation. Quarterly updates on the progress are provided to the Board.</p> <ol style="list-style-type: none"> <li>2) Risk management on cybersecurity review and how the Company responds to IT challenges.</li> </ol> <p>During the financial year under review, an external consultant had carried out a Cyber Security Maturity Assessment in 2021 to evaluate the current cybersecurity posture of Sime Darby Property. The road map plan to improve the Group's cybersecurity maturity is being developed. The progress of this initiative is updated to the RMC and Board on quarterly basis.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>Sime Darby Property recognises that in order to attract and retain Directors, it is important to have a fair and competitive remuneration package that commensurates with their experience, skills, responsibilities, performance, contribution as well as industry benchmark.</p> <p>The Board has delegated to the NRC the responsibility to set the principles, parameters and governance framework relating to the Group's remuneration matters. The NRC is authorised to formulate, develop and implement formal and transparent procedures for the Group's Non-Executive Directors ("NEDs") and Senior Management ensuring that their compensation remains competitive and consistent with industry standards as well as commensurate with their experience, skills, level of responsibilities and complexity of the business.</p> <p><b><u>Non-Executive Directors</u></b></p> <p>The Board has established a remuneration policy for the NEDs that aligns remuneration with strategy to drive the long-term success of the Company together with a comprehensive and fair remuneration package to continue to attract, retain and motivate Directors.</p> <p>The level of remuneration reflects their experience, level of responsibilities and industry's benchmark as well as complexity of business. The remuneration of NEDs consists of fixed Directors' fees per annum for Board and Board Committees.</p> <p>The Board as a whole, resolves on the fees for NEDs. The fees payable to the NEDs are subject to the approval of the shareholders at the AGM.</p>

Key details of Directors' Remuneration Framework for the financial year under review (which remains unchanged from FY2020) are set out below:

Fees / Benefits	Amount / Description		
Non-Executive Directors' Fees		<b>Board (RM/Year)</b>	<b>Board Committees (RM/Year)</b>
	<b>Chairman</b>	540,000	70,000
	<b>Member</b>	220,000	40,000
Per diem allowance	Claims to be based on "reasonable amount for reimbursables". <i>(on official events and Government related matters within Malaysia or overseas)</i>		
Transportation	Business class air travel <i>(official business assignments)</i>		
Accommodation <i>(on official duty)</i>	Group designated hotels.		
	<b>Unreceipted Local Business Travel</b>		
	<b>Region</b>	<b>Meals</b>	<b>Accommodation</b>
	Malaysia	RM200 / day	RM200 / day
	<b>Unreceipted Overseas Business Travel</b>		
	<b>Continent</b>	<b>Meals</b>	<b>Accommodation</b>
	Asia (including Oceania)	USD80	USD100
	United Kingdom	€100	€200
	Europe	€100	€200
	America	USD150	USD200
Entertainment	Reasonable entertainment expenses for the promotion of the Group's interest will be reimbursed against receipts.		
Club Membership / Privileges	Honorary membership at Kuala Lumpur Golf & Country Club ("KLGCC")/ other clubs owned by Sime Property Group with free monthly subscription fees.  NED who becomes President of the KLGCC will be made a lifetime honorary member of the Club.		

	<table><tr><td>Insurance</td><td><table><tr><th>Description</th><th>Amount</th></tr><tr><td>i) Group Personal Accident Policy</td><td>RM1,000,000</td></tr><tr><td>ii) Directors and Officers Liability Insurance</td><td>Cover limit of USD30 million, including an Employment Practices Liability cover of USD1 million.</td></tr><tr><td>iii) Medical &amp; Security Assistance Programme</td><td>Medical &amp; Security Assistance Programme with International SOS provides pre-travel and destination services including immunisation recommendations, travel and visa information, 24/7 telephone medical and security assistance, etc. in case of emergency when travelling abroad.</td></tr></table></td></tr><tr><td>Medical and Hospitalisation</td><td><p><b>For Non-Executive Directors:</b></p><p>Free medical treatment (excluding major surgeries), dental and optical subject to treatment being given by the:</p><ul style="list-style-type: none"><li>i) Group / Company's Panel of Doctors.</li><li>ii) Physician referred to by the Group/Company's Panel of Doctors.</li></ul><p><b>For Non-Executive Directors' Spouse and Dependent Children:</b></p><p>Medical treatment (excluding major surgeries) subject to treatment given as stated in items nos (i) and (ii) above.</p></td></tr><tr><td>Purchase of Group/Companies' Products</td><td>This entitlement is available only for products of Sime Darby Property Group.</td></tr></table>	Insurance	<table><tr><th>Description</th><th>Amount</th></tr><tr><td>i) Group Personal Accident Policy</td><td>RM1,000,000</td></tr><tr><td>ii) Directors and Officers Liability Insurance</td><td>Cover limit of USD30 million, including an Employment Practices Liability cover of USD1 million.</td></tr><tr><td>iii) Medical &amp; Security Assistance Programme</td><td>Medical &amp; Security Assistance Programme with International SOS provides pre-travel and destination services including immunisation recommendations, travel and visa information, 24/7 telephone medical and security assistance, etc. in case of emergency when travelling abroad.</td></tr></table>	Description	Amount	i) Group Personal Accident Policy	RM1,000,000	ii) Directors and Officers Liability Insurance	Cover limit of USD30 million, including an Employment Practices Liability cover of USD1 million.	iii) Medical & Security Assistance Programme	Medical & Security Assistance Programme with International SOS provides pre-travel and destination services including immunisation recommendations, travel and visa information, 24/7 telephone medical and security assistance, etc. in case of emergency when travelling abroad.	Medical and Hospitalisation	<p><b>For Non-Executive Directors:</b></p> <p>Free medical treatment (excluding major surgeries), dental and optical subject to treatment being given by the:</p> <ul style="list-style-type: none"><li>i) Group / Company's Panel of Doctors.</li><li>ii) Physician referred to by the Group/Company's Panel of Doctors.</li></ul> <p><b>For Non-Executive Directors' Spouse and Dependent Children:</b></p> <p>Medical treatment (excluding major surgeries) subject to treatment given as stated in items nos (i) and (ii) above.</p>	Purchase of Group/Companies' Products	This entitlement is available only for products of Sime Darby Property Group.
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Purchase of Group/Companies' Products	This entitlement is available only for products of Sime Darby Property Group.														
<p><i>Note: The GMD did not receive the above fees/benefits during his tenure as he was employed under a contract of employment.</i></p> <p>The remuneration of the NEDs consisting of fixed directors' fees and other benefits, is subject to the approval of shareholders at the AGM. The fees of the NEDs for their services to the Board and Board Committees are paid to all NEDs on a monthly basis.</p> <p>The NRC had, during the FYE 2019, engaged an external international consultant to review the NED Remuneration Framework based on the results of the market survey on the remuneration and benefits received by the NEDs. The survey also considered other major factors such as including the revenue / size of the group against its peers as well as the fiduciary duties and time commitments expected of the NEDs and the Board Committee members.</p>															

The NRC had, in March 2021, reviewed the NED Remuneration Framework and opined that it was still current and relevant to attract and retain Directors.

Key details of the Directors' Remuneration Framework for the financial year under review are set out in the Corporate Governance Report on pages 59 to 60.

Approval will be sought from the shareholders at the 49th AGM for the amount of benefits to be provided to the NEDs of up to RM500,000. The Company is not seeking any increase in the approval limit in respect of the amount of benefits payable to the NEDs from that approved in the 48th AGM.

Details of the said proposal are provided in the Notice of 48th AGM on page 360 of the Annual Report 2021.

#### **Senior Management Remuneration**

The NRC, in its TOR, is responsible:

- 1) To set the policies and procedures on the remuneration framework, including reviewing and making recommendations to the Board on all elements relating to remuneration, terms of employment, reward structure and fringe benefits for Executive Directors, the GMD and key pivotal positions.
- 2) To set the policies and / or guideline on the remuneration framework including reviewing and making remuneration recommendations relating to remuneration, to the Board for employees of the Group.

#### **Rewards Management**

##### **Base Salary and Annual Increment**

Sime Darby Property maintains market competitive salary ranges for different level of employees in the Company, which are tied to the Performance Management Framework.

The Management considers the economic outlook, market benchmark against both comparable companies within the industry as well as Company's affordability for the annual review exercise.

Salary increments were based on employees' performance and the salary position within their job grade i.e. using the comparative-ratio approach ("CR"). The increment framework was designed to accelerate salary growth for performing employees to be within market reference range.

##### **Benefits Management**

The Employee Handbook for the different job categories and job levels outlines the employment terms and conditions including compensation, leaves, education assistance and other benefits.

	<p><b><u>Bonus Framework</u></b></p> <p>1) Guiding Principles</p> <p>i) Bonus is a form of short-term incentive to reward past performance and a motivator for future performance. It is an important enabler in the Group’s journey to become a high performing organisation.</p> <p>ii) Bonus payout must be directly aligned and commensurate with the Group, Company, Department and individual performance. There must be a clear differentiation in the bonus quantum awarded between the high performing organisations / individuals and the others.</p> <p>2) The fundamental design principles of the approved Short-term Incentive Plan (Annual Bonus) are as follows:</p> <p>i) Performance measures aligned to employees’ line-of-sight.</p> <p>ii) Performance factors to facilitate the achievement of the objectives and goals of the Group, Company and Department.</p> <p>iii) Bonus payments are both a reward for past performance and a motivator for future performance. It is an important enabler in the Group’s journey to become a high performing organisation.</p> <p>iv) Bonus payout must be directly related to the Group, Company, Department and individual performance. There must be a clear differentiation in the bonus quantum awarded between the high performing organisations / individuals and the others.</p> <p>A Total Rewards Review and Design Exercise had been conducted in 2019 to determine Sime Darby Property’s competitiveness in the market and sufficiency to attract, retain and motivate the right talent that will help drive the Company’s business goals and strategies.</p>	
<b>Explanation : for departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure :</b>		
<b>Timeframe :</b>		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is responsible to formulate and review the remuneration policies and packages for the Directors as well as the Senior Management to ensure that they remain competitive, appropriate and commensurate with their experience, skills, level of responsibilities, industry benchmark as well as complexity of business.</p> <p>Based on the BEE conducted for year 2021, the Board is satisfied that the NRC has effectively discharged its roles and responsibilities and provided strong support with respect to its nomination and remuneration functions, which include, among others, review the remuneration framework for the Board and key management personnel.</p> <p>The TOR of the NRC delineates the roles and responsibilities in relation to the nomination and remuneration matters, as provided in the TOR of the NRC which is available on Group's website at <a href="http://www.simedarbyproperty.com/who-we-are/corporate-governance">www.simedarbyproperty.com/who-we-are/corporate-governance</a>.</p> <p>The NRC's TOR had been revised on 25 November 2021 to be in line with the MCCG 2021, which includes, amongst others:</p> <ol style="list-style-type: none"><li>(1) The Chairman of the Board shall not be a member of Board Committees of the Company.</li><li>(2) The composition of the Board must comprise at least 30% women Directors.</li><li>(3) An active politician (as defined therein) shall not be recommended to be appointed as a Director of the Company.</li><li>(4) The tenure of independent Directors is limited to nine (9) years without further extension.</li><li>(5) Participation of women in Senior Management shall be reviewed to ensure sustainable talent pipeline.</li></ol>

	<p>(6) The actions taken and impact of the evaluation on the Board Composition be disclosed under the annual performance assessment of Directors.</p> <p>(7) To take into consideration of the Group's performance in managing material sustainability risks and opportunities, during the review of the remuneration policy and framework for Directors and Senior Management of Sime Property.</p> <p>The TOR shall be reviewed and updated where necessary (i.e. when there are changes to the MCCG, MMLR, any other regulatory requirements or changes to the direction or strategies of the Group that may affect the NRC's role.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the best corporate governance practice, the disclosure of Directors' remuneration on a named basis has been made since the Company's first Annual Report in year 2018.</p> <p>The remuneration received by each of the Non-Executive Directors (as approved by the shareholders at the 48th AGM held on 6 May 2021) and GMD in 2021 is set out in the table below. Detailed remuneration breakdown for all Directors is set out on page 66 of this report.</p> <p>The fees for Encik Rizal Rickman Ramli, a nominee Director representing PNB, were paid to PNB.</p> <p>The GMD does not receive any fees in his capacity as Executive Director.</p> <p>For the purpose of disclosure in this report pertaining to the remuneration paid to / utilised by each individual director in 2021:</p> <ol style="list-style-type: none"><li>1) The benefits for the Non-Executive Directors as set out in the table below comprises discount on the purchase of Company/Group's product, parking fees, as well as insurance, medical and hospitalisation coverage.</li><li>2) The amount of GMD's salary as set out in the table below includes the employer's contribution to the Employees Provident Fund ("EPF") and benefits comprises petrol claims, insurance coverage and parking fees.</li></ol>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Rizal Rickman Ramli	Non-Executive Non-Independent Director	470	0	0	0	16	0	486	470	0	0	0	16	0	486
2	Dato' Azmir Merican	Executive Director	0	144	1,963	0	7	0	2,114	0	144	1,963	0	7	0	2,114
3	Dato' Jaganath Derek Steven Sabapathy	Independent Director	483	0	0	0	4	0	487	483	0	0	0	4	0	487
4	Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	Non-Executive Non-Independent Director	330	0	0	0	30	0	360	330	0	0	0	30	0	360
5	Dato' Seri Ahmad Johan Mohammad Raslan	Independent Director	370	0	0	0	3	0	373	370	0	0	0	3	0	373
6	Datin Norazah Mohamed Razali	Independent Director	330	0	0	0	19	0	349	330	0	0	0	19	0	349
7	Dato' Soam Heng Choon	Independent Director	368	0	0	0	157	0	525	368	0	0	0	157	0	525
8	Encik Mohamed Ridza Mohamed Abdulla	Independent Director	300	0	0	0	4	0	304	300	0	0	0	4	0	304
9	Dato' Hamidah Naziadin	Independent Director	65	0	0	0	1	0	66	65	0	0	0	1	0	66
10	Dr. Lisa Lim Poh Lin	Independent Director	65	0	0	0	1	0	66	65	0	0	0	1	0	66
11	Tan Sri Dr. Zeti Akhtar Aziz	Non-Executive Non-	189	0	0	0	1	0	190	189	0	0	0	1	0	190

		Independent Director														
12	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	--
14	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure																		
<b>Explanation on application of the practice</b>	:																			
<b>Explanation for departure</b>	:	<p>The NRC and the Board are of the view that disclosure on a named basis of the top five (5) Senior Management’s remuneration components in bands of RM50,000 as being disadvantageous to the Group given the competitiveness in the property industry for talent due to confidentiality of remuneration packages.</p> <p>The Board will continuously undertake a robust internal process to ensure that the remuneration of Senior Management commensurate with their experience, skills, roles, level of responsibilities, accountability and complexity of the business.</p> <p>As an alternative to the recommended practice and in order to achieve the intended outcome, the Board has opted to disclose the remuneration of Senior Management paid and to be paid for the FYE 31 December 2021 on a group basis as follows:</p> <table><tr><th>Remuneration (Top 5 Senior Management)</th><th>RM</th></tr><tr><td>Salary</td><td>3,236,635</td></tr><tr><td>Allowance</td><td>389,808</td></tr><tr><td>Bonus</td><td>2,437,625</td></tr><tr><td>Company’s contribution to provident fund, pension fund or other retirement benefit scheme and leave pay</td><td>926,958</td></tr><tr><td>Expense allowances chargeable to income tax</td><td>6,064</td></tr><tr><td>Benefits-in-kind</td><td>56,912</td></tr><tr><td>Other emoluments</td><td>327,200</td></tr><tr><td><b>Total</b></td><td><b>7,381,202</b></td></tr></table>	Remuneration (Top 5 Senior Management)	RM	Salary	3,236,635	Allowance	389,808	Bonus	2,437,625	Company’s contribution to provident fund, pension fund or other retirement benefit scheme and leave pay	926,958	Expense allowances chargeable to income tax	6,064	Benefits-in-kind	56,912	Other emoluments	327,200	<b>Total</b>	<b>7,381,202</b>
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Other emoluments	327,200																			
<b>Total</b>	<b>7,381,202</b>																			

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b>	:	The Board will continuously monitor the matter and consider the appropriateness of such disclosure in the future.	
<b>Timeframe</b>	:	Others	-

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	-	-	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	-	-	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	-	-	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	-	-	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	-	-	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	-	-	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC Chairman, Dato' Seri Ahmad Johan Mohammad Raslan is a Fellow Member of the Institute of Chartered Accountants of England and Wales, a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. Dato' Seri Ahmad Johan Mohammad Raslan is an Independent Non-Executive Director and is appointed as the AC Chairman since 12 July 2017. He is not the Chairman of the Board.</p> <p>The TOR of the AC has reflected the requirements in Practice 9.1 of the MCCG that "<i>The AC Chairman is not the Chairman of the Board</i>".</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Sime Darby Property has always recognised the need to uphold independence. None of the AC members were former key audit partners within the cooling-off period of three (3) years.</p> <p>The policy has been adopted in the TOR of the AC last reviewed in November 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to ensuring that a clear, balanced and meaningful assessment of Sime Darby Property Group's financial performance and prospects through the audited financial statements and quarterly announcement of results are provided to the shareholders and regulatory bodies. In view thereof, the Board, through the AC, oversees the process and the integrity and quality of reporting, annually and quarterly. The AC assists the Board by reviewing the financial statements and quarterly announcements of results to ensure completeness, accuracy and adequacy in the presence of external auditors and internal auditors prior to recommending the same to the Board for approval.</p> <p>The AC manages the relationship with its external auditors on behalf of the Board. The AC considers the re-appointment, remuneration and terms of engagement of the external auditors annually.</p> <p>The AC had, in March 2022, undertaken an annual assessment of the overall performance of PricewaterhouseCoopers PLT ("PwC"), which covers seven key dimensions:</p> <ol style="list-style-type: none"><li>(1) Calibre of External Auditor Firm</li><li>(2) Quality Processes/Performance</li><li>(3) Audit Team</li><li>(4) Independence and Objectivity</li><li>(5) Audit Scope and Planning</li><li>(6) Audit Fees</li><li>(7) Audit Communication</li></ol> <p>The AC also took into account the openness in communication as well as access and interactions with key leadership partners of PwC Malaysia including the Executive Chairman, Managing Partner, Head of Assurance and Head of Tax. These interactions were over and above the regular meetings and engagement with the Audit Partner and her audit team.</p>

	<p>In addition, the AC also considered information provided in PwC's 2021 Transparency Report. Amongst others are:</p> <ol style="list-style-type: none"> <li>(1) Quality of PwC's leadership and its governance structure.</li> <li>(2) Adequacy of experience and resources, in terms of capacity, qualification and competencies.</li> <li>(3) Independence of PwC and the level of non-audit services rendered by PwC.</li> <li>(4) Audit effectiveness via quality management and engagement monitoring reviews.</li> </ol> <p>PwC, in March 2022, had provided a written assurance that they are independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the audited financial statements of the Group for the FYE 31 December 2021.</p> <p>The AC was satisfied with the quality of audit, performance, competency and sufficient resources provided to the Group. The AC was also satisfied in its review that the provision of the non-audit services by PwC to Sime Darby Property during the FYE 31 December 2021 did not impair their objectivity and independence as external auditors of Sime Darby Property.</p> <p>Having considered the outcome of the annual assessment of external auditors, the Board had, in March 2022, approved the AC's recommendation for the shareholders' approval to be sought at the forthcoming 49th AGM on the re-appointment of PwC as external auditors of the Company.</p>
<b>Explanation for departure</b>	<div style="border-bottom: 1px solid black; height: 20px; width: 100%;"></div> <div style="border-bottom: 1px solid black; height: 20px; width: 100%;"></div>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	<div style="border-bottom: 1px solid black; height: 20px; width: 100%;"></div>
<b>Timeframe</b>	<div style="display: flex; border-bottom: 1px solid black;"> <div style="flex: 1; border-right: 1px solid black; height: 20px;"></div> <div style="flex: 1; height: 20px;"></div> </div>

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted															
<b>Explanation on adoption of the practice</b>	:	<p>During the financial year under review, the AC comprised four (4) members, all of whom were Independent Non-Executive Directors, who have satisfied the independence test under the MMLR of Bursa Malaysia, as follows :</p> <table><tr><th>No.</th><th>Director / Designation</th><th>Membership</th></tr><tr><td>1.</td><td>Dato' Seri Ahmad Johan Mohammad Raslan</td><td>Chairman</td></tr><tr><td>2.</td><td>Dato' Jaganath Derek Steven Sabapathy</td><td>Member</td></tr><tr><td>3.</td><td>Datin Norazah Mohamed Razali</td><td>Member</td></tr><tr><td>4.</td><td>Encik Mohamed Ridza Mohamed Abdulla</td><td>Member</td></tr></table> <p>In line with the requirements in Step Up Practice 9.4 of the MCCG 2021, the TOR of the AC have been revised and adopted on 25 November 2021 which states that the AC shall consist of not less than four (4) members, all of whom shall be Independent Directors.</p>	No.	Director / Designation	Membership	1.	Dato' Seri Ahmad Johan Mohammad Raslan	Chairman	2.	Dato' Jaganath Derek Steven Sabapathy	Member	3.	Datin Norazah Mohamed Razali	Member	4.	Encik Mohamed Ridza Mohamed Abdulla	Member
No.	Director / Designation	Membership															
1.	Dato' Seri Ahmad Johan Mohammad Raslan	Chairman															
2.	Dato' Jaganath Derek Steven Sabapathy	Member															
3.	Datin Norazah Mohamed Razali	Member															
4.	Encik Mohamed Ridza Mohamed Abdulla	Member															

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

### Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the AC, collectively, have a wide range of relevant skills, knowledge and industry experience. They are capable of providing sound advice to the Board not only in terms of financial reporting but also on internal audit and the state of the Group's risk and internal control environment.</p> <p>All Directors including the AC members had during the financial year under review, attended / participated in various training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in law, regulations, risk management and business environment. Details of the trainings or seminars attended by the members during the financial year under review are set out under Practice 4.3 of this report.</p> <p>Notwithstanding the prevailing COVID-19 pandemic and the limitations on physical activities, the Group Company Secretary facilitated the Directors' external training programmes, workshops and seminars covering areas that were considered useful and relevant to the Directors in the effective discharge of their duties. Following the individual and collective assessment of the Directors, a list of training programmes was recommended to the Board for its endorsement. An online virtual training for the Board on MCCG 2021 was organised and facilitated by the Group Company Secretary in November 2021.</p> <p>All AC members are aware of the need to continuously develop and enhance their knowledge in the area of accounting and auditing standards considering the frequent change and development in the aforesaid area. The members of the AC had continuously been briefed on the relevant changes in the financial reporting standards by the Group Chief Financial Officer and External Auditors at the AC quarterly meetings.</p>

	<p>Based on the results of the BEE exercise for the financial year under review, the Board was generally satisfied that the AC collectively and its members individually, had discharged their functions, duties and responsibilities effectively in accordance with the TOR of the AC.</p> <p>The details of the AC's activities during the FYE 31 December 2021 are set out in the Audit Committee Report on page 192 of the Annual Report 2021.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for effective risk management and internal control of Sime Darby Property Group. The Board embeds risk management practices into activities, initiatives and processes of the Group. The risk management framework has been set in place by the Board to identify, evaluate, mitigate and monitor key risks faced by the Group.</p> <p>The Board recognises that the framework is designed to mitigate rather than eliminate risks or events with significant adverse impact on the achievements of the Group's objectives and strategies.</p> <p>The Board, through the RMC, reviews the risk management framework and processes to ensure they remain relevant for use and monitors the effectiveness of risk treatment / mitigation action plans for the management and control of the key risks. The RMC deliberated the quarterly risk report which identified principal risks of the Group and the corresponding rating for each risk. The appropriate risk tolerance will depend on the nature of the projects undertaken and the objectives pursued. The risk appetite will be reviewed periodically by the RMC in response to the operating environment.</p> <p>The Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group is provided on pages 207 to 213 of the Annual Report 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has disclosed the key features of its risk management and internal control system in detail in the Statement on Risk Management and Internal Control (“SORMIC”) on pages 207 to 213 of the Annual Report 2021.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted																					
<b>Explanation on adoption of the practice</b>	:	<p>As at 31 December 2021, the RMC consists of five (5) members, all of whom were Independent Non-Executive Directors, who have satisfied the independence test under the MMLR of Bursa Malaysia, to oversee the Company's Risk Management Framework and policies.</p> <p>The members of the RMC during the financial year under review are as follows:</p> <table><tr><th>No.</th><th>Director / Designation</th><th>Membership</th></tr><tr><td>1.</td><td>Dato' Jaganath Derek Steven Sabapathy (Senior Independent Non-Executive Director)</td><td>Chairman</td></tr><tr><td>2.</td><td>Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj (Independent Non-Executive Director)</td><td>Member</td></tr><tr><td>3.</td><td>Dato' Soam Heng Choon (Independent Non-Executive Director)</td><td>Member</td></tr><tr><td>4.</td><td>Encik Mohamed Ridza Mohamed Abdulla (Independent Non-Executive Director)</td><td>Member</td></tr><tr><td>5.</td><td>Dr. Lisa Lim Poh Lin (Independent Non-Executive Director) (Appointed 1 October 2021)</td><td>Member</td></tr><tr><td>6.</td><td>Encik Rizal Rickman Ramli (Non-Independent Non-Executive Director) (Relinquished role as a member of RMC with effect from 7 May 2021, following his appointment as Chairman of the Company)</td><td>Member</td></tr></table> <p>The Board has adopted the TOR of RMC which is available on the Group's website at <a href="http://www.simedarbyproperty.com/who-we-are/corporate-governance">www.simedarbyproperty.com/who-we-are/corporate-governance</a>.</p> <p>The RMC Report is presented on pages 195 to 197 of the Annual Report 2021.</p>	No.	Director / Designation	Membership	1.	Dato' Jaganath Derek Steven Sabapathy (Senior Independent Non-Executive Director)	Chairman	2.	Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj (Independent Non-Executive Director)	Member	3.	Dato' Soam Heng Choon (Independent Non-Executive Director)	Member	4.	Encik Mohamed Ridza Mohamed Abdulla (Independent Non-Executive Director)	Member	5.	Dr. Lisa Lim Poh Lin (Independent Non-Executive Director) (Appointed 1 October 2021)	Member	6.	Encik Rizal Rickman Ramli (Non-Independent Non-Executive Director) (Relinquished role as a member of RMC with effect from 7 May 2021, following his appointment as Chairman of the Company)	Member
No.	Director / Designation	Membership																					
1.	Dato' Jaganath Derek Steven Sabapathy (Senior Independent Non-Executive Director)	Chairman																					
2.	Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj (Independent Non-Executive Director)	Member																					
3.	Dato' Soam Heng Choon (Independent Non-Executive Director)	Member																					
4.	Encik Mohamed Ridza Mohamed Abdulla (Independent Non-Executive Director)	Member																					
5.	Dr. Lisa Lim Poh Lin (Independent Non-Executive Director) (Appointed 1 October 2021)	Member																					
6.	Encik Rizal Rickman Ramli (Non-Independent Non-Executive Director) (Relinquished role as a member of RMC with effect from 7 May 2021, following his appointment as Chairman of the Company)	Member																					

### Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group Corporate Assurance ("GCA") is an in-house internal audit function which is led by a Chief Assurance Officer ("CAO") who reports functionally to the Audit Committee ("AC") and administratively to the GMD to ensure independence.</p> <p>As guided by the Group Audit Charter approved by the AC, the GCA is an independent and objective function that supports the:</p> <ol style="list-style-type: none"><li>1) Organisation in achieving its defined strategic, operational, financial and compliance objectives; and</li><li>2) Board of Directors and its Committees in discharging their governance responsibilities.</li></ol> <p>The CAO functions include, among others, as follows:</p> <ol style="list-style-type: none"><li>1) Provides regular assessment on the adequacy and effectiveness of the Group's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work;</li><li>2) Report significant issues related to the processes for controlling the activities of the company, including potential improvements to those processes and provide information concerning such issues through resolution;</li><li>3) Periodically provide information on the status and results of the annual GCA plan as well as the adequacy of resources; and</li><li>4) Design, maintain and resource an effective and efficient internal audit organisation in GCA.</li></ol> <p>To ensure that the responsibilities of GCA are fully discharged, the AC:</p> <ol style="list-style-type: none"><li>1) Recommends to the Board the appointment, transfer or dismissal of the CAO;</li><li>2) Assesses and reviews the performance and effectiveness of the CAO; and</li></ol>

	<p>3) Performs appraisal or assessment of the performance of the GCA function.</p> <p>The GCA engagements were carried out based on the audit plan for the FYE 31 December 2021 as approved by the AC. The results of the audits as disclosed in the GCA reports were reviewed by AC and discussed at quarterly AC meetings. The relevant Management members were made responsible for ensuring corrective actions on reported weaknesses were taken within the required timeframes. GCA conducted follow-up audits on key engagements to ensure that the corrective actions were implemented appropriately.</p> <p>A summary of the GCA's activities during the FYE 31 December 2021 is set out in the Audit Committee Report on pages 191 to 194 in the Annual Report 2021.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In accordance with the Group Corporate Assurance (“GCA”) Charter, the GCA acts as an independent and objective function that supports Sime Darby Property Group in achieving its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.</p> <p>The GCA is spearheaded by the Chief Assurance Officer (“CAO”), Encik Aravindan K. Devapalan who is a Fellow Member of the Chartered Association of Accountants and a member of the Malaysian Institute of Accountants.</p> <p>The GCA department is staffed by thirteen (13) internal auditors including the CAO, with relevant experience and qualifications and all of which are free from any relationship or conflicts of interest, which could impair their objectivity and independence.</p> <p>As per the Group Audit Charter, the GCA activities are governed by adherence to the Institute of Internal Auditors’ mandatory guidance including the Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (“Standards”). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the corporate governance activity’s performance.</p> <p>The Institute of Internal Auditors’ Practice Advisories, Practice Guides and Position Papers will be adhered to as applicable to guide operations. In addition, the GCA activities will adhere to the Group’s relevant policies and procedures and the assurance activity’s standard operating procedures manual which has been drawn up with reference to the Standards.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of effective, regular and transparent communications with the Group's stakeholders, institutional investors and investing public at large to provide clarity of the Group's performance and position. Sime Darby Property is committed to maintain high standards in the dissemination of relevant and material information on the Group in order to maintain effective, comprehensive and timely disclosure of information.</p> <p>The Group values constant dialogue and is committed to clear communications with its shareholders and investors. Continuous engagement is maintained with the investing community through a planned Investor Relations ("IR") programme managed by the IR unit under the patronage of the General Manager, Corporate Planning &amp; Development.</p> <p>Communication and feedback from investors can also be directed to <a href="mailto:investor.relations@simedarbyproperty.com">investor.relations@simedarbyproperty.com</a> or :</p> <p>Sime Darby Property Berhad Level 7, Block G No. 2, Jalan PJU 1A/7A Ara Damansara, PJU 1A 47301 Petaling Jaya Selangor Darul Ehsan Malaysia Tel: +603-7849 5000</p> <p>Sime Darby Property provides a section for "Investor Relations" on its website at <a href="http://www.simedarbyproperty.com">www.simedarbyproperty.com</a> which publicises the latest information on the Group such as quarterly financial results, Bursa announcements, Board Charter, TOR for Board Committees, stock performance, shareholder and dividend information, investor presentations and investor calendar.</p> <p>The Group also embraces social media, apart from its website, as an important communication channel with stakeholders as these channels allow immediate and easy access to information, as well as providing a platform to gain feedback from stakeholders.</p>

	<p>The 48th AGM of Sime Darby Property was conducted on a fully virtual basis on 6 May 2021. Active participation by the shareholders was encouraged during the AGM in which an online platform was made available to the shareholders to raise questions relevant to the AGM agenda and appropriate response and clarification were promptly provided by the Board / Management to the shareholders.</p> <p>Sime Darby Property will continue to leverage on technology to broaden its channels to disseminate information, enhance the quality of engagements with its shareholders and facilitate further participation of shareholders at the Company's general meetings as well as promote environmental sustainability and cost-efficiency.</p> <p>In line with the Securities Commission Malaysia's Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, Sime Darby Property will continue to implement remote shareholders' participation and online remote voting (or voting in absentia) at the 49th AGM by leveraging on technology in accordance with the Companies Act 2016 and the Company's Constitution.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that the integrated reporting process is an ongoing journey to improve the quality of information disclosures to stakeholders in order to promote greater transparency and accountability.</p> <p>Sime Darby Property has adopted integrated reporting since its first Annual Report in year 2018 for the FYE 30 June 2018.</p> <p>This is the fifth (5th) Annual Report that Sime Darby Property has adopted the International Integrated Reporting Framework issued by the International Integrated Reporting Council.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Sime Darby Property dispatches the notice of its 48th AGM to its shareholders at least 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act 2016 and the MMLR of Bursa Malaysia.</p> <p>The additional time given to the shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives or proxies. More importantly, it enables the shareholders to read the Annual Report, consider the resolutions and make an informed decision in exercising their voting rights at the General Meeting.</p> <p>The notice is also published in a nationally circulated newspaper as required under the MMLR of Bursa Malaysia and is made available on Group's website.</p> <p>The explanatory notes to the Notice of the AGM had provided detailed explanations for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</p> <p>An Administrative Details which furnished useful information regarding the conduct of the AGM together with the explanatory guide on remote participation and voting were circulated to the shareholders together with the Notice of the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the Government's initiative and the Securities Commission Guidance Note, the 48th AGM of Sime Darby Property was conducted on 6 May 2021 via a fully virtual basis through live streaming and online remote voting via Remote Participation &amp; Voting ("RPV") facilities which are available on Tricor Investor &amp; Issuing House Services Sdn Bhd's ("Tricor") TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>All Directors, Group Company Secretary and selected Senior Management together with external auditors were present at the 48<sup>th</sup> AGM broadcast venue in order to provide responses to questions raised by the shareholders.</p> <p>Attendance of the shareholders and proxies at the 48th AGM was encouraging as evidenced by a total of 1,003 shareholders registered through the RPV facilities at Tricor's TIIH Online website, for attendance at the 48th AGM which represented 5,723,166,708 ordinary shares, constituting 84.15% of the total issued shares of the Company. The Chairman was appointed by the shareholders as proxy representing 642,299,605 shares, which represented 9.44% of the total voting rights at the 48th AGM.</p> <p>The proceedings of the 48th AGM included the GMD presentation of the Company's overall performance and the moving forward plan of the Sime Darby Property Group. The GMD also shared with the shareholders the Company's responses to the questions submitted in advance by the Minority Shareholders Watch Group ("MSWG").</p> <p>In order to enhance the efficiency of the proceedings of the 48th AGM, shareholders were encouraged to submit the questions to the Board in advance via Tricor's TIIH Online website or write directly to the Company. During the proceedings of the 48th AGM, shareholders are encouraged to post their queries in the query box in order to transmit their questions online.</p> <p>All queries raised were responded to by the Board during the 48th AGM.</p>

<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the Government's initiative and the Securities Commission Guidance Note, the 48th AGM of Sime Darby Property was conducted on 6 May 2021 via a fully virtual basis through live streaming and online remote voting via Remote Participation &amp; Voting ("RPV") facilities which were available on Tricor Investor &amp; Issuing House Services Sdn Bhd's ("Tricor") TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>An Administrative Details which furnished useful information regarding the conduct of the AGM together with the explanatory guide on remote participation and voting were circulated to the shareholders together with the Notice of the AGM.</p> <p>The remote voting at the 48th AGM commenced from the start of the 48th AGM until the time the Chairman announced the completion of the voting session at the 48th AGM. The representative from Tricor briefed the shareholders on the online remote voting procedure.</p> <p>The Scrutineers, Deloitte Risk Advisory Sdn Bhd, upon verification of the poll results, announced the results for each resolution, which included votes in favour and against, upon which the Chairman of the Meeting declared whether the resolutions were carried. The poll results were also announced by Sime Darby Property via Bursa LINK on the same day for the benefit of all shareholders. Minutes of the 48th AGM were also made available on Group's website.</p> <p>Sime Darby Property will continue to leverage on technology to enable remote shareholders' participation and online remote voting (or voting in absentia) at the 48th AGM in accordance with Section 327 (1) and (2) of the Companies Act 2016 and Rule 72 of the Company's Constitution. Shareholders who attended the 48th AGM via remote participation were encouraged to submit their questions to the Board in advance via Tricor's TIIH Online.</p>

<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

## Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Chairman had, at the commencement of the 48th AGM of Sime Darby Property, briefed the shareholders, corporate representatives and proxies present virtually of their right to exercise their rights to vote and pose questions on the resolutions set out in the Notice of the 48th AGM dated 28 April 2021.</p> <p>The GMD took the opportunity to engage with the shareholders by giving a brief presentation on the following:</p> <ol style="list-style-type: none"><li>1) Key Highlights of Sime Darby Property in 2020, which includes, among others, the Key Milestones, Financial, Operational and ESG Highlights, Impact of COVID-19, and Financial &amp; Operational Performance.</li><li>2) Total Shareholder Return and Dividend Payout Trend.</li><li>3) Strategy Moving Forward guided by four (4) Corporate Priorities (Broaden Income Streams, Deepening Competencies, Initiate Digital Transformation and Develop New Capabilities) to pivot the Group's business, underpinned by seven (7) Focus Areas (Operational Excellence, Organisational Excellence, Safety &amp; Sustainability, Customer First, Tech &amp; Innovation, Branding &amp; Communication, and New Revenue Streams).</li></ol> <p>All eight (8) Directors and Senior Management were present at the 48th AGM, physically and virtually, to provide responses to the questions posed by the shareholders via TIH Online website at <a href="https://tiih.online">https://tiih.online</a> in relation to the agenda items of the 48th AGM, prior to and during the AGM.</p> <p>The questions posed by shareholders were displayed on the screen for the participants of the meeting whilst the questions were read by the GMD and responded to accordingly.</p>

	<p>The questions raised and responses given for the 48th AGM of the Company were uploaded to <a href="http://www.simedarbyproperty.com/investor-relations/shareholders">www.simedarbyproperty.com/investor-relations/shareholders</a>. Questions that were received after the Q&amp;A session ended were responded to by the Company via e-mail after the 48th AGM.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

## Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In view of the health and safety concerns relating to COVID-19, the 48<sup>th</sup> AGM held on 6 May 2021 was conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation &amp; Voting (“RPV”) facilities which were available on Tricor Investor &amp; Issuing House Services Sdn Bhd’s (“Tricor”) TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>. Above Creative Events (M) Sdn Bhd was engaged to provide audio and visual support services to broadcast the proceedings of the AGM.</p> <p>The questions posed by Shareholders had been captured and transmitted to the Company for action and response, prior to and during the 48th AGM. During the 48th AGM, shareholders submitted their questions in real time (in the form of typed text) through the Query Box provided in the RPV facilities. The questions posed and responded to were made visible to all participants during the meeting.</p> <p>The RPV facilities allow shareholders to vote on the proposed Resolutions on the Agenda and submit their votes at any time from the commencement of the AGM and before the end of the voting session. The Poll Administrator also briefed the shareholders through its video presentation on the e-voting procedures to facilitate the e-voting process at the start of the AGM. The poll results were verified and announced by the Independent Scrutineers, Deloitte Risk Advisory Sdn Bhd.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Minutes of 48th AGM held on 6 May 2021 was published on the Group's website together with the following documents at <a href="https://www.simedarbyproperty.com/investor-relations/shareholders">https://www.simedarbyproperty.com/investor-relations/shareholders</a>:</p> <ol style="list-style-type: none"> <li>1) Presentation deck by the GMD on the FY2020 Highlights, Shareholders' Returns and Mowing Forward Strategy.</li> <li>2) Reply Letter to MSWG dated 26 April 2021.</li> <li>3) Post Meeting Response to Questions Raised by Shareholders.</li> </ol>
<b>Explanation for departure</b>	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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