

1. INTRODUCTION

- 1.1 Yayasan Sime Darby (the Yayasan) is the philanthropic arm of SD Guthrie Berhad (formerly known as Sime Darby Plantation Berhad), Sime Darby Berhad, and Sime Darby Property Berhad, which are Group Members of the Yayasan.
- 1.2 The Yayasan was established as a non-profit organisation, limited by guarantee, to receive and administer funds for education, scientific and charitable purposes focusing on five (5) pillars of Education, Community & Health, Environment, Sports and Arts & Culture.
- 1.3 The management of the business and funds of the Yayasan is vested in the Governing Council (the Council) who is accountable to ensure that the Yayasan achieves the purposes set forth in its Memorandum & Articles of Association (M & A).
- 1.4 This Governing Council Charter outlines the roles, duties and responsibilities of the Council and the governance practices applicable to the Council.
- 1.5 This Governing Council Charter is subject to the provisions of the Companies Act 2016 (Companies Act) or any amendments thereto, the M & A, the Corporate Governance Framework of the Yayasan and any other applicable law or regulatory requirements.

2. GOVERNANCE STRUCTURE AND COMPOSITION

- 2.1 The Council comprises of a minimum of three (3) and maximum of nine (9) members.
- 2.2 50% or more of the Council members are independent.
- 2.3 The independent Council members shall possess suitable technical expertise, experience, skills, characteristics, competencies, mindset, and a subject matter expert in at least one (1) of the five (5) pillars of the Yayasan.
- 2.4 The Council members are not active politicians.
- 2.5 The tenure of an independent Council member will be subject for renewal every three (3) years and will not exceed a cumulative term of nine (9) years. If the

Yayasan intends to retain an independent Council member beyond this term, it must disclose the reasons for doing so in its Annual Report.

- 2.6 The Council shall also regularly review its membership to ensure that the Council will remain relevant, while ensuring measures are in place for orderly succession planning.

3. ROLE OF THE COUNCIL

- 3.1 The Council must act in the best interest of Yayasan and is responsible for:
- 3.1.1 overseeing the conduct of the Yayasan, and promoting a strong culture of professionalism, values and ethics.
 - 3.1.2 overseeing the formulation and monitoring the adoption of strategic plans for the Yayasan.
 - 3.1.3 overseeing the governance framework, risk management practices, and internal controls systems.
 - 3.1.4 overseeing the appointment of the Council members and the Chief Executive Officer.
 - 3.1.5 reviewing and deciding on presented project/initiative proposals for the Yayasan, and monitoring their implementation.
 - 3.1.6 supervising and assessing the performance of the Yayasan, including the Chief Executive Officer and the management team.
- 3.2 The Matters Reserved for the Council include:
- 3.2.1 the strategy, plans and budget for the Yayasan.
 - 3.2.2 sponsorship proposals exceeding the authority limits of the Chief Executive Officer.
 - 3.2.3 change of the Chief Executive Officer.
 - 3.2.4 changes in key policies, procedures and limits of delegated authority.

4. ROLE OF THE CHAIRMAN

- 4.1 The Chairman presides over the Council meetings and is responsible for:
- 4.1.1 providing leadership, instilling good corporate governance practices, and ensuring effectiveness of the Council.
 - 4.1.2 being the spokesperson for the Council.
 - 4.1.3 managing the Council meetings.

4.1.4 ensuring appropriate actions are put in place to establish effective communications with the stakeholders of Yayasan.

4.1.5 guiding and advising the Chief Executive Officer.

5. ROLE OF THE COUNCIL MEMBERS

5.1 The Council members will, at all times:

5.1.1 act in good faith in the best interest of the Yayasan.

5.1.2 act within the applicable legal and regulatory framework applicable to each of the Council members and the Yayasan.

5.1.3 exercise reasonable care, skill, and diligence.

5.1.4 only exercise powers conferred upon them.

5.1.5 avoid any conflict of interest and to disclose as well as abstain from voting on matters involving personal interest, if any.

5.1.6 provide sound and independent judgement.

5.1.7 devote sufficient time to prepare for and attend the Council meetings.

6. ROLE OF THE CHIEF EXECUTIVE OFFICER

6.1 The Chief Executive Officer directly reports to the Council Chairman.

6.2 The Chief Executive Officer is responsible for the day-to-day operations of the Yayasan and implements the policies, strategies and decisions of the Council.

6.3 The Chief Executive Officer is responsible to ensure the provision of accurate, timely and clear information to the Council, for the Council to discharge its duties effectively.

7. ROLE OF THE COMPANY SECRETARY

7.1 The Company Secretary must attend the Council meetings and is responsible to ensure that the proceedings of the meetings are recorded, and the minutes are circulated in a timely manner.

7.2 The Company Secretary is also responsible for:

7.2.1 scheduling and arranging the Council meetings to ensure its smooth running.

7.2.2 drawing up the Council meeting notice and agenda for timely issuance to the Council members.

7.2.3 drafting the resolutions in writing.

7.2.4 managing the processes of the Annual General Meeting of the Yayasan.

8. CODE OF ETHICS AND CONDUCT

8.1 The Council must commit itself to ethical, business-like, and lawful conduct, including propose use of authority and appropriate decorum.

8.2 Whistleblowing complaints on any wrongdoings in the Yayasan can be reported through the whistleblowing channels of the Yayasan's Group Members namely SD Guthrie Berhad, Sime Darby Berhad, and Sime Darby Property Berhad; for appropriate actions.

9. INDUCTION FOR NEW COUNCIL MEMBERS

9.1 All new Council members will be required to attend an induction session on the Yayasan.

10. THE COUNCIL MEETINGS

10.1 Frequency

10.1.1 The Council will meet at least four (4) times in a financial year, with additional meetings to be convened as and when required.

10.1.2 All Council members must endeavour to attend all or must at least attend fifty percent (50%) of the Council meetings held in each financial year.

10.2 Notice and Agenda

10.2.1 The notice and agenda of the meeting as duly endorsed by the Chairman, together with the Council meeting papers will be distributed at least five (5) working days before the Council meeting.

10.3 Quorum

10.3.1 The quorum for the Council meeting shall be a minimum of two (2) Council members, including one (1) representative of the Group Members of the Yayasan.

10.3.2 In the absence of the Chairman, the Council members present shall elect a Chairman from amongst them to chair the Council meeting.

10.4 Meeting Mode

10.4.1 The Council meeting shall be conducted in person or via alternative modes of attendance such as via telephone or video conference or other appropriate means.

10.4.2 The Council may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via resolution in writing. The resolution in writing signed by all the Council members present in Malaysia shall be as valid and effectual as it has been passed at the Council meeting duly convened.

10.5 Meeting Minutes

10.5.1 Meeting minutes shall be distributed to Council members and shall be approved by the Chairman at the next Council meeting.

10.6 Voting

10.6.1 All resolutions of the Council shall be adopted by a simple majority vote, each Council member having one (1) vote. In case of equality of votes, the Chairman shall have a second or casting vote.

10.6.2 A Council member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

10.6.3 Any Council member may, in writing, appoint any person, approved by the majority of the Council, to be his alternate to act in his stead at any Council meeting at which he/she is unable to be present.

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