



24-04-2024

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5285  
**COMPANY NAME** : SIME DARBY PLANTATION BERHAD  
**FINANCIAL YEAR** : 31 December 2023

### **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 TO 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 promotes and protects the interests of the Sime Darby Plantation Berhad (SD Plantation or the Company) Group (the Group), i.e. the shareholders and stakeholders of the Group. The Board shoulders the ultimate responsibility of determining the direction of the Group, thereby ensuring its long-term success and delivery of sustainable value to stakeholders. The Board provides leadership and advice in fine-tuning corporate strategies, championing good governance and ethical practices, and ensures the effective execution of these strategies.</p> <p><b><u>Principal Responsibilities of the Board</u></b></p> <p>The Board is principally responsible for:</p> <p>a) Promoting together with Senior Management, good corporate governance culture within the Group which reinforces ethical, prudent, and professional behaviour.</p> <p>b) Reviewing and adopting a strategic plan for the Group</p> <ul style="list-style-type: none"><li>• Review, challenge and approve Management's proposal on a strategic plan for the Group by bringing objectivity and breadth of judgment to the strategic planning process;</li><li>• Ensure that the strategic plan for the Group supports long-term value creation and includes strategies on economic, environmental, social, and governance (ESG), as well as safety &amp; health considerations underpinning sustainability; and</li><li>• Monitor the implementation of the strategic plan by Management.</li></ul>

	<p>c) Overseeing the conduct of the Group’s business</p> <ul style="list-style-type: none"> <li>• Oversee the conduct of the Group’s business, including the formulation of strategy and performance objectives, control and accountability systems, corporate governance framework, risk management practices and human capital management;</li> <li>• Approve and monitor the progress of major capital expenditure, fund-raising, acquisitions and divestitures;</li> <li>• Supervise and assess the performance of Management to determine whether the business is being properly managed and ensure that appropriate measures are in place against which Management’s performance can be assessed;</li> <li>• Review, challenge, and decide on Management’s proposals for the Group and monitor their implementation by Management; and</li> <li>• Monitor compliance with established policies and procedures.</li> </ul> <p>d) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures</p> <ul style="list-style-type: none"> <li>• Understand the principal risks of the Group business and recognise that business decisions involve the taking of appropriate risks;</li> <li>• Fulfil statutory and fiduciary responsibilities by monitoring the operational, financial and risk management processes of the Group and ensuring that internal control procedures are in place;</li> <li>• Set the risk appetite within which the Board expects Management to operate and ensure that there is a sound risk management framework to identify, analyse, evaluate, manage, and monitor significant financial and non-financial risks; and</li> <li>• Comply with environment, safety, and health legislation by understanding the operations being carried out by employees and the hazards and risks associated with such operations.</li> </ul> <p>e) Succession Planning</p> <ul style="list-style-type: none"> <li>• Ensure Senior Management has the necessary skills and experience; and</li> <li>• Ensure measures are in place to provide for orderly succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing Senior Management.</li> </ul>
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f) Overseeing the development and implementation of a stakeholder communications policy for the Group

- Ensure that the Group has in place a policy to enable effective communication with its stakeholders. This policy should include how feedback received from its stakeholders is considered by the Group when making business and other decisions.

g) Reviewing the adequacy and integrity of the management information and internal control systems of the Group

- Ensure that there is a sound framework for reporting on internal controls and regulatory compliance;
- Review the efficiency and quality of the Group's financial reporting process and systems of accounting and internal controls; and
- Ensure the integrity of the Group's financial and non-financial reporting.

The Board Charter, which details the roles and responsibilities of the Board, is available in the Corporate Governance section on SD Plantation's website at [www.simedarbyplantation.com](http://www.simedarbyplantation.com).

#### **Leadership by the Board**

The Board is cognisant of its critical role in governing and setting the strategic direction of the Group, while upholding a high standard of corporate governance in providing valuable oversight and guidance to Management to navigate difficult and complex issues that affect the achievement of the Group's medium to long term targets. The Board ensures that decisions taken are in the best interest of the Group and its stakeholders.

The Board is composed of persons with the necessary calibre and experience to drive the Group through transformation into the next phase of growth, which is to innovate, execute, and create value.

Through good governance practices, the Board promotes and protects the interests of the Group and its stakeholders. For the Board, governance is not just about adherence to a set of recommendations, but rather a way of doing business. Thus, the Board is committed to putting governance at the heart of everything it does and in line with this commitment, the Group has adopted a governance framework based on the following principles:

- To promote greater transparency, accountability and responsiveness;

	<ul style="list-style-type: none"> <li>• To balance the operating autonomy of the various Group Companies with appropriate checks and balances and performance benchmarks; and</li> <li>• To cultivate ethical business conduct and instil desired behaviours based on the Group’s espoused Core Values and Business Principles as set out in the Code of Business Conduct (COBC).</li> </ul> <p>The Board also ensures that there is effective, transparent, and regular communication with the Group’s stakeholders. This includes continuous engagements with stakeholders such as investors, policymakers, peers, and non-governmental organisations, which allows the Group to align its strategy with their expectations whilst keeping itself ahead of the curve.</p> <p>For further information on the key activities of the Board and Board Committees for the financial year ended 2023, please refer to the Integrated Report 2023, which is also available on SD Plantation’s website, in the Investor Relations section, at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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

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 Chairman presides over meetings of Directors and is responsible for instilling good corporate governance practices, leadership, and the effectiveness of the Board. The duties of the Board Chairman include the following:</p> <p>a) Leading and managing Board meetings to ensure robust decision-making by:</p> <ul style="list-style-type: none"><li>• setting the agenda for each Board meeting together with the Group Secretary and the Group Managing Director (GMD). Other Directors and key members of Management may also be consulted;</li><li>• ensuring the provision of accurate, complete, timely and clear information to the Directors;</li><li>• leading Board meetings and discussions;</li><li>• managing boardroom dynamics by promoting a culture of openness and debate; encouraging active participation and allowing dissenting views to be freely expressed; and</li><li>• ensuring all Directors are properly briefed on issues arising at Board meetings in a timely manner.</li></ul> <p>b) Building a high-performance Board by:</p> <ul style="list-style-type: none"><li>• providing leadership for the Board so that the Board can perform its responsibilities effectively;</li><li>• taking a leading role in establishing an effective corporate governance system and practices, including the Board and Committee Charters, and a Committee structure; and ensuring that induction, as well as ongoing education programmes for Directors, are in place;</li><li>• arranging regular evaluation of the performance of the Board, its Committees and individual Directors;</li><li>• ensuring that prior to new appointments to the Board, an assessment is undertaken on the candidate, which may include competency and behavioural analysis of the candidate and seeking third party feedback; and</li><li>• ensuring that the Board and Senior Management succession planning is considered on an ongoing basis.</li></ul> <p>c) Managing Board and Management interface by:</p> <ul style="list-style-type: none"><li>• acting as the conduit between Management and the Board, although all Directors shall have the opportunity to get to know</li></ul>

	<p>key members of the Management team;</p> <ul style="list-style-type: none"> <li>• developing a positive relationship with the GMD, acting as a confidant and advisor; and</li> <li>• facilitating the selection and appointment of a successor to the current GMD.</li> </ul> <p>d) Being the public face of the Group by:</p> <ul style="list-style-type: none"> <li>• acting as a spokesperson for the Board; and</li> <li>• representing the Company at shareholders' meetings and on other occasions when actions are taken or statements are made in the name of the Group, both domestically and abroad.</li> </ul> <p>e) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.</p> <p>The roles and responsibilities of the Board Chairman are specified in the Board Charter, which is available on SD Plantation's website, in the Corporate Governance section, at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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 1.3

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 Board supports the principle of different individuals for the roles of Chairman and Chief Executive Officer (CEO). This principle is beneficial to the effective functioning of the Board and facilitates a powerful check and balance mechanism.</p> <p><b><u>The Chairman</u></b></p> <p>Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani was appointed to the Board on 16 June 2022 and subsequently redesignated as the Company's Chairman on 30 June 2023. The Chairman leads the Board in setting the Company's key policies and direction, ensures effective operation of the Board and is the spokesperson for the Board. He principally ensures that the Board fulfils its obligations under the Board Charter and as required under the relevant legislation.</p> <p><b><u>Group Managing Director</u></b></p> <p>Datuk Mohamad Helmy Othman Basha was appointed as the GMD on 1 July 2019 to lead the Group in its overall operations. He ensures effective implementation of the Board's policies, drives the strategic vision and performance targets, exercises high-level business judgement, and manages the relationship with stakeholders and the interface with the public.</p> <p><i>(Note: The GMD has similar duties of a CEO. The GMD is a member of the Board.)</i></p> <p>The roles and responsibilities of the Chairman and GMD are encapsulated in the Board Charter, which is available on SD Plantation's website, in the Corporate Governance section, at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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 1.4

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

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	<p>The Chairman of the Board, Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani is neither a member of the GAC nor is he a member of the Nomination &amp; Remuneration Committee (NRC).</p> <p>The Chairman of the Board is also not a member of the other Board Committees, namely Risk Management Committee (RMC), Sustainability Committee (SC) and Board Tender Committee (BTC).</p> <p>The Terms of Reference (TOR) of all the Board Committees clearly stipulate that the Chairman of the Board shall not be a member of the Board Committees.</p> <p>The TOR and composition of GAC and NRC are available online on SD Plantation's website, in the Corporate Governance section at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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 1.5

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 Board shall ensure that it is supported by a suitably qualified and competent Group Secretary, who plays an important advisory role and fulfils the functions for which he/she has been appointed.</p> <p>At SD Plantation, the function of the Group Secretary is not combined with any other position. This is to ensure that the Group Secretary's role, which requires impartiality when providing advice on governance issues, is not compromised.</p> <p>Azrin Nashiha Abdul Aziz is the Group Secretary of the Company, a position she has held since 1 February 2020.</p> <p>Azrin holds a degree in Law from the University of Newcastle-Upon-Tyne, United Kingdom and a Certificate in Legal Practice from the Legal Profession Qualifying Board, Malaysia. She also holds a Postgraduate Diploma in Strategic Management from the University of Technology Malaysia. She is qualified to act as company secretary under Section 235(2) of the Companies Act (CA) 2016 and is also registered with the Companies Commission of Malaysia under Section 241 of the CA 2016. She is licensed by the Registrar of Companies and an affiliate of the Malaysian Institute of Chartered Secretaries and Administrators.</p> <p>The Group Secretary, as key resource support, ensures that the Board operates effectively, and that high standards of governance practices are upheld.</p> <p>The role of the Group Secretary includes:</p> <ul style="list-style-type: none"><li>• Advising the Board on its roles and responsibilities;</li><li>• Facilitating the orientation of new Directors and assisting in Directors' training and development;</li><li>• Advising the Directors on corporate disclosures and compliance with company and securities regulations as well as listing requirements including:<ul style="list-style-type: none"><li>– disclosure of interests in securities;</li><li>– disclosure of any conflict of interest in a transaction involving the Group;</li><li>– prohibition of dealing in securities; and</li><li>– restrictions on disclosure of price-sensitive information.</li></ul></li><li>• Managing processes pertaining to shareholders' meetings;</li></ul>

	<ul style="list-style-type: none"> <li>Monitoring corporate governance development and assisting the Board in applying governance practices to meet the Board’s needs and stakeholders’ expectations; and</li> <li>Serving as a focal point for stakeholders’ communication and engagement on corporate governance issues.</li> </ul> <p>The Group Secretary organises and provides assistance at Board and Board Committee meetings. In this respect, the Group Secretary has the following key responsibilities:</p> <ul style="list-style-type: none"> <li>Assists the Chairman in planning the Board activities;</li> <li>Drafts the schedule of Board activities for the financial year;</li> <li>Ensures meetings are arranged and held accordingly;</li> <li>Draws up meeting agendas in consultation with the Board Chairman and GMD;</li> <li>Ensures the presence of a quorum at the meeting;</li> <li>Attends Board and Board Committee meetings, ensures proper recording of discussions and timely circulation of minutes;</li> <li>Ensures that the issues raised at the Board and Board Committee meetings are communicated to the appropriate Management for action;</li> <li>Ensures structured communication channels between the Board and Board Committees; and</li> <li>Ensures Board Committees’ recommendations presented to the Board are supported by papers that explain the rationale for the Committees’ recommendations.</li> </ul> <p>The Group Secretary, who is also a member of the Company’s Plantation Leadership Committee (PLC), works closely with the GMD to ensure timely and appropriate information flow between the Board, Board Committees and PLC.</p> <p>The Group Secretary’s position is subject to a fixed tenure. The renewal of the contract, together with the performance of the Group Secretary is tabled to the NRC and the Board for recommendation and approval, respectively.</p> <p>The profile of the Group Secretary is available online on SD Plantation’s website, in the Our Leaders section, at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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.

Application	: Applied
Explanation on application of the practice	<p><b><u>Meeting materials</u></b></p> <p>The Board and Board Committees' meeting schedules, together with their agendas are made available before the first quarter of each financial year to allow for adequate preparation before the meetings. The schedules map out the flow of key items of business to ensure that sufficient time is set aside for discussion.</p> <p>The Board Charter and the TOR of the Board Committees stipulate that relevant documents and information shall be distributed at least five (5) working days prior to each meeting.</p> <p>Apart from sensitive/confidential papers, Board materials are disseminated electronically using a Board Meeting Management Solution (Solution), which provides Directors with secure access to meeting papers globally. The Solution is a paperless Board meeting initiative that has made conference calls with Directors who are travelling more effective. In general, the Solution has improved the efficiency with which meeting materials are disseminated.</p> <p>Meeting agendas are sequenced by taking into consideration the complexity of the proposals and whether they are items for approval or noting by the Board. Board papers deemed urgent may be included to the agenda for tabling at Board and Board Committee meetings, subject to the approval of both the Chairman and the GMD. Effective Board meeting agendas set the tone for the meetings and encourage a more engaged and focussed discussion. These are done in order for Board meetings to be more effective and to enable in-depth deliberation of matters. Issues raised, deliberations and decisions including dissenting views made at Board meetings are recorded in the minutes.</p> <p>Senior Management may be required to make presentations on proposal papers and brief/update the Board on operational issues to further facilitate the Board's decision-making process.</p> <p>All the Directors have direct access to the advice and services of the Group Secretary, whether as the full Board or in their individual capacity, in the furtherance of their duties.</p>

	<p><b><u>Minutes circulation</u></b></p> <p>The minutes of the meeting record the deliberations and decisions of the Board. The minutes include compiled Board instructions as Matters Arising for discussion at each Board meeting to ensure proper follow-through.</p> <p>The minutes are distributed to Board members and approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.</p> <p>Every Board member is responsible for ensuring that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter.</p> <p>The Group Secretary is responsible for ensuring that the proceedings of meetings are recorded, and the minutes circulated in a timely manner in accordance with the Board Charter or Terms of Reference of the Board Committees.</p>	
<p><b>Explanation for departure</b> :</p>		
<p>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

### 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 sets out the Board's strategic intent and outlines the roles and powers that the Board specifically reserves for itself, and those which it delegates to Management and, in so doing, also sets the tone of the various Board Committees.</p> <p>Specific matters reserved for the Board include:</p> <ul style="list-style-type: none"><li>• Group strategy, plans and budgets;</li><li>• Acquisitions, disposals and transactions exceeding the authority limits of the GMD;</li><li>• Changes to Senior Management; and</li><li>• Changes in the key policies, procedures, and delegated authority limits of the Group.</li></ul> <p>Paragraph 17 of the Board Charter specifies that the Charter and the TOR of each Committee established by the Board shall be periodically reviewed and updated by the Board taking into consideration the needs of the Group as well as any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities. On 21 February 2024, the Board Charter was revised to incorporate the administrative amendment on the frequency of the review of the required mix of skills, experience, and other requisite qualities of Directors to be consistent with the TOR of the NRC.</p> <p>The Board Charter is available in the Corporate Governance section on SD Plantation's website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p> <p>Reports on each of the Board Committees are featured in the Company's Integrated Report 2023, which is available on SD Plantation's website, in the Annual Reports and Presentations section, at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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**

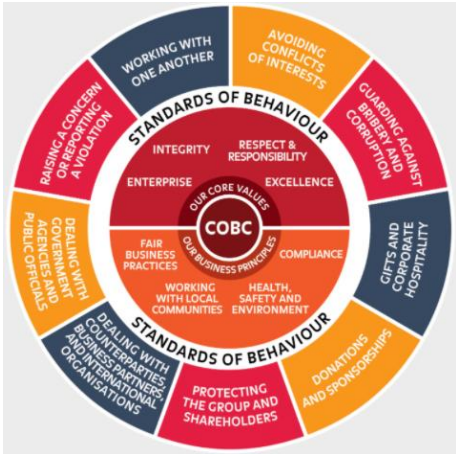
The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency, and fairness.

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

**Practice 3.1**

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.

<p><b>Application</b> :</p>	<p>Applied</p>
<p><b>Explanation on application of the practice</b></p>	<p>The Board formalises and maintains a set of ethical standards of behaviour expected of all Directors, employees and, where applicable, counterparties and business partners to address potential issues in managing conflicts of interest and preventing the abuse of power, corruption, insider trading, and money laundering. These are integrated into Group-wide management practices which include:</p> <p><b>1. Code of Business Conduct</b></p> <p>The standards of behaviour are derived from the Group’s Core Values of (i) Integrity (ii) Respect &amp; Responsibility (iii) Enterprise and (iv) Excellence as well as Business Principles comprising (i) Fair business practices (ii) Working with local communities (iii) Health, safety, and environment and (iv) Compliance.</p> <p>The COBC applies to all Directors and employees of the Group. This includes employees on secondment to joint ventures, affiliates, or associates. Counterparties are also expected to comply with the COBC while business partners are encouraged to adopt similar principles and standards of behaviour. The COBC applies to all businesses and countries in which the Group operates.</p> 



All Directors and employees are expected to make business decisions in the best interests of the Group by avoiding conflicts of interest and situations that have the potential to generate conflicts of interest. Actual or potential conflict must be disclosed via the Conflict of Interest (COI) Declaration Form as soon as the situation arises, in accordance with procedures set out in the Group COI Guidelines. The form is available online on SD Plantation's website, in the Corporate Governance section, at [www.simedarbyplantation.com](http://www.simedarbyplantation.com).

The COBC is accessible on SD Plantation's website, intranet, and Nadi, which is the Human Resources Management System. It's understanding among employees is enforced via a combination of physical and video briefings as well as collaterals, quizzes, surveys, and infographics. All Directors and employees are required to sign an attestation to acknowledge compliance with the COBC and their understanding of the rules, principles and policies outlined in the COBC.

## **2. Vendor Code of Business Conduct**

The Vendor Code of Business Conduct (VCOBC) emphasises the Group's commitment to work closely with its vendors (such as service providers, suppliers, contractors, and consultants) to ensure that SD Plantation's values and principles are carried through in every aspect of its business operations by outlining the standards of behaviour required from the vendors when conducting work for the Group. A VCOBC awareness programme is conducted for key vendors to ensure their understanding and compliance with the values and principles advocated in the VCOBC.

This VCOBC applies to:

- All vendors of the Group when conducting work for the Group.
- All vendor's subsidiaries, affiliates, and all other parties that they have appointed to conduct work for the Group.

For further details, refer to the VCOBC and Vendor COI Declaration Form which is available in the Procurement section on SD Plantation's website, at [www.simedarbyplantation.com](http://www.simedarbyplantation.com).

## **3. Vendor Integrity Pledge**

Vendors intending to conduct business transaction(s) with the Group are required to sign off the Vendor Integrity Pledge (VIP), as a formal affirmation of the vendor's commitment to comply with the VCOBC and all applicable laws or regulations, as well as to avoid engaging in any practice that can be construed as bribery, corruption, or fraud. It is a requirement for vendors to sign the VIP upon registration to enable them to be selected as prospective vendors and subsequently be included in SD Plantation's Approved Vendor List (once pre-qualification requirements and procedures have taken place).

For further details, refer to the VIP which is available in the Procurement section on SD Plantation's website, at [www.simedarbyplantation.com](http://www.simedarbyplantation.com).

#### **4. Anti-Corruption**

As an organisation that understands the importance of combatting corruption, SD Plantation had obtained the ISO 37001: 2016 Anti-Bribery Management System certification in October 2020 and its principles are encapsulated within the Group's Anti-Corruption Compliance Framework (Framework). In September 2023, SD Plantation was re-certified with no non-conformance reported. The Framework takes cognisance of the Group's global operating footprint, in consideration of, among others, the nature of activities, business norms, organisation structure, regulatory requirements, as well as the needs and expectations of its stakeholders.

The Framework promotes the implementation and enforcement of effective systems to counter corruption by providing the principles and guidelines to address corruption risks in a coordinated and consistent manner and defining roles, responsibilities, and accountabilities of key parties within the Group.

Among others, this Framework entails the development of relevant policies and procedures on corruption management, corruption risk assessment as well as relevant training and awareness programmes for Directors and employees. The Group also adopted a "No Gift Policy" where employees are prohibited from offering, soliciting, or accepting any form of gifts or using any form of corporate hospitality to influence business decisions.

Where applicable, the requirements of this Framework are extended to counterparties and business partners in ensuring that anti-corruption and bribery initiatives are applied throughout the supply chain in promoting a corruption-free business environment. The Group's "Commitment in Combatting Corruption" is made publicly available via the Anti-Corruption Policy Statement on SD Plantation's website.

The Framework complements the Group's conformance to the Corporate Integrity System Malaysia (CISM) framework on the establishment of suitable corruption prevention policies as recommended by the Malaysian Anti-Corruption Commission for the private sector.

#### **5. Policies and procedures**

Policy instruments refer to policies, procedures and guidelines which serve as a backbone for achieving best practices and streamlining internal processes. Key among these is the Group Policies & Authorities (GPAs) which define the lines of responsibility, accountability, and authority limits and represent a formal delegation

	<p>of the Board’s powers and functions to Management. The GPAs are designed to empower Management to achieve business objectives within the boundaries of business ethics and governance. Thereafter, policies, procedures and guidelines are developed to support the achievement of the principles stipulated in the GPAs, all of which, are mandatory to be complied with by Directors and employees of the Group.</p> <p>All policy instruments are reviewed and revised, as appropriate, on a periodic basis to ensure that they are relevant to the current operating environment and reflect intended practices. To increase the understanding and awareness among employees of their obligations within the Group’s governance framework, these policy instruments are accessible via the Group intranet and socialised via online briefings and infographics.</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 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>The whistleblowing process embodies the Group's commitment to maintaining an open and supportive working environment in which stakeholders can report instances of wrongdoings on a confidential basis without fear of retaliation. The Group takes a serious view of any wrongdoing on the part of any of its employees, Management, Directors, and vendors, with respect to their obligations to the Group's interests and all reports made in good faith are investigated, regardless of the length of service, position/title, relationship or connection of the alleged parties to the Group.</p> <p>In this regard, the Board establishes, reviews, and with Management, implements appropriate policies and procedures on whistleblowing at the Group level. The oversight of the whistleblowing function is under the purview of the GAC Chairman, who ensures that all reported violations are properly investigated. The GAC Chairman is also responsible for reviewing the effectiveness of the actions taken in response to all concerns raised. In discharging his duties, the GAC Chairman is assisted by the Whistleblowing Unit (WBU) which is housed under the independent Group Integrity, Governance &amp; Assurance Department (GIGA).</p> <p>Parties can report a whistleblowing complaint if they are aware of any wrongdoings, including, but not limited to the following:</p> <ul style="list-style-type: none"><li>• Violation or risk of violation of any laws and regulations including but not limited to laws of Malaysia, the Netherlands, the United Kingdom (UK), Papua New Guinea and Solomon Islands (PNG &amp; SI), Indonesia, Thailand, Singapore, South Africa, and all other countries where the Group operates and/or has business dealings;</li><li>• Acts or omissions which are deemed to be against the reputation, goodwill or interest of the Company and where public interest is at stake e.g. a risk or impending risk to public health, human safety and environmental damage;</li><li>• Human rights abuses;</li><li>• Harassment and violence, both physical and verbal; Fraud, including but not limited to the following:<ul style="list-style-type: none"><li>– Act of corruption such as conflicts of interest, bribery, kickbacks;</li><li>– Misappropriation of assets;</li><li>– Financial statement fraud;</li></ul></li></ul>

- Criminal breach of trust;
- Abuse of power or position;
- Giving false or misleading information to internal or external stakeholders including public bodies. This includes suppression, manipulation or destruction of any material fact or information;
- Other criminal offences;
- Breaches of any Group policies and/or COBC; or
- Deliberate concealment of any of the above matters or other acts of wrongdoing.


Whistleblowing channels are established to help all stakeholders raise concerns, without fear of retaliation, on any wrongdoing that they may observe in the Group. Any party retaliating against someone who has reported wrongdoing in good faith may be subject to appropriate action, including legal action, where applicable.

To facilitate reporting of whistleblowing complaints, complaints can be lodged via various channels (website, email, telephone, WhatsApp, postal box) throughout SD Plantation’s global operations, as provided below:



Whistleblowing e-Form at Sime Darby Plantation Corporate Website

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Emails:  
 GAC Chairman:  
[gacchairman@simedarbyplantation.com](mailto:gacchairman@simedarbyplantation.com)  
 Whistleblowing Unit:  
[whistleblowing@simedarbyplantation.com](mailto:whistleblowing@simedarbyplantation.com)

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Calls to Toll Free Numbers (Malaysian Office Hours; GMT+8 hours):

Malaysia	<b>1 800 22 3388</b>
Indonesia	<b>007 8036 01 5252</b>
Thailand	<b>1 800 011 933</b>
Netherlands	<b>0800 0220 028</b>
South Africa	<b>0800 993 820</b>
United Kingdom	<b>0808 2344 999</b>

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**Calls to Hotline at: +6019 - 2797 553**

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Letters to Whistleblowing Unit at:  
 Whistleblowing Unit  
 Sime Darby Plantation Berhad  
 P.O. Box 8068  
 Kelana Jaya  
 46781 Selangor, Malaysia

Upon receipt of a whistleblowing complaint, the WBU will assign the complaint for investigation. At the completion of the investigation, the investigation team will report to the WBU on the results of the investigation, including a conclusion on the validity of the allegations

	<p>(proven or not proven) and the proposed recommendation(s) to address the wrongdoing and/or process limitations.</p> <p>Throughout the whistleblowing process, the identity of the complainant is always kept confidential and will not be disclosed to any of the above parties. The separation of roles among the administrator, investigation team and oversight body provide the required check and balance on the independence of the whistleblowing reporting mechanism.</p> <p>The whistleblowing process complements an established third-party grievance channels for workers to report issues ranging from their working conditions, recruitment and safety to other issues in line with our Human Rights Charter.</p> <p>Further details on the Group’s whistleblowing policies and processes are described in the Corporate Governance section on SD Plantation’s website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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 4.1

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 ensures that the strategic plan for the Group supports long term value creation and includes strategies on environmental, social and governance, economic as well as safety and health considerations underpinning sustainability.</p> <p>The SC assists and supports the Board's responsibility of overseeing the Group's objectives, strategy, policies, and practices pertaining to SD Plantation Group's sustainability purpose, which comprises contributing to a better community, combating climate change and delivering sustainable development.</p> <p>The Board, through the SC:</p> <ul style="list-style-type: none"><li>• Reviews the effectiveness of the Group's strategies, policies, principles, practices, priorities, and targets pertaining to material sustainability issues to the Group. These material sustainability issues include, but are not limited to, human rights, climate change, safety and health, and responsible sourcing.</li><li>• Provides oversight and input to Management to ensure that the Group's strategies, goals, and initiatives pertaining to sustainability are aligned with the Group's commitment towards sustainability.</li><li>• Monitors and reviews the progress of major sustainability related programmes and initiatives to ensure they meet the Group's overall sustainability goals.</li><li>• Reviews the effectiveness of the Group's sustainability related disclosures and engagements, to ensure they meet stakeholder expectations.</li></ul>

<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 Board, through the SC, oversees the stakeholder dialogue process and its outcomes addressing environmental, social and governance matters with regard to the strategic sustainability goals, in particular, matters that may affect the Group’s reputation. This shall include key concerns/allegations that are raised by stakeholders, evolving public sentiments and government regulations.</p> <p>The Board implements effective and transparent engagement, and communication and commits to independently verified reporting arrangements with our stakeholders, where appropriate by:</p> <ul style="list-style-type: none"> <li>• Regularly reporting on our economic, social, and environmental performance and its contribution to sustainable development.</li> <li>• Providing information that is timely, accurate and relevant.</li> <li>• Engaging with and responding to stakeholders through open consultation processes.</li> </ul>
<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 Directors keep abreast of regulatory changes, other developments, and broad business trends as well as sustainability issues relevant to the Company and its business by attending relevant courses and seminars.</p> <p>The Board and SC are also provided updates and the latest developments on key sustainability related matters, covering material issues such as human rights and climate change.</p> <p>The SC deliberates extensively during meetings on the latest developments around these key material issues. The Sustainability Advisor provides reports to be deliberated during the scheduled SC meetings around key emerging sustainability related trends. External third parties are also invited to present to the SC on the latest developments around environmental, social, and governance related matters.</p> <p>Details on the Directors' Training and Continuous Education Programme are available on SD Plantation's website under the Our Leaders section at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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 4.4

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>The performance of the Board in addressing the Company’s material sustainability was evaluated through the Board &amp; Directors’ Effectiveness Evaluation. The Board is responsible for monitoring the development of the ESG strategy, as well as associated goals and metrics, including the identification and integration of non-financial key performance indicators.</p> <p>ESG related areas are also included as Key Performance Indicators (KPIs) in the Group’s Corporate Scorecard. These KPIs cover the most material ESG issues to the Group and are approved by the Board. These KPIs are then cascaded down through the appropriate PLC members. The progress of the Group’s sustainability performance is monitored and reviewed by the SC, and key issues are highlighted to the Board.</p> <p>The progress of the Group’s sustainability performance is disclosed publicly, and made available to shareholders, in the Group’s Integrated Report and in the Sustainability Reports which are published every two (2) years.</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.

*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.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>Rashyid Redza Anwarudin is the Chief Sustainability Officer of the Company.</p> <p>In this role, he focusses on efforts in implementing on-the-ground programmes to promote responsible and ethical production throughout SD Plantation's operations and global supply chain. He also engages with a wide range of stakeholders within the sustainable palm oil sphere. The Chief Sustainability Officer leads the Group's sustainability direction and performance and is responsible for reporting on updates and progress to the SC. He attends the meetings of the SC as a permanent invitee and coordinates the Group's efforts on sustainability. He reports directly to the GMD.</p> <p>The profile of the Chief Sustainability Officer is available online on SD Plantation's website, in the Our Leaders section, at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p>

## 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>A Board Composition Policy, adopted in February 2018, sets out the approach of the Board on the composition of the Board of Directors of the Company. This Policy addresses the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) and the Malaysian Code on Corporate Governance (MCCG) 2021.</p> <p>In Financial Year 2023, the Board underwent a refresh, where Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani has been redesignated as Chairman following the retirement of Tan Sri Dato' Seri Haji Megat Najmuddin Datuk Seri Dr Haji Megat Khas on 15 June 2023. On 22 August 2023, Mohd Irwan Ahmad Mustafa assumed the role of a Non-Independent Non-Executive Director (NED), with Ahmad Faiz Ahmad Shahrudin appointed as his Alternate Director on the same date. Mohd Irwan is a nominee Director of Permodalan Nasional Berhad. Subsequently, Jenifer Thien Bit Leong was appointed as an Independent NED on 22 December 2023. On 5 February 2024, Sharifah Sheila Syed Muhammad was appointed as a Non-Independent NED representing the Employees Provident Fund in place of Datuk Seri Amir Hamzah Azizan who resigned on 12 December 2023.</p> <p>To remain relevant, the effectiveness of the Board, its Committees and each individual Director will be reviewed annually and disclosed in the annual report as prescribed under the MMLR and the MCCG 2021. The Board would engage professional, experienced, and independent party(ies) every three (3) years to facilitate objective and candid board evaluation.</p> <p>The Board via the NRC, had established a set of criteria for the assessment of all Directors, including Independent Directors. In establishing these criteria, attention will be given to the values, principles and skills required for the Group as well as the Directors' Fit and Proper Policy. These criteria will serve as a source of reference for prospective and incumbent Directors for the Board's annual assessment and shall be reviewed regularly to maintain their relevance.</p>

	<p>The Board &amp; Directors' Effectiveness Evaluation (BDEE) is conducted annually. The BDEE 2021 and 2022 had been undertaken through an internal questionnaire-based evaluation of the Board, Board Committees and individual Directors. Following the recommendation of the MCCG 2021 to engage an independent expert periodically to facilitate objective and candid Board evaluations, the BDEE 2023 was conducted by an external party, Deloitte Business Advisory Sdn Bhd (Deloitte).</p> <p>The NRC has at its meeting held on 15 February 2024, conducted the fit and proper assessment of the Directors who are due to retire at the forthcoming Annual General Meeting (AGM). Following the NRC's assessment and upon being satisfied that the Directors have met the overarching fit and proper criteria, the Board of Directors, at its meeting on 21 February 2024, endorsed the recommendation of the NRC for the following Directors to be considered for re-election pursuant to Rule 81.2 and 103 of the Company's Constitution at the forthcoming 2024 AGM of SD Plantation, scheduled to be held on 28 May 2024, as follows:</p> <p><u>Rule 81.2 of the Constitution</u></p> <ul style="list-style-type: none"> <li>• Mohd Irwan Ahmad Mustafa</li> <li>• Jenifer Thien Bit Leong</li> <li>• Sharifah Sheila Syed Muhamad</li> </ul> <p><u>Rule 103 of the Constitution</u></p> <ul style="list-style-type: none"> <li>• Dato' Halipah Esa</li> <li>• Datuk Mohd Anwar Yahya</li> </ul>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

### 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> :	Departure	
<b>Explanation on application of the practice</b> :		
<b>Explanation for departure</b> :	<p>The Board is currently made up of 50% Independent Directors.</p> <p>The Board acknowledges the importance of Independent Directors, in particular those who are subject matter experts in the fields of business that the Group is involved in, to support objective and independent deliberation, review, and decision making. The Board Composition Policy states that the Board will maintain a composition where a majority of its Directors are Independent Directors. The Board is highly committed to achieving and sustaining this diversity in the Boardroom.</p> <p>With several candidates assessed by the NRC in 2023, the NRC will continue its search for suitable candidate(s) to be appointed as Independent Non-Executive Director(s) (INED) in 2024. The extended time taken was to ensure that the candidate brings in the desired expertise while enhancing the diversity of the Boards. The NRC’s overriding objective in any new appointment is to select the best candidate with a view to achieving a high-performing Board.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :	The NRC will continue to intensify its efforts to identify a potential candidate with suitable credentials, aiming to achieve a Board composition with a majority of Independent Directors.	
<b>Timeframe</b> :	Within one year	

**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 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.

<b>Application</b> :	Adopted
<b>Explanation on adoption of the practice</b>	<p>The Board adopted and limited the tenure of an Independent NED to nine (9) years without further extension.</p> <p>The Board Charter is available in the Corporate Governance section on SD Plantation's website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p>

### 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 Board of Directors</u></b></p> <p>The Board aims to have an appropriate level of diversity in the Boardroom to reflect the diverse nature of the Company's operations and to support the achievement of the Company's strategic objectives. Diversity in terms of skills, background, knowledge, international and industry experience, culture, independence, age and gender, among many other factors, will be taken into consideration when seeking to appoint a new Director to the Board so as to bring relevant perspectives to Board discussions.</p> <p>The Directors' Fit and Proper Policy ensures that any person to be appointed to the Board or elected/re-elected as a Director possess the necessary character and integrity as well as experience, competence, time and commitment in discharging his/her responsibilities.</p> <p>The Company has an experienced Board with extensive capabilities and diversified backgrounds. The Board members have held prominent positions and directorships in areas such as plantation, banking, and finance sectors, as well as in governmental, legal and professional bodies. Thus, the Board has the strength to drive the Company through transformation into the next phase of growth, which is to innovate, execute, and create value. The Board's ability to adapt to various cultures, operating environments and sustainability requirements is crucial in ensuring the Company's success.</p> <p>The NRC assesses the Board composition by:</p> <ol style="list-style-type: none"><li>a) Establishing policies formalising the Group's approach to Boardroom diversity (including diversity in gender, nationality, age, culture, skills, experience, and independence), as well as competence, time and commitment.</li><li>b) Annually evaluating, reviewing, and recommending to the Board, through the BDEE, on the appropriate size of the Board, required mix of skills, experience and other qualities, including time and commitment as well as core competencies which NEDs shall bring</li></ol>

to the Board to ensure that these are in line with the Group's requirements.

- c) Considering and recommending any policy regarding the period of service of NEDs, tenure of Independent Directors and the term of office of Board Committee members, including Chairmen of Board Committees.

The above is in line with Paragraph 3.3 of the Board Charter, which states that *"Members of the Board should possess the relevant knowledge, skills, competencies, functional and management experience, characteristics, and mind-set to contribute effectively to the Board. The Board shall also regularly review its membership to ensure the Board remains relevant and should formalise its succession planning practices."*

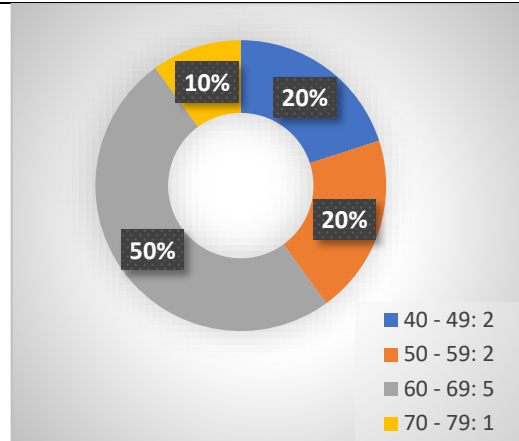
In Financial Year 2023, the following were the new appointments to the Board, including their memberships in the Board Committees:

Name	Date of Appointment	Membership in the Board Committee
Mohd Irwan Ahmad Mustafa	23 August 2023	<ul style="list-style-type: none"> <li>• NRC</li> <li>• RMC</li> <li>• BTC</li> </ul>
Ahmad Faiz Ahmad Shahrudin (Alternate Director to Mohd Irwan Ahmad Mustafa)	23 August 2023	Pursuant to the TOR of all Board Committees, no Alternate Director shall be appointed as a member of the Board Committee.
Jenifer Thien Bit Leong	22 December 2023	<ul style="list-style-type: none"> <li>• GAC</li> <li>• SC</li> </ul>

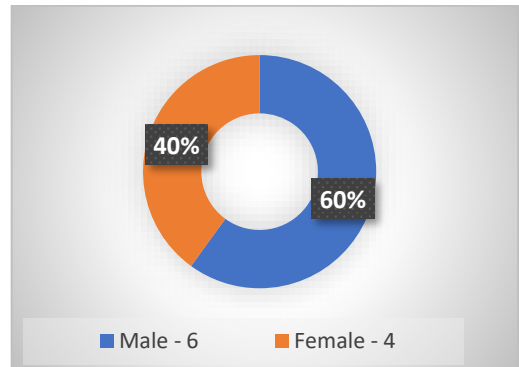
On 5 February 2024, the Board appointed Sharifah Sheila Syed Muhamad as a Director of the Board, and a member of RMC.

The Group Secretary ensures that all necessary information is obtained from the Directors, both for the Company's records and for the purposes of meeting statutory obligations as well as obligations arising from the MMLR. An overview of the Board Diversity is shown below:

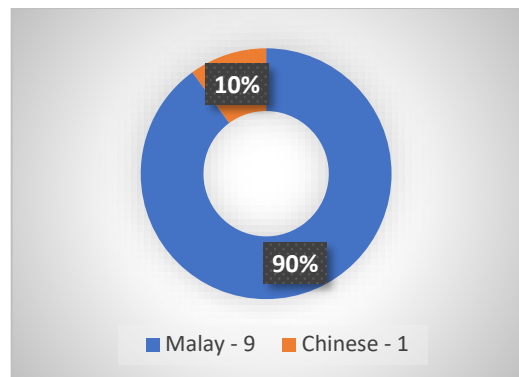
### Age Group



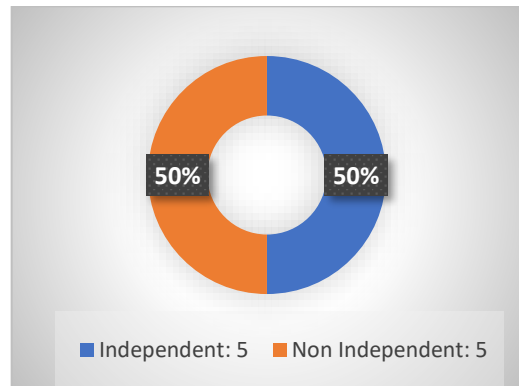
### Gender Diversity



### Ethnicity



### Independence



*Note: As at 31 March 2024.*

Further information on the Directors' background and experience is available on SD Plantation's website, in the Our Leaders section, at [www.simedarbyplantation.com](http://www.simedarbyplantation.com).

The Board will continuously enhance the Board’s composition in line with the evolving circumstances and needs of the Group given its size, business diversity and geography.

**Appointment of Senior Leadership**

The NRC’s nomination functions and duties on the appointment of key Management positions include the following:

- Review and recommend to the Board the appointment, evaluation, acceptance of resignation, disciplinary actions and termination of the GMD position;
- Review and if deemed appropriate, endorse for the Board’s approval, the recommendations of the GMD on the appointment, evaluation, promotion, acceptance of resignation, disciplinary actions and termination of the key Management positions of the Company and the Group;
- In the case of the Chief Financial Officer position, the NRC shall interview the candidate(s) as part of the review process. The NRC reserves the right to interview any key Management position candidate recommended by the GMD; and
- Ensure that appointments of key Management positions are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background, and gender.

The following positions have been appointed during the year under review and up to 31 March 2024:

No.	Positions	Name
1.	Group Chief Operating Officer	Mohd Haris Mohd Arshad (Appointed on 1 January 2024)
2.	Group General Counsel	Anil Abraham (Appointed on 1 February 2024)
3.	Chief Strategy & Innovation Officer	Melissa Lokman (Appointed on 1 March 2024)

The GMD is supported by the PLC, comprising the following positions:

- 1) Group Chief Operating Officer
- 2) Chief Financial Officer
- 3) Chief Human Resources Officer
- 4) Chief Strategy & Innovation Officer
- 5) Chief Sustainability Officer
- 6) Chief Communications Officer
- 7) Group General Counsel
- 8) Chief Integrity & Assurance Officer
- 9) Chief Risk Officer
- 10) Chief Digital Officer
- 11) Group Secretary

	<p>The PLC, with each member having extensive working experience in various industries, has the ability to drive the Group through the next phase of growth by innovating, executing and creating value.</p> <p>The Operations Leadership Team (OLT) has been set up in 2024 to assist the PLC to provide oversight over the day-to-day operations of upstream, Sime Darby Oils and related support services such as research &amp; development (operations).</p> <p>The PLC members' profiles, including skills, experience, age, and gender are featured in the Integrated Report 2023 and available on SD Plantation's website, in the Our Leaders section, at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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

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>Amongst the main functions and duties of the NRC in relation to the Appointment of Directors is to identify, consider and recommend suitable persons for appointment as Directors of SD Plantation, its Group as provided in the GPAs and members of the Board Committees, relying on sources from existing Board members, Management, major shareholders, independent search firms and other independent sources.</p> <p>In recommending to the Board any new appointment of a Director on the SD Plantation Board, the NRC takes cognisance of the following selection criteria:</p> <ul style="list-style-type: none"><li>(i) Required skills, knowledge, expertise and experience;</li><li>(ii) Time commitment, character, professionalism and integrity;</li><li>(iii) Ability to work cohesively with other members of the Board;</li><li>(iv) Specialist knowledge or technical skills in line with the Group's strategy;</li><li>(v) Diversity in age, gender, and experience/background; and</li><li>(vi) Number of directorships in companies outside the Group.</li></ul> <p>The NRC is also guided by the Directors' Fit and Proper Policy in its review and assessment of candidates who are to be appointed to the Board as well as Directors who are seeking re-election.</p> <p>On the appointment of Directors on the Board of SD Plantation, where applicable, the NRC will seek third party feedback on candidates that the NRC is considering for recommendation to the Board of SD Plantation. The candidate will be invited to attend an engagement session with the NRC prior to any recommendations made to the Board.</p>

	<p>The Board appointed Mohd Irwan Ahmad Mustafa as Non-Independent NED, and Ahmad Faiz Ahmad Shahrudin as Alternate Director to Mohd Irwan Ahmad Mustafa on 23 August 2023, Jenifer Thien Bit Leong as Independent NED on 22 December 2023 and Sharifah Sheila Syed Muhamad as Non-Independent NED on 5 February 2024.</p> <p>The NRC has utilised independent sources to gain access to a pool of candidates, as well as recommendations from existing directors and management when consideration was made. In line with the Board Composition Policy, the Board’s overriding objective in any new appointment is to select the best candidate with a view to achieving a high-performing Board. Appointments to the Board are based on merit against objective criteria with consideration being given to the intrinsic capabilities of the individual.</p>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		



### 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 NRC has assessed the Directors' eligibility for re-election and appointment by considering their competencies, commitment, contribution, integrity, and ability to act in the best interest of the Company.</p> <p>The NRC was satisfied with the performance and contribution of Dato' Halipah Esa, Datuk Mohd Anwar Yahya, Mohd Irwan Ahmad Mustafa, Jenifer Thien Bit Leong and Sharifah Sheila Syed Mustafa,</p> <p>Dato' Halipah Esa, Datuk Mohd Anwar Yahya and Mohd Irwan Ahmad Mustafa who are members of the NRC have abstained from deliberation on their eligibility for re-election.</p> <p>The Board, at its meeting held on 21 February 2024 endorsed the recommendation of the NRC for Dato' Halipah Esa and Datuk Mohd Anwar Yahya to be considered for re-election pursuant to Rule 103 of the Company's Constitution at its forthcoming AGM scheduled to be held on 28 May 2024.</p> <p>The Board also endorsed the recommendation of the NRC for the re-election of the following Directors who will be retiring pursuant to Rule 81.2 of the Company's Constitution at the forthcoming AGM scheduled to be held on 28 May 2024.</p> <ol style="list-style-type: none"><li>1) Mohd Irwan Ahmad Mustafa</li><li>2) Jenifer Thien Bit Leong</li><li>3) Sharifah Sheila Syed Muhamad</li></ol> <p>The profiles of the Directors, including their age, gender, tenure of service, directorship in other listed issuers/public companies, working experience, industrial background, and interest are set out in the Integrated Report 2023.</p>

	<p>The Board is of the view that the Independent Directors have brought independent and objective judgment in Board deliberations and decisions.</p> <p>The Board’s statement supporting the re-election of Directors is disclosed under the NRC Report in the Integrated Report 2023.</p> <p>Further information on the Directors' background and experience is featured in the Integrated Report 2023 and available on SD Plantation’s website, in the Our Leaders section, at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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

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 composition of the NRC is set out in the Committee's TOR. The NRC members are appointed by the Board from among them and shall consist of not less than four members, all of whom shall be NEDs, and a majority of whom shall be Independent Directors.</p> <p>The Chairman of the NRC, Dato' Halipah Esa, is a Senior Independent NED. The list of NRC members is shown below:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Member</th> <th>Directorship</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dato' Halipah Esa</td> <td>Senior Independent NED</td> <td>Chairman</td> </tr> <tr> <td>2</td> <td>Datuk Mohd Anwar Yahya</td> <td>Independent NED</td> <td>Member</td> </tr> <tr> <td>3</td> <td>Dato' Sri Sharifah Sofianny Syed Hussain</td> <td>Independent NED</td> <td>Member</td> </tr> <tr> <td>4</td> <td>Mohd Irwan Ahmad Mustafa</td> <td>Non-Independent NED</td> <td>Member</td> </tr> </tbody> </table> <p>The NRC's TOR is available in the Corporate Governance section on SD Plantation's website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p>			No	Member	Directorship	Designation	1	Dato' Halipah Esa	Senior Independent NED	Chairman	2	Datuk Mohd Anwar Yahya	Independent NED	Member	3	Dato' Sri Sharifah Sofianny Syed Hussain	Independent NED	Member	4	Mohd Irwan Ahmad Mustafa	Non-Independent NED	Member
No	Member	Directorship	Designation																					
1	Dato' Halipah Esa	Senior Independent NED	Chairman																					
2	Datuk Mohd Anwar Yahya	Independent NED	Member																					
3	Dato' Sri Sharifah Sofianny Syed Hussain	Independent NED	Member																					
4	Mohd Irwan Ahmad Mustafa	Non-Independent NED	Member																					
<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 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied																																	
<b>Explanation on application of the practice</b>	:	<p>The Board aims to have an appropriate level of diversity in the Boardroom to reflect the diverse nature of the Company's operations and to support the achievement of the Company's strategic objectives. Diversity in terms of skills, background, knowledge, international and industry experience, culture, independence, age, and gender, are among many other factors that will be taken into consideration when seeking to appoint a new Director to the Board so as to bring relevant perspectives to Board discussions.</p> <p>Currently, the Company has four (4) or 40% women Directors as follows:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Name</th> <th>Gender</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani</td> <td>Male</td> </tr> <tr> <td>2</td> <td>Datuk Mohamad Helmy Othman Basha</td> <td>Male</td> </tr> <tr> <td>3</td> <td>Dato' Halipah Esa</td> <td>Female</td> </tr> <tr> <td>4</td> <td>Dato' Mohd Nizam Zainordin</td> <td>Male</td> </tr> <tr> <td>5</td> <td>Datuk Mohd Anwar Yahya</td> <td>Male</td> </tr> <tr> <td>6</td> <td>Dato' Idris Kechot</td> <td>Male</td> </tr> <tr> <td>7</td> <td>Dato' Sri Sharifah Sofianny Syed Hussain</td> <td>Female</td> </tr> <tr> <td>8</td> <td>Mohd Irwan Ahmad Mustafa</td> <td>Male</td> </tr> <tr> <td>9</td> <td>Jenifer Thien Bit Leong</td> <td>Female</td> </tr> <tr> <td>10</td> <td>Sharifah Shiela Syed Muhamad</td> <td>Female</td> </tr> </tbody> </table>	No.	Name	Gender	1	Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani	Male	2	Datuk Mohamad Helmy Othman Basha	Male	3	Dato' Halipah Esa	Female	4	Dato' Mohd Nizam Zainordin	Male	5	Datuk Mohd Anwar Yahya	Male	6	Dato' Idris Kechot	Male	7	Dato' Sri Sharifah Sofianny Syed Hussain	Female	8	Mohd Irwan Ahmad Mustafa	Male	9	Jenifer Thien Bit Leong	Female	10	Sharifah Shiela Syed Muhamad	Female
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<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>A Board Composition Policy is established to set out the approach of the Board on the composition of the Board of Directors of the Company. This Policy has been adopted to address the requirements of the MMLR and the MCCG 2021.</p> <p>The Board Composition Policy was recently reviewed on 21 February 2024 to update, amongst others, the target for women Directors to at least 30% women Directors in line with the MCCG 2021.</p> <p>The policy on Board Composition and Diversity is disclosed under the NRC Report in the Integrated Report 2023.</p> <p>The Board Composition Policy is available in the Corporate Governance Section on SD Plantation’s website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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.

*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.*

<b>Application</b>	:	Applied						
<b>Explanation on application of the practice</b>	:	<p>The NRC carries out the BDEE exercise on an annual basis. The Board engages professional, experienced, and independent party(ies) every three (3) years to facilitate objective and candid board evaluation.</p> <p>Deloitte had been appointed as the independent facilitator to conduct the BDEE for the financial year ended 31 December 2023.</p> <p>Deloitte has facilitated the BDEE 2023 which entailed the evaluation of the Board, Board Committees and Individual Directors including Independent Directors and the review of the term of office and performance of the GAC.</p> <p>The BDEE 2023 included questionnaires and interviews with all the Directors (except for Ms Jenifer Thien and Puan Sharifah Sheila Syed Muhamad as they were appointed on 22 December 2023 and 5 February 2024 respectively) and three Senior Management namely Group Chief Operating Officer, Chief Financial Officer and Chief Human Resources Officer.</p> <p>The assessment criteria used by Deloitte for the BDEE 2023 were tailored to the needs of SD Plantation, taking into account relevant regulatory provisions and emerging/leading practices. The analysis covered the following areas:</p> <table border="1"><thead><tr><th>Questionnaire</th><th>Assessment Criteria</th><th>Audience</th></tr></thead><tbody><tr><td>Board Evaluation</td><td>(i) Board Governance and Oversight (ii) Board Processes and Infrastructure</td><td>All Board members*</td></tr></tbody></table>	Questionnaire	Assessment Criteria	Audience	Board Evaluation	(i) Board Governance and Oversight (ii) Board Processes and Infrastructure	All Board members*
Questionnaire	Assessment Criteria	Audience						
Board Evaluation	(i) Board Governance and Oversight (ii) Board Processes and Infrastructure	All Board members*						

		(iii) Board Capabilities Assessment (iv) Fit and Proper Assessment (v) Independence Assessment	Independent Directors only
Board Committees Evaluation		(i) Skills and Composition (ii) Functionalities and Oversight Responsibilities	Respective Board Committees
Directors' Self and Peer Evaluation		(i) Board of Directors (ii) Group Managing Director	All Board members*

**\*Note:** All Board members except Ms Jenifer Thien and Puan Sharifah Sheila

The findings of the BDEE 2023 were presented to the Board on 21 February 2024 for review. The results of the BDEE 2023 reflected a generally satisfactory performance by the Board and Board Committees, in line with the average plantation board. All Directors have responded that they are fit and proper.

The areas of strength identified include:

- (i) The Leadership of the Chairman for his approachability, fairness, and adeptness at fostering harmony within the boardroom. He spearheaded efforts to enhance directors' upskilling and continuous professional development.
- (ii) The dynamics within the SD Plantation boardroom that foster collegiality, balanced temperament, and robust camaraderie.
- (iii) The Board's commitment to strategy setting and review at the Board meetings and Board Retreats.

Based on the results of the BDEE 2023, the Board will prioritise the following action plans for Financial Year (FY) 2023:

- (i) To focus on appointment a new Independent NED with expertise in upstream plantation to enhance the domain expertise on the Board.
- (ii) To enhance Management succession planning including Management discussing with the NRC the criteria and/or parameters for Senior Management positions for succession planning. The NRC to consider engaging external party to act as mentor to groom potential successors for Senior Management positions.
- (iii) To formulate clear guidelines and parameters on the appointment and conduct of Alternate 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

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>All matters pertaining to Directors and Senior Management remuneration are under the purview of the NRC. The NRC reviews and recommends to the Board a formal and transparent remuneration policy and framework for Directors and Senior Management of the Company and the Group drawing on external consultants’ advice as necessary.</p> <p>To attract and retain the right talent, the NRC ensures that compensation policies and packages of Directors and Senior Management are reflective of the Group’s demands, complexities, and performance as a whole, as well as the skills and experience required, and in line with the strategic objectives of the Company which rewards contribution to the long-term success of the Company. The NRC periodically reviews the remuneration framework, policies, and procedures.</p> <p>1. The salient elements of the Directors’ remuneration policy are outlined below:</p> <table border="1"> <thead> <tr> <th>Non-Executive Directors</th> <th>Executive Director</th> </tr> </thead> <tbody> <tr> <td>Fixed annual Directors’ fees and meeting allowance as members of the Board and Board Committees.</td> <td>The NRC considers and recommends to the Board for approval the framework for the Executive Director’s remuneration and the final remuneration package.</td> </tr> <tr> <td>Level of remuneration reflects the level of responsibilities undertaken by the NED. The Company also reimburses reasonable</td> <td>Components of the remuneration are structured to link rewards to corporate and individual performance.</td> </tr> </tbody> </table>		Non-Executive Directors	Executive Director	Fixed annual Directors’ fees and meeting allowance as members of the Board and Board Committees.	The NRC considers and recommends to the Board for approval the framework for the Executive Director’s remuneration and the final remuneration package.	Level of remuneration reflects the level of responsibilities undertaken by the NED. The Company also reimburses reasonable	Components of the remuneration are structured to link rewards to corporate and individual performance.
Non-Executive Directors	Executive Director							
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Level of remuneration reflects the level of responsibilities undertaken by the NED. The Company also reimburses reasonable	Components of the remuneration are structured to link rewards to corporate and individual performance.							

expenses incurred by the Directors in the course of their duties.	Performance is measured against profits and other targets set in accordance with the Company's annual budget and plans.
The remuneration package comprises fees, benefits-in-kind and other emoluments.	

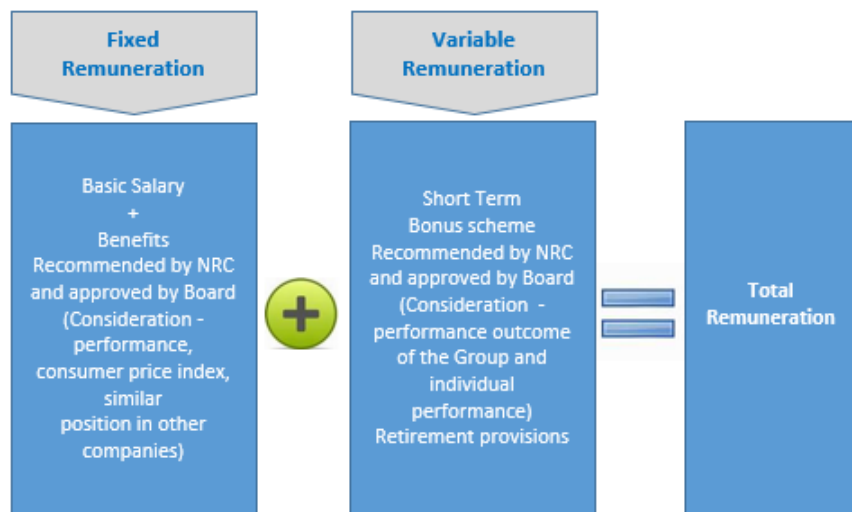
Non-Executive Directors

Remuneration for the NEDs of the Board and as members of the Board Committees, in the form of fees and meeting allowance, for the financial year ended 31 December 2023 is tabulated below:

Board/Board Committee	Chairman (RM/Year)	Member (RM/Year)	Meeting Allowance (RM/Meeting)
<b>Board</b>	600,000	240,000	1,500
<b>Governance &amp; Audit Committee</b>	80,000	50,000	1,000
<b>Nomination &amp; Remuneration Committee</b>	60,000	35,000	1,000
<b>Risk Management Committee</b>	60,000	35,000	1,000
<b>Sustainability Committee</b>	60,000	35,000	1,000
<b>Tender Committee</b>	60,000	35,000	1,000

Executive Director

The Executive Director's remuneration package comprises the following components:



	2. Remuneration of other Senior Management personnel is determined based on similar remuneration principles as the Executive Director.	
<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 Board has established an NRC to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Senior Management.</p> <p>The NRC comprises a majority of Independent NEDs and is chaired by a Senior Independent NED, Dato' Halipah Esa.</p> <p><b><u>Authority</u></b></p> <p>The NRC is authorised by the Board and at the expense of the Group to perform the following:</p> <ul style="list-style-type: none"><li>a) Secure the resources in order to perform its duties as set out in its terms of reference;</li><li>b) Have full and unrestricted access to Group Human Resources Department, including without limitation, its information, records, properties and personnel;</li><li>c) Obtain independent professional advice, service and/or expertise to perform its duties, or obtain the assistance of Management where necessary;</li><li>d) Be directly responsible for compensation and oversight of such professional or legal advisor and shall have the sole authority to approve such advisor's fees and other retention terms in the event that the NRC retains any such independent professional advisor. Prior to the selection of such advisor, the Committee shall carry out an independent assessment of such advisor; and</li><li>e) Provide its recommendations to the Board for the Board's consideration and approval.</li></ul> <p><b><u>Remuneration Function and Duties</u></b></p> <p>Amongst the NRC's specific Remuneration functions and duties are:</p>

	<p>a) Review and recommend to the Board a formal and transparent remuneration policy and framework for Directors and Senior Management of the Company and the Group, drawing on external consultants' advice as necessary;</p> <p>b) Review and if deemed appropriate, endorse for the Board's approval, the annual bonus and salary increment framework for the Group, as recommended by the GMD, including the total quantum of payment;</p> <p>c) Review and recommend to the Board the terms and conditions of service, remuneration, compensation and benefits package (including bonus and salary increment) of the GMD position;</p> <p>d) Review and if deemed appropriate, endorse for the Board's approval, the recommendations of the GMD on the terms and conditions of service, remuneration, compensation and benefits package (including bonus and salary increment) of the key Management positions;</p> <p>e) Review and recommend the extension of service, remuneration and compensation and benefits packages of the key Management positions who have reached the age of retirement; and</p> <p>f) Periodically review the remuneration framework, policies and procedures</p> <p>The NRC's TOR is accessible in the Corporate Governance section on SD Plantation's website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management 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>	:	The total Directors’ fees, salary (including other remuneration) and benefits-in-kind paid to the Directors for their services rendered to the Group for the financial year ended 31 December 2023 are as tabulated below:
<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>	:	

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	Datuk Mohamad Helmy Othman Basha	Executive Director	-	-	-	-	-	-	6,478	-	-	-	-	-	-	6,478
2	Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani	Non-Executive Non-Independent Director	502	20	0	0	50	0	572	598	26	0	0	50	0	674
3	Dato' Halipah Isa	Independent Director	395	26	0	0	21	0	442	395	26	0	0	21	0	442
4	Dato' Mohd Nizam Zainordin	Non-Executive Non-Independent Director	325	23	0	0	8	0	356	387	28	0	0	8	0	423
5	Datuk Mohd Anwar Yahya	Independent Director	385	27	0	0	2	0	414	466	32	0	0	2	0	500
6	Dato' Idris Kechot	Independent Director	390	26	0	0	1	0	417	390	26	0	0	1	0	417
7	Dato' Sri Sharifah Sofianny Syed Hussain	Independent Director	319	21	0	0	11	0	351	426	26	0	0	11	0	463
8	Mohd Irwan Ahmad Mustafa	Non-Executive Non-Independent Director	111	6	0	0	1	0	118	111	6	0	0	1	0	118
9	Jenifer Thien Bit Leong	Independent Director	6	0	0	0	0	0	6	6	0	0	0	0	0	6
10	Sharifah Sheila Syed Muhamad	Non-Executive Non-Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0

11	Tan Sri Dato' Seri Haji Megat Najmuddin Datuk Seri Dr Haji Megat Khas *Retired on 15 June 2023	Non-Executive Non-Independent Director	273	6	0	0	43	0	322	273	6	0	0	43	0	322
12	Tunku Alizakri Raja Muhammad Alias *Resigned on 16 February 2023	Non-Executive Non-Independent Director	31	0	0	0	0	0	31	31	0	0	0	0	0	31
13	Datuk Seri Amir Hamzah Azizan *Resigned on 12 December 2023	Non-Executive Non-Independent Director	225	13	0	0	5	0	243	260	16	0	0	5	0	281
14	Tan Ting Min *Resigned on 15 June 2023	Independent Director	148	11	0	0	2	0	161	188	14	0	0	2	0	204



### 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> :	The Company is of the view that the components of the remuneration of Senior Management, which include their salary, bonus, benefits in kind and other emoluments are confidential and has opted not to disclose confidential personal data of its Senior Management personnel to the public at large.	
	<u>Alternative Practice:</u> The remuneration of the top five Senior Management personnel has been benchmarked against the industry and is aligned with the market.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :	The Board will continuously monitor the market practice in respect of such disclosure.	
<b>Timeframe</b> :	Others	As and when appropriate.

**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</b> : <b>on</b> <b>adoption of</b> <b>the</b> <b>practice</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 9.1

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> :	The Chairman of the GAC and the Chairman of the Board are different individuals. The current Chairman of the Board, Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani is a Non-Independent NED whilst the GAC Chairman, Dato' Idris Kechot, is an Independent NED. Practice 9.1 of the MCCG 2021 has always been applied by SD Plantation and is also reflected in the TOR of the GAC.  The GAC Chairman acts as the key contact between the Committee members and Board members as well as Senior Management, GIGA, and the external auditors.  The above separation of roles is encapsulated in Paragraphs 2.1 and 2.6 of the GAC's TOR, which is accessible in the Corporate Governance section on SD Plantation's website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a> .	
<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> :	None of the members of the GAC is a former key audit partner that requires a cooling-off period of three (3) years.  The need to observe a cooling-off period is stated in Paragraph 2.5 of the GAC's TOR which is accessible in the Corporate Governance section on SD Plantation's website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a> . The need for a former key audit partner to observe a cooling-off period of a minimum three (3) years before being appointed as a Director of the Group is further emphasised in GPA No. B7 on "External Auditor Appointment & Selection".	
<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, through the GAC, has put in place a policy on the selection and appointment of external auditors, via GPA No. B7 on "External Auditor Appointment &amp; Selection".</p> <p>The GPA No. B7 provides guidelines for the GAC to assess the suitability, objectivity and independence of the external auditors and was developed in alignment with the MCCG 2021 and should be read together with the Companies Act 2016, the By-laws (on professional ethics, conduct and practice) of the Malaysia Institute of Accountants (MIA) and the MMLR.</p> <p>The following criteria are used for the assessment:</p> <ul style="list-style-type: none"><li>a) The competence, audit service quality and resource capacity of the external auditors in relation to the audit;</li><li>b) Information presented in the Annual Transparency Report of the audit firm;</li><li>c) The nature and extent of the non-audit services rendered and appropriateness of the level of fees; and</li><li>d) Obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</li></ul> <p>The above assessment was conducted in March 2024 (annual basis), based on best practices promulgated by the regulators. The results of the assessment, which was performed by the GAC members and selected management personnel (who had close interaction with the external auditors during the year under review), were tabled to the GAC at its meeting on 18 April 2024 for deliberation and recommendation to the Board for adoption.</p> <p>Should the GAC determine a need for a change of external auditors, the GAC will follow the following procedures for the selection and appointment of new external auditors:</p>

	<p>a) The GAC to identify the audit firms who meet the criteria for appointment and request for their proposals of engagement for consideration;</p> <p>b) The GAC will assess the proposals received and shortlist the suitable audit firms (based on the pre-set criteria);</p> <p>c) The GAC will meet and/or interview the shortlisted candidates;</p> <p>d) The GAC will recommend the appropriate audit firm to the Board for appointment as external auditors; and</p> <p>The Board will consider and if agreed, endorse the recommendation by the GAC and seek the shareholders' approval for the appointment of the new external auditors and/or resignation/removal of the existing external auditors at the general meeting.</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 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b> :	Not Adopted
<b>Explanation</b> : <b>on</b> <b>adoption of</b> <b>the</b> <b>practice</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 9.5

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><b><u>Knowledge and skills</u></b></p> <p>The GAC members bring to the Group a diversity of knowledge and skills to effectively discharge their duties. Two of the GAC members are qualified accountants, thus satisfying the requirement for the GAC to be financially literate in understanding the financial reporting process. The knowledge and skills of the individual GAC members are outlined below:</p> <p><b><u>The GAC Chairman</u></b> <b>Dato' Idris Kechot</b> holds a Master of Business Administration, Finance from the University of Stirling, United Kingdom. He has over 35 years of experience and expertise in end-to-end delivery across the full unit trust and investment management business value chain. His vast exposure in highly regulated industry of banking and finance, unit trust and fund management provide invaluable insights on the importance and benefits of good governance.</p> <p><b><u>GAC Members</u></b> <b>Dato' Mohd Nizam Zainordin</b> is a Fellow of the Association of Chartered Certified Accountants (ACCA), a member of the MIA and holds an Executive Master's in Business Administration. He is a Certified Financial Planner and has held various finance and investment positions in his more than 25-year career.</p> <p><b>Dato' Mohd Anwar Yahya</b> is a Fellow of the Institute of Chartered Accountants in England &amp; Wales (ICAEW) and a member of the MIA as well as the Malaysian Institute of Certified Public Accountants (MICPA). He brings with him over 40 years of experience in accounting, and corporate finance as well as business advisory roles</p>



	<p>in a Big-Four consultancy practice, a government owned entity and a GLC.</p> <p><b>Ms. Jenifer Thien Bit Leong</b> obtained her Bachelor of Science (Hons) degree in Food Science and Technology from the University Putra Malaysia. She is the Founder and Principal of Grit and Pace, through which she advises corporations on ESG strategy and what it takes to drive change in supply chain, procurement, and operational excellence. She has over three decades of experience in top executive positions in the consumer-packaged goods industry.</p> <p>Further details of the GAC members' profiles are available under the Our Leaders section on SD Plantation's website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p> <p><b><u>Professional development</u></b></p> <p>The GAC members attend continuous professional development programmes to keep themselves abreast of relevant developments in accounting and auditing standards, practices, and rules. For details on the continuous professional development programmes attended by the GAC members for the financial year ended 31 December 2023, under the Our Leaders section on SD Plantation's website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p>	
<b>Explanation :</b> <b>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 identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures. To achieve this, the Board sets the Group's risk appetite and expects Management to operate and ensure that there is a sound risk management framework to identify, analyse, evaluate, manage, and monitor significant financial and non-financial risks.</p> <p>The Board is also responsible for reviewing the adequacy and integrity of the Group's management information and internal control systems by ensuring that there is a sound framework for reporting on internal controls and regulatory compliance, among other things.</p> <p><b><u>Risk Management Framework</u></b></p> <p>Risk management is part of the organisation's structure, processes, objectives, strategies, and activities. The SD Plantation Group Risk Management Framework (GRMF) is aligned with ISO31000:2018 standard on risk management and COSO (Committee of the Sponsoring Organisations of the Treadway Commission) 2017 Enterprise Risk Management— Integrating with Strategy and Performance, which clearly underscores the Group's commitment towards enterprise risk management in strategic planning and the will to embed risk management throughout the organisation as part of value creation and protection. This is demonstrated in the linking of key enterprise risks to SD Plantation's strategic pillars.</p> <p>The primary goal of the GRMF is to identify, evaluate and manage risks that would impede the achievement of the Group's long-term and short-term strategies and objectives. The approach to risk management is aimed at embedding risk awareness in all decision-making and a commitment to managing risk proactively and effectively. This includes identifying and evaluating threats and opportunities early, managing and preventing threats before they materialise and responding effectively if they do and actively pursuing opportunities to capture value within agreed risk tolerances. The process for identifying, evaluating, and managing material business risks is designed to manage rather than</p>

eliminate threats where appropriate, accepting a degree of risk to generate returns.

The GRMF involves the identification of risk and mitigating measures in both strategy-setting and driving performance. This integrated approach is two pronged, i.e. a top-down strategic view, which is complemented by bottom-up operational risk assessments, whilst taking cognisance of the external environment in which the Group operates. These risk assessments are complemented by strategic country risk analyses and fortnightly risk outlooks as well as risk assessments for key projects and investments undertaken by the Group to proactively anticipate and mitigate risk events while facilitating the understanding and management of risk at various levels of the business.

The role of leaders and their responsibilities are emphasised in the GRMF to ensure that risk management is an essential part of business. The responsibility for identifying, evaluating, and managing risks lies with all employees and business leaders and they operate within the Group-wide framework to manage risks within approved limits and guided by approved risk appetite statements. In pursuit of strategic objectives, it is imperative that there is a balance between risk and growth to ensure that the pursuit of opportunities and their associated risks are likely to have a level of reward that commensurate to the risk. A risk appetite framework is established to provide guidance on how to conduct business to achieve business objectives within the boundaries of the Group's risk appetite, business ethics and good governance. The risk appetite statements cover the areas of growth, debt/ funding from operations, reputation, and brand image, robust risk, and control environment, as well as the environment safety and health.

The Group's Business Continuity Framework is aligned with ISO22301:2019 standard on business continuity management systems. It covers end to end guidance to assist with managing a crisis event with the main objectives as follows:

- to safeguard life, property and environment;
- to minimise the loss of assets, revenue and impact on customers;
- to continue to provide products and services during adverse conditions; and
- to facilitate timely recovery of critical business functions.

The Group is committed to safeguard the interests of all stakeholders in times of disaster and/or emergency. This entails the implementation of business continuity processes to ensure that the Group is able to continue operations with minimal impact on stakeholders in the event of disruption.

On a quarterly basis, formal risk reports are developed and presented to the PLC and RMC. Any potential risks identified are escalated as appropriate, with mitigation actions put in place to manage such risks.

Significant risks affecting the business as well as periodic external and emerging risk outlooks are presented to the Risk Management Committee. Additionally, due to the evolving nature of risk events in the external environment in which the Group operates, a fortnightly key risks perspective newsletter on external and emerging risks is circulated to the Board and Management.

**Internal Control Framework**

The following key control elements, comprising controls of financial, operational, environmental and compliance in nature are established to assist the Board in maintaining a sound system of internal controls in the Group:

- ***Policy Instruments*** – The Board Charter, TOR of respective Board Committees, GPAs and other policies, procedures and guidelines serve as a backbone in achieving best practices and streamlining internal processes.
  
- ***Code of Business Conduct*** - Guides Directors and employees on the standards of behaviour expected of them and upholding the Core Values of Integrity, Respect & Responsibility, Enterprising and Excellence.
  
- ***Business Planning and Reporting*** - Entails the review of the Group’s strategy and the presentation of its findings, outcomes and new proposals to the Management and Board on a periodic basis and the review of Group Strategy Blueprint every 5 years comprising our direction, business objectives, strategies, action plans, and corresponding Group Budget.
  
- ***Human Capital***
  - Performance Management - the Group’s Performance Management Framework aims at driving employees’ motivation by identifying and rewarding top performers and improving the objectivity of the evaluation. The resulting KPIs are aligned across businesses, functions and levels, striving towards shared common goals of driving business objectives, while strongly upholding core governance principles.
  - People Development – One of the key contributors to SD Plantation’s success is our people. Our Human Capital Framework, which includes quality execution as one of its pillars allows us to harness the strengths and talents of our human resources. As part of quality execution, the objectives include developing employees who are accountable and capable of driving the business of today and creating value for tomorrow and driving and enabling innovation and knowledge-sharing to face future business challenges.

	<ul style="list-style-type: none"> <li>• <b>Compliance</b> <ul style="list-style-type: none"> <li>• <u>Internal Audit</u> - Provides independent, objective and risk-based assurance and consulting services designed to add value and improve the operations in the Group by assessing whether risk management, control and governance processes are designed and operate sustainably and effectively.</li> <li>• <u>Control Self-Assessment</u> - Accords line-Management with full responsibility and accountability for effective risk management and controls implementation within their operations.</li> <li>• <u>Fraud &amp; Corruption Risk Management</u> - Detects and responds to fraud and corruption incidents/risks by way of conducting special and investigative reviews at the request of the GAC, Management and/or complaints formally received through the whistleblowing and grievance channels or based on red flags identified through other form of reviews.</li> <li>• <u>Anti-Corruption</u> – SD Plantation had obtained the ISO 37001:2016 Anti-Bribery Management System certification in October 2020 and was successfully recertified in September 2023 with the absence of non-conformance reports. The key principles of the system are encapsulated within the Anti-Corruption Compliance Framework.</li> <li>• <u>Conflict of Interest</u> - The Group Conflict of Interest Guidelines addresses conflicts involving Directors and employees, ensuring business decisions are made in the best interests of the Group and comply with relevant laws,</li> <li>• <u>Whistleblowing</u> - Embodies the Group’s commitment to maintain an open and supportive working environment in which stakeholders are able to report instances of wrongdoings on a confidential basis without fear of retaliation.</li> </ul> </li> <li>• <b>Vendor Management</b> - The Group’s commitment extends beyond the organisation through close working relationships with Vendors to ensure that its values and principles are followed.</li> <li>• <b>Communication and Reporting</b> - Policies and procedures on stakeholder engagement ensure that the Group proactively engages and effectively manages the dissemination of information to key stakeholders of the Group.</li> <li>• <b>Technology</b> <ul style="list-style-type: none"> <li>• <u>Information Systems</u> - The Enterprise Resource Planning (ERP) system enables transactions to be captured, compiled, analysed, and reported in a timely and accurate manner.</li> <li>• <u>Digital Transformation</u> – The Group is committed to digitalisation and automation to enhance efficiency and productivity and transform into a future-ready company. This includes progress in robotics and automation, optimisation of refinery operations, improvement in customer experience, cultivating a digital culture, and strengthening of enterprise systems. Employees are prepared</li> </ul> </li> </ul>
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	<p>for a digital future through the establishment of Digital Academy, to keep pace with the evolving technology landscape and operating environment.</p> <ul style="list-style-type: none"> <li>• <u>Cybersecurity</u> - The Group maintains its cybersecurity hygiene by managing cybersecurity risks to safeguard data privacy and cyber threat prevention.</li> <li>• <b>Sustainability</b> - The Group's Sustainability Principles, which are guided by the United Nations Sustainable Development Goals, seek to contribute to a better community, minimise environmental harm and deliver sustainable development. <ul style="list-style-type: none"> <li>• <u>Responsible Agriculture</u> - The Responsible Agriculture Charter articulates the Group's commitments to no deforestation, no new development on peat, and no exploitation of the rights of indigenous peoples, workers, and local communities, i.e. No Deforestation, No Peat and No Exploitation (NDPE) standards.</li> <li>• <u>Human Rights</u> - The Human Rights Charter articulates the Group's responsibility to respect, support and uphold fundamental human rights as expressed, amongst others, in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights.</li> <li>• <u>Supply Chain Sustainability</u> - The Group's Working with Our Suppliers to Draw the Line on Deforestation policy statement articulates the approach to engage with suppliers to meet NDPE standards.</li> </ul> </li> </ul> <p>Further details of the Group's risk management and internal control framework and practices are disclosed in the Statement on Risk Management and Internal Control featured in the Integrated Report 2023 and available on SD Plantation's website under the Annual Reports and Presentations section at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</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 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.

<p><b>Application</b> :</p>	<p>Applied</p>	
<p><b>Explanation on application of the practice</b></p>	<p>The Group’s governance structure accords a dynamic balance of Board and Management, working within a corporate ecosystem of risk management and internal controls. This is to effectively steer the Group in meeting its long-term objectives and deliver value to the Group’s stakeholders within the realm of accountability, transparency, integrity, and ethics. The Group’s governance structure is appended below:</p> <div data-bbox="518 985 1452 1478" data-label="Diagram"> <pre> graph TD     Board[Board of Directors] --&gt; GAC[Governance &amp; Audit Committee]     Board --&gt; RMC[Risk Management Committee]     Board --&gt; GMD[Group Managing Director]     GAC --&gt; GI[Group Integrity, Governance &amp; Assurance]     RMC --&gt; GRM[Group Risk Management]     GMD --&gt; PCA[Plantation Leadership Committee]     GMD --&gt; GCO[Group Chief Operating Officer]     GI --&gt; GCA[Group Corporate Assurance]     GI --&gt; GC[Group Compliance]     GRM --&gt; GFCRM[Group Fraud &amp; Corruption Risk Management]     GCO --&gt; OLT[Operations Leadership Team]     </pre> </div>	
	<p><b>Board of Directors</b></p>	<p>The Board recognises that business decisions involve taking appropriate risks and the Board’s understanding of risks and how risks are addressed have been fundamental in achieving the right balance of risks and controls in the Group. Delegation of these responsibilities to the GAC and the RMC, ensures independent oversight over risk and internal control matters in the Group.</p>
	<p><b>Governance &amp; Audit Committee</b></p>	<p>The GAC supports the Board in fulfilling its statutory and fiduciary responsibilities by overseeing the Group’s internal control framework in ensuring operational effectiveness and adequate protection of</p>

		<p>the Group's assets from misappropriation. The GAC covers a broad scope of duties that include oversight over financial reporting, governance, and controls. The GAC is assisted by GIGA, which comprises three distinct functions, namely Group Corporate Assurance (GCA), Group Compliance (GCO) and Group Fraud &amp; Corruption Risk Management (GFCRM).</p>
	<p><b>Risk Management Committee</b></p>	<p>The RMC assists the Board in providing the framework and guidance to business units to operate, identify, and report on Group-wide risks. The RMC has a broad mandate to ensure the effective implementation of the objectives and compliance in accordance with GRMF across the Group. The RMC is also responsible for periodically reporting material risk exposures and the progress and assessment of risk management activities to the Board.</p>
	<ul style="list-style-type: none"> <li>• <b>Group Managing Director</b></li> <li>• <b>Plantation Leadership Committee</b></li> <li>• <b>Operations Leadership Team</b></li> </ul>	<p>The Board delegates to the GMD the responsibility for ensuring effective implementation and maintenance of the Group Risk Management Framework and that all personnel adhere to its mandates. The PLC and OLT support the GMD in ensuring that appropriate controls are in place and working effectively in managing risks and governance within the Board mandated risk appetite as entrusted by the Board, as part of their responsibility in evaluating and making key strategic and operational decisions in the pursuit of the Group's strategies.</p>
<p>GCA, GCO, GFCRM and Group Risk Management (GRM) have an established working relationship to minimise overlaps or duplication of functions and responsibilities, as there are apparent areas of commonality.</p> <p>Further details of the Group's risk management and internal control framework, the adequacy as well as the effectiveness of the framework are disclosed in the Statement on Risk Management and Internal Control featured in the Integrated Report 2023 and available on SD Plantation's website under the Annual Reports and Presentations section at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>. A summary of the key activities of the GAC and RMC are also provided in their respective reports in the Integrated Report 2023.</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 10.3 - 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>The Board has established an RMC which comprises 50% Independent Directors.</p> <p>The main functions and duties of the RMC, among others, include the following:</p> <ul style="list-style-type: none"><li>a) Provide oversight, direction and counsel to the Group's risk management process;</li><li>b) Establish and periodically review the Group risk management guidelines and policies and ensure implementation of the objectives outlined in the policies and compliance with them;</li><li>c) Recommend for the Board's approval the Group's risk management framework, policies, strategies, key risk indicators and risk tolerance levels, and any proposed changes thereto;</li><li>d) Evaluate the effectiveness of the Group's risk management structure, risk management processes and support system to identify, assess, monitor and manage the Group's key risks;</li><li>e) Review all major investment and project business cases in accordance with established thresholds in the approved Group Limits of Authority; and</li><li>f) Review the statement on risk management and internal control in the Group's Integrated Report to ensure that relevant information as prescribed in the MMLR is disclosed, including a discussion on how key risk areas such as finance, operations, regulatory compliance, reputation, cyber security and sustainability were evaluated and the controls in place for the Group to mitigate and manage those risks.</li></ul> <p>Further details on the functions and duties of the RMC are defined in its TOR, which is accessible under the Corporate Governance section on SD Plantation's website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p>

## 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>In relation to the oversight of controls environment, the GAC is assisted by GCA that serves as the Group's in-house internal audit function. GCA is a unit under GIGA and headed by the Chief Integrity &amp; Assurance Officer (CIAO) who also oversees the Group's integrity and governance functions.</p> <p>The following activities are performed by the GAC in relation to internal audit:</p> <ol style="list-style-type: none"><li>a) Oversee the internal controls framework to ensure operational effectiveness and adequate protection of the Group's assets from misappropriation;</li><li>b) Approve the GCA Charter, setting forth the purpose, responsibilities and necessary authority to carry out the work;</li><li>c) Review, challenge and approve the GCA audit plan and budget, risk assessment and audit methodology, and ensure robustness in the audit planning process;</li><li>d) Review the adequacy of the internal audit scope, audit programmes, functions, competency, experience and resources, and ensure the function is able to undertake their activities independently and objectively, and that they have the necessary authority to carry out their work; and</li><li>e) Review the internal audit reports, discuss major findings and Management's response, and ensure appropriate action is taken on the recommendations.</li></ol> <p>In ensuring the effectiveness of its activities, the following methodologies are deployed by GCA:</p> <table border="1"><thead><tr><th><b>Risk Assessment</b></th></tr></thead><tbody><tr><td>GCA employs a risk-based approach in determining the audit priorities. This methodology enables GCA to rank auditable areas to optimise and prioritise the allocation of limited resources, which considers: -</td></tr><tr><td>1) The size of operations;</td></tr><tr><td>2) Business performance;</td></tr><tr><td>3) External factors (changes to laws and regulations, political, foreign exchange);</td></tr><tr><td>4) Control environment (complexity of operations, staff / organisational changes, organisational structure, etc.);</td></tr><tr><td>5) Results of previous reviews; and</td></tr><tr><td>6) Assessment of fraud risk.</td></tr></tbody></table>	<b>Risk Assessment</b>	GCA employs a risk-based approach in determining the audit priorities. This methodology enables GCA to rank auditable areas to optimise and prioritise the allocation of limited resources, which considers: -	1) The size of operations;	2) Business performance;	3) External factors (changes to laws and regulations, political, foreign exchange);	4) Control environment (complexity of operations, staff / organisational changes, organisational structure, etc.);	5) Results of previous reviews; and	6) Assessment of fraud risk.
<b>Risk Assessment</b>									
GCA employs a risk-based approach in determining the audit priorities. This methodology enables GCA to rank auditable areas to optimise and prioritise the allocation of limited resources, which considers: -									
1) The size of operations;									
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4) Control environment (complexity of operations, staff / organisational changes, organisational structure, etc.);									
5) Results of previous reviews; and									
6) Assessment of fraud risk.									

The audit risk assessment process also embedded a data driven risk assessment methodology, which leverages source data residing in the SAP system to provide a more agile response to the changes in the risk landscape. In deriving the risk outcomes, strategic or enterprise risks are also being assessed to ensure all aspects of risk are duly considered. GCA also engages in quarterly catch-up sessions with GRM to discuss key risk events affecting the Group and the responses. The audit plan remains a dynamic document and responds to the changes in the risk profile of the Group.

**Audit Plan and Coverage**

GCA's audit plan and coverage are selected and prioritised by employing a structured risk-based methodology, which considers the various risk factors, i.e. strategic, financial, operational and compliance risks. Reviews at minimum comprise compliance & control as well as business advisory reviews which include an assessment of the current design and implementation of the systems of internal controls at the Group in mitigating those risks. GCA would also review operations and management projects to ascertain the extent to which results are consistent with established goals and objectives, and to determine whether operations and the projects are implemented or performed as intended. This includes ascertaining the extent to which operating, and programme goals and objectives have been established and conformed to those of the organisation. GCA would then make appropriate recommendations for improving the governance process in the accomplishment of all objectives of the auditable unit. A root-cause analysis is performed to ascertain that audit recommendations address the key concerns and that recurring findings are minimised.

**Communicating Audit Results**

Upon concluding a review, an exit meeting is conducted to present the observations to the auditee to obtain their commitment to resolving the issues and mitigating the identified risk via practicable action plans.

Each issue is categorised as either critical, major, moderate, or minor and an overall audit opinion rating would conclude on the state of internal control for the scope being reviewed. GCA refers to a structured audit opinion risk matrix to guide the assessment outcome and determine the rating to be accorded. Engagement results are thereafter communicated as follows:

- a) Each audit report is issued to the Group Chief Operating Officer, respective Regional Chief Executive Officer, Chief Operating Officer, and Head of the Business Segment. The immediate Business Unit Heads, Chief Financial Officer and relevant Senior Management personnel are also copied in the report circulation. For report rated 2 and below, the report will be issued to the GMD;
- b) On a monthly basis, key audit issues, action plans for the month and the status of implementation of the agreed action plans are presented to the PLC; and
- c) On a quarterly basis, reports are presented to the relevant GACs (SD Plantation and key subsidiaries) to highlight the key audit observations, action plans for the quarter and status of the implementation of the agreed action plans.

	<b>Monitoring Progress</b>
	Follow up on outstanding issues is done on a quarterly basis on all action plans corresponding to the audit recommendations. GCA validates the evidence prior to accepting closure of the action plans. With the implementation of the audit automation software 'Teammate+', the follow up function has been automated with the auditees being notified to update their status and progress of the agreed internal controls.
	<p>In maintaining the independence and objectivity of the GCA function:</p> <p>a) The CIAO functionally reports to the GAC and administratively to the GMD.</p> <p>b) GCA have unrestricted access to all functions, records, documents, properties, personnel, policies, and procedures at all levels throughout the Group.</p> <p>c) GCA ensures that its internal auditors are free from any relationship or conflict of interest when performing their duties.</p> <p>GCA staff:</p> <ul style="list-style-type: none"><li>- Do not participate in any activity, engagement or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the Group;</li><li>- Do not accept anything that may impair or be presumed to impair their professional judgment; and</li><li>- Disclose all material facts known to them which, if not disclosed, may distort the reporting of activities under review.</li></ul> <p>d) Any GCA report, audit plans and other publications are not subject to the clearance of any management and staff external to GCA. The performance review of GCA and its members is also not subject to assessment by any management and staff within the Group external to the department, whether directly or indirectly.</p> <p>e) The GAC is responsible for the annual assessment of GCA's performance, as well as approve the GCA Plan (including its manpower and financial budget) annually with periodic reviews to ensure clarity in business alignment, risk assessment and audit methodology and ensure robustness in the audit planning process.</p> <p>f) The GAC also approves the appointment or termination of the CIAO and is notified of the resignation of the CIAO's direct reports.</p> <p>g) The CIAO reports the results of the audit activities to the GAC periodically (on a quarterly basis) for noting and takes directly to the Chairman of the GAC, matters which she believes to be of sufficient magnitude and importance that require the immediate attention of the GAC.</p> <p>h) Potential breaches of the COBC, fraudulent activities, significant internal control deficiencies, and the actions taken on the recommendations of GCA are reported to the GAC as soon as</p>

	<p>these are identified. The GAC has the authority to make and request for independent assessments, reviews, and audits when it deems appropriate, and could engage external auditors and/or experts to assist it in the process.</p> <p>A Quality Assurance &amp; Improvement Programme (QAIP) is implemented to assess the quality of the internal audit process adopted. It is an ongoing and periodic assessment that covers key activities within GCA's activities. The programme focusses on the efficiency and effectiveness of audit processes and appropriate recommendations and opportunities for improvement identified through an external assessment. An internal assessment is carried out in the form of half-yearly internal team validations and peer reviews, while an external quality assessment review conducted by a qualified independent assessor is undertaken once every five (5) years.</p> <p>Based on the last external quality assessment review that was conducted in FY2021, it was concluded that GCA Generally Conforms to the Internal Standards for Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors (IIA) and its maturity assessed to be at the 'Integrated' or Level 4 level based on the 5-scale rating (Level 1 of 'Weak' to Level 5 of 'Advanced').</p> <p>In accordance with the GAC's TOR, the GAC had on 19 February 2024, conducted an annual assessment of the performance of the GCA function and the CIAO by reviewing the financial year ended 31 December 2023 scorecard results. The GAC was satisfied with the competency, experience, and resources of the GCA function in performing its activities independently and objectively. In April 2024, the GAC had also performed an assessment of GCA's purpose, authority, and responsibility, as defined in the GCA Charter, to ensure that these continue to be adequate to enable GCA to accomplish its objectives.</p> <p>Further details on the functions and duties of the GAC relating to governance, risk management and internal control are clearly defined in its TOR, which is accessible in the Corporate Governance section on SD Plantation's website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</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>Details of activities performed by the GCA function, being the Group's internal audit arm are provided in the GAC Report, which is featured in the Integrated Report 2023 and available in the Annual Report and Presentations section on SD Plantation's website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p> <p>a) <u>Objectivity and Independence of GCA Staff</u> GCA staff have no direct operational responsibility or authority over any of the activities audited. Accordingly, they do not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement.</p> <p>GCA staff exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. They make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or others in forming judgements.</p> <p>All GCA staff had in September 2023, confirmed via the annual declaration that they are free from any relationships or conflicts of interest, which could impair their independence in carrying out their duties for the Group. They also abide by the Code of Ethics of the IIA in upholding the principles of Integrity, Objectivity, Confidentiality and Competency in the conduct of their work.</p> <p>b) <u>GCA Resources</u> As of 18 March 2024, GCA has a staff strength of 58 individuals from various backgrounds and skills. 100% of GCA staff have minimum tertiary qualifications and/or professional certifications including Certified Internal Auditor, Certification in Control Self-Assessment, Certified Information System Auditor, the Association of Chartered Certified Accountants and Certified Practising Accountant (Australia).</p>

	<p>The allocation of resources depends on the nature of the audits to be matched against the audit resources in terms of competency - knowledge and experience.</p> <p>c) <u>Chief Integrity &amp; Assurance Officer</u>  The CIAO leads GIGA which comprises GCA and Group Integrity &amp; Governance (GIG). GIGA is an independent function, reporting functionally to the GAC and administratively to the GMD.</p> <p>Suhailah Mohamed Abdulla was appointed as the CIAO effective 1 March 2021. Suhailah is a Certified Fraud Examiner, a Certified Integrity Officer, a Certified Internal Auditor by the Global Institute of Internal Auditors and holds a Certification in Control Self-Assessment conferred by the same Institute. She is a member of the Malaysian Institute of Certified Public Accountants, MIA and a Chartered Member of the Institute of Internal Auditors. Suhailah has more than 25 years of experience in audit, governance, risk, and compliance within a wide array of industries.</p> <p>The profile of the CIAO is available online on SD Plantation’s website, in the Our Leaders section, at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p> <p>d) <u>Recognised Framework</u>  GCA subscribes to the International Professional Practices Framework (IPPF), which is a recognised international standard issued by the Global IIA Incorporated. GCA is also a Corporate Member of IIA Malaysia.</p> <p>GCA activities are also guided by the internally established GCA Charter, that outlines the purpose, authority, and responsibility of GCA and an Audit Manual. The Charter and Audit Manual are communicated to GCA staff for implementation across all GCA regions. With the implementation of ‘TeamMate+’ as the audit management software across all regions, the standardisation, compliance to the auditing standards and quality of work performed across all regions are further enhanced.</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 believes in effective, transparent, and regular communication with its stakeholders to build trust and facilitate mutual understanding of each other’s objectives and expectations.</p> <p>The Board is also committed to ensuring all communications to the investing public regarding the business, operations and financial performance of the Group are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, filed with regulators in accordance with applicable legal and regulatory requirements.</p> <p>The Policy on Stakeholder Management has been established with the objective of proactively engaging and effectively managing the dissemination of information to key stakeholders of the Group. The Policy covers the Group’s engagement with key internal and external stakeholders, including but not limited to investor relations activities.</p> <p><b><u>Investor Relations</u></b></p> <p>The Investor Relations (IR) unit provides a platform for two-way communication between the Company and the investment community. This involves providing publicly available information and analysis of the Company that will help the investment community to develop a comprehensive understanding of the Company’s strategies, financial results and corporate developments. The IR unit has an extensive engagement programme that includes the holding of regular meetings, conference calls and site visits. Senior Management of the Company is actively involved in the IR engagement programme and the Board is periodically briefed on these interactions and feedback from the investment community.</p> <p>The IR unit is also responsible for enquiries and requests from institutional stakeholders and will coordinate responses from the relevant department(s) and/or business unit(s) in responding to such enquiries and requests. Any form of engagement with institutional stakeholders is coordinated by the IR unit in consultation with all relevant business units and/or departments.</p>

The Company will not endorse any analysts' and/or fund managers' report, nor will it use unethical means to influence the opinions of an analyst and/or fund manager.

**Enquiries**

The Group Secretary is the official point of contact for written enquiries from Retail Shareholders and will coordinate responses from the relevant department(s) and/or business unit(s).

IR shall be responsible for enquiries and requests from institutional stakeholders and will coordinate responses from the relevant departments and/or business units in responding to such enquiries and requests. Any form of engagement with institutional stakeholders shall be coordinated by IR in consultation with all relevant departments and/or business units.

**Authorised Spokesperson**

Group Communications is responsible for managing corporate information for all other stakeholders not specifically covered by the functions mentioned above. These include but are not limited to the employees, general public, media, non-governmental organisations (NGOs), governments, international organisations, trade organisations, customers, relevant business councils, and networks.

All information including public communication relating to business operations and products are coordinated through Group Communications in collaboration with the relevant department(s) and/or business unit(s). Such communication is done in cognisance of the Group's principles, policies, and communication guidelines.

Group Communications is also responsible to coordinate and manage the dissemination of information to all stakeholders in situations as defined in the Crisis Communications manual.

**Financial Result**

The Company holds quarterly results briefings on the Group's financial results and ensures that the Company's website is regularly updated with current and relevant information to provide up-to-date information on the business (financial and major strategic development), innovation, sustainability initiatives and happenings within the Group. A variety of online and offline contact options (email, online feedback form, general and media enquiries) are provided to facilitate the public's engagement with the Group in their preferred manner.

**Website**

The Company's values, Corporate Governance Framework, COBC, whistleblowing process, and various other corporate governance

	<p>initiatives are available on the Company’s website. The Company’s website is a key communication channel for the Company to reach its shareholders, the investment community, and the general public.</p> <p>The Notice of the AGM, Proxy Form, Integrated Report, Circular to Shareholders, Corporate Governance Report, administrative details for the AGM and Integrated Report Request Form are available on the Company’s website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p> <p><b><u>Integrated Report and Annual General Meetings</u></b></p> <p>The Integrated Report is a major channel of communication disclosing information not only on the Group’s business, financials, and other key activities but also additional information such as strategies, operations, performance, challenges and its management. The Board places great importance on the content of the Integrated Report to ensure the accuracy of the information as the Integrated Report is a vital source of information for investors, shareholders and the general public.</p> <p>Apart from the above, the Board engages with shareholders during the Company’s AGM. The AGM offers an opportunity for shareholders to raise their questions pertaining to the Group’s performance directly to the Board and Senior Management.</p> <p>Announcements made to Bursa Malaysia Securities Berhad, the Quarterly Results Briefing Presentation and above information are available on SD Plantation’s website at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>.</p>
<p><b>Explanation :</b> <b>for</b> <b>departure</b></p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure :</b></p>	
<p><b>Timeframe :</b></p>	

### 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 Group strives to be open and transparent so that investors and stakeholders can make an informed assessment of the year under review. The Integrated Report is SD Plantation's primary communication to investors as well as stakeholders and represents a comprehensive account of financial and non-financial performance.</p> <p>This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and the International &lt;IR&gt; Framework.</p> <p>All financial statements have been prepared according to the requirements of the Malaysian Companies Act 2016 and the Malaysian Financial Reporting Standards and audited by the external auditors, PricewaterhouseCoopers PLT.</p> <p>The Integrated Report 2023 is accessible on SD Plantation's website under the Annual Reports and Presentations section at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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**

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>The Notice of the Company’s AGM scheduled to be held on 28 May 2024 will be issued on 25 April 2024, with a notice period of at least 28 days prior to the AGM. This is to ensure that the shareholders are given sufficient time to consider the resolutions and make necessary arrangements to participate either in person or through a company representative, proxy, or attorney. The Group allows a shareholder to appoint a proxy who need not be a member of the Company.</p> <p>The Notice of AGM is posted on the Company’s website to ensure wider dissemination. Administrative details are also issued to the shareholders along with the Notice of the AGM and specify related information on registration, location, logistics, voting procedures, etc.</p> <p>Shareholders may request for a copy of the Group’s Integrated Report through the designated channels.</p> <p>The previous AGM was conducted on 15 June 2023 and the Notice of AGM was issued to the shareholders on 28 April 2023.</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>The Board Charter states that all Directors and the Chairs of Board Committees must attend General Meetings to allow shareholders to raise questions and receive meaningful responses to questions raised by them.</p> <p>The Company's AGM conducted on 15 June 2023 was held virtually through live streaming and online remote voting from the Broadcast Venue at the Grand Ballroom, Level 2, DoubleTree by Hilton Shah Alam i-City, i-City Finance Avenue, 40000 Shah Alam, Selangor Darul Ehsan.</p> <p>The Administrative Details set out the procedures for shareholders to register, participate and vote remotely and shareholders were able to participate at the AGM via audio and/or video capabilities.</p> <p>All members of the Board and Senior Management except for Dr Shariman Alwani, Chief Strategy &amp; Innovation Officer, who attended via videoconferencing, were physically present at the Broadcast Venue.</p> <p>The Minutes of the AGM available on the Company's website set out the attendance of the Directors and Senior Management of the Company.</p> <p>All Board members, including the Chairmen of the Board and Board Committees (GAC, NRC, RMC, SC and BTC) were present at the AGM 2023 to respond to questions by shareholders.</p> <p>The AGM 2024, to be held on 28 May 2024, will have a similar arrangement as the AGM 2023. All Directors and the Chairs of the Board Committees will be invited to attend the Company's AGM either in-person at the Broadcast Venue or virtually to answer questions raised by shareholders.</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>The Company’s Constitution allows the Company to convene a meeting of Members at more than one venue using any technology or method that enables the Members of the Company to participate and to exercise the Members’ right to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue.</p> <p>The Company’s AGM conducted on 15 June 2023 was held virtually through live streaming and online remote voting from the Broadcast Venue at the Grand Ballroom, Level 2, DoubleTree by Hilton Shah Alam i-City, i-City Finance Avenue, 40000 Shah Alam, Selangor Darul Ehsan. The Company had taken all efforts to ensure that the live streaming was smooth.</p> <p>Voting at the AGM 2023 was conducted by poll in accordance with Paragraph 8.29A of the MMLR by way of electronic voting (e-voting) via the Remote Participation and Voting (RPV) facilities provided by the share registrar.</p> <p>The online remote voting via the RPV commenced from the start of the AGM until the voting session was closed. Questions to the Board were submitted in advance through the Tricor Investor &amp; Issuing House Services Sdn Bhd (Tricor)’s Online System (TIIH Online) and were also posed to the Board through the real time submission of typed texts during the proceeding of the AGM.</p> <p>SD Plantation had sought confirmation from Tricor on their cyber hygiene practices to ensure data privacy and security to prevent cyber threats. Tricor had confirmed that it has implemented an Information Technology and Information Security policy, endpoint controls and data classification for cyber hygiene practices of the staff. Tricor is also ISO27001 certified in October 2021. In addition, TIIH Online is hosted on a secure cloud platform and the data centre is ISO27001 certified.</p> <p>The AGM 2024 will have a similar arrangement as the AGM 2023.</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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>SD Plantation provides a platform for shareholders' engagement during the general meeting via Question-and-Answer session. The questions, both advanced and real-time questions, and the Company's responses are included in the Minutes of AGM.</p> <p>The GMD presents an overview of the Company covering the Company's financial highlights, outlook, and challenges, as well as strategy and initiatives during AGM.</p> <p>For the AGM held on 15 June 2023, the Company received advance questions from Minority Shareholders Watch Group (MSWG) and shareholders as well as real-time questions in relation to the Company's operations and performance from shareholders present during the virtual AGM. The questions from MSWG, advance questions by the shareholders and the Company's responses were addressed and displayed on the screen during the AGM.</p> <p>The Board Charter states that all Directors and the Chairs of Board Committees must attend General Meetings to allow shareholders to raise questions and receive meaningful responses to questions raised by them. All Board members, including the Chairmen of the Board and Board Committees (GAC, Nomination &amp; Remuneration Committee, Risk Management Committee, SC and BTC) and Senior Management were present at the AGM 2023 to respond to questions by shareholders.</p>

	The Minutes of the AGM is accessible on SD Plantation's website under the Stock and Shareholder Information section at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a> .	
<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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AGM 2024 will have a similar arrangement as the AGM 2023.</p> <p>The 21st AGM to be held on 28 May 2024 will be conducted virtually through live streaming and online remote voting through RPV.</p> <p>The Administrative Details set out the procedures for shareholders to register, participate and vote remotely and shareholders are able to participate at the AGM via audio and/or video capabilities.</p> <p>The shareholders will participate and vote remotely at the 21st AGM using the RPV facilities provided by Tricor via its TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>The shareholders who attend the AGM remotely are allowed to pose questions to the Board through a real time submission of typed texts during the proceeding of the AGM. Shareholders are also allowed to submit questions for the Board in advance through Tricor's TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>The advance questions from the shareholders and the Company's responses are displayed on the screen during the AGM. The real time questions are also displayed on the screen during AGM.</p> <p>The Administrative Details are accessible on SD Plantation's website under the Investor Relations section at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</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**

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> :	The Minutes of 20th AGM was disseminated to the shareholders through the SD Plantation’s website on 13 July 2023.  The Minutes of the AGM is accessible on SD Plantation’s website under the Stock and Shareholder Information section at <a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a> .
<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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