



SIME DARBY BERHAD

BOARD COMPOSITION POLICY

Approved on 26 February 2026



SIME DARBY BERHAD

BOARD COMPOSITON POLICY

1.0 PURPOSE

- 1.1 This Policy sets out the principles adopted by the Board of Directors ("Board") of Sime Darby Berhad ("Sime" or the "Company") to guide its composition and renewal that supports effective governance, strategic direction, and the long term success of the Company, in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the intended outcomes of the Malaysian Code on Corporate Governance 2021.

2.0 SCOPE

- 2.1 This Policy applies to all members of the Board and is effective upon Board approval unless varied or revoked by the Board.

3.0 POLICY STATEMENT

- 3.1 **Merit-Based Appointments:** Appointments to the Board shall be based on merit, guided by objective and transparent criteria, to ensure appointments reinforce integrity, independence of judgment, and overall Board effectiveness.
- 3.2 **Diversity:** The Board commits to maintaining an appropriate mix of diversity attributes, including the following:
- (a) skills, professional background, industry knowledge,
 - (b) international exposure and culture,
 - (c) age, gender, and ethnicity; and
 - (d) generational diversity.
- 3.3 **Board Size:** The Board shall determine its size based on the Group's strategic priorities, business complexity, risk profile, and governance needs. The size shall be reviewed periodically to ensure the Board remains effective.
- 3.4 With respect to gender diversity, the Board will maintain at least two (2) women Directors and will actively work towards having a minimum of 30% women as members of the Board.
- 3.5 **Independence:**
- (i) The Board shall have a majority of Independent Directors at all times.
 - (ii) Independent Directors shall serve a cumulative term of nine (9) years.

- 3.6 **Exclusion of Active Politicians:** Active politicians shall not be appointed as a Director. An active politician is defined as a person who is either an elected Member of Parliament or State Assemblyman or office bearers of a political party who hold office as the chairman or president or deputy president or vice-president or secretary general or deputy secretary general or treasurer or committee member whether at national level or state level or divisional level.
- 3.7 **Board Competency Matrix:**
- (i) The Board shall establish and maintain a comprehensive competency matrix to guide the composition, renewal and succession planning of the Board and its Board Committees. The matrix will:
 - (a) identify the skills, experience, and diversity attributes required to support the Company's strategic priorities and governance responsibilities; and
 - (b) map the collective competencies of the current Board to identify strengths, gaps and future needs.
 - (ii) While the matrix provides structure and visibility over required competencies, the Board recognises that leadership qualities, behavioural attributes, and interpersonal dynamics are also critical and will be assessed holistically the matrix, when determining the suitability of candidates.
 - (iii) The matrix shall be reviewed periodically to ensure it remains current and reflective of the evolving needs of the Group.
- 3.8 **Sources for New Directors:** In identifying, considering and recommending suitable persons for appointment as Directors, the Board shall utilise a broad range of sources to ensure a diverse and high-quality pool of candidates including recommendations from existing Board members, Management, major shareholders, independent search firms and other independent external sources.

4.0 MONITORING AND REPORTING

- 4.1 The Board, through the Nomination & Remuneration Committee ("NRC"), is responsible for the implementation of this Policy and for monitoring progress towards the achievement of the Board's objectives.
- 4.2 The NRC will review this Policy annually and will recommend changes, as necessary, to the Board.
- 4.3 A summary of this Policy will be disclosed in the Company's Annual Report.

5.0 REFERENCE

- 5.1 This Policy should be read together with the Board Charter and the Terms of Reference of the NRC.