

APPENDIX B

GREENBUILDINGINDEX SDN BHD CONVERSION TO A NON-PROFIT ORGANISATION

Submitted by Ar Michael Ching via email dated 01 April 2021

Resolution

To approve a resolution for PAM Council to take the necessary actions to convert GreenBuildingIndex Sdn Bhd (GSB), a Company Limited by Shares majority owned by Pertubuhan Akitek Malaysia (PAM), into a non-profit organisation Green Building Index (GBI), a Company Limited by Guarantee.

Rationale

In 2009, PAM and the Association of Consulting Engineers Malaysia (ACEM) jointly formed GreenBuildingIndex Sdn Bhd, a private limited company with equity 60% held by PAM and 40% held by ACEM. To date GBI has registered nearly 1,000 projects and certified 25 million square meters of green building GFA, an area equivalent to more than 63 Petronas Twin Towers. The combined energy savings of GBI certified buildings currently reduces Malaysia's overall CO₂ emissions by nearly 0.5% annually.

In an effort to consolidate these achievements and ensure GBI's continued success into the future, a task force was convened by resolution at the 2020 PAM AGM to consider all aspects & implications of converting GSB into a tax-free foundation. However, the path to GBI's ongoing success does not pertain foremost to issues of tax liability but more specifically to the organisation's non-profit status.

Above all else, a green building benchmarking tool must be independent, transparent & instill confidence that it is operated for the public good, not for profit. This is important not only for public perception, but also to consolidate the organisation's role within the building industry, its ability to liaise effectively with government authorities and to honour the efforts of the many hundreds of volunteers without whom the 18 tools and reference guides that form the core of GBI's portfolio would not have been possible.

Since its founding, GBI has always been intended as a non-profit organisation. It has consistently portrayed itself as such to both industry stakeholders, governmental concerns and its own volunteers. But until now GBI has remained incorporated, not as a non-profit organisation, but as a Company Limited by Shares (Sdn Bhd). It is time that we correct this long-standing oversight by converting GBI to a proper non-profit organisation in the form of a Company Limited by Guarantee (CLBG).

Adoption of this resolution will confirm PAM's intention to convert GSB to a CLBG and to coordinate accordingly with GSB's other Shareholder, ACEM. As a CLBG, PAM & ACEM would retain full control of the organisation and the terms of its constitution, establishing a solid foundation for GBI so that all profits, donations, proceeds etc... shall be utilized only for purposes related to the research & development of green building rating systems and the promotion of sustainable design practices.