

Corporate Governance Overview Statement



ARMB, being the management company of Axis-REIT, is pleased to present this Corporate Governance Overview Statement, which has been approved by the Board, and which provides insights into the best practices adopted by the Manager in managing Axis-REIT.

The Manager recognises that an effective corporate governance culture is critical to its performance, and consequently, the success and sustainability of Axis-REIT. We are committed to deliver high standards of corporate governance and have adopted a comprehensive corporate governance framework that meets best practice principles.

The following sections describe the corporate governance framework, practices and policies adopted by the Manager, based on Axis-REIT's status as a large company, as defined by the Malaysian Code on Corporate Governance (MCCG). The framework, practices and policies are substantially in accordance with the MCCG.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

The Manager of Axis-REIT

As the appointed Manager of Axis-REIT, ARMB has the general power over the assets of the Fund. The Manager's main responsibility is to manage the Fund's assets and liabilities for the benefit of its Unitholders, acting honestly, with due care and diligence, and in Unitholders' best interests at all times.

Led by the Board of Directors, ARMB sets the strategic direction of the Fund and makes the relevant recommendations to the Trustee of Axis-REIT on acquisitions, divestments, enhancements and developments. Concurrently, the Manager also oversees the business planning, capital management and risk management functions of the Fund.

ARMB is a Capital Markets Services Licence (CMSL) holder, regulated by the Capital Markets and Services Act 2007. As such, it is required to observe and meet the minimum standards of conduct in the capital market as regulated by the SC, as well as the SC's Guidelines on Corporate Governance for Capital Market Intermediaries (CGCMI Guidelines). These are in addition to complying with the practices and principles of the MCCG.

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The Board of Directors of the Manager

An overview of the Board’s responsibilities in carrying out the duties of the Manager is as follows:

BOARD’S RESPONSIBILITIES

- 1 Strategic planning, which supports long-term value creation
- 2 Corporate governance, which reinforces ethical, prudent and professional behaviour
- 3 Supervision and oversight of Senior Management towards the accomplishment of the Fund’s objectives and mission
- 4 Business plans and the results of their implementation
- 5 Asset management of Axis-REIT’s property portfolio
- 6 Risk management and internal controls, including setting the risk appetite and tolerance in the decision-making process
- 7 Financial and non-financial reporting systems
- 8 Business development and growth strategies
- 9 Succession planning at Board and Senior Management levels
- 10 Stakeholder communication and engagements
- 11 Oversight of sustainability and ESG matters

Details of the Board’s roles and responsibilities in discharging its fiduciary leadership functions are available in the Board Charter, which can be accessed at Axis-REIT’s corporate website, www.axis-reit.com.my.

Sustainability Governance Structure

Good ESG management requires strong leadership to ensure that the day-to-day operations and business decisions work towards achieving the Fund’s vision and sustainability targets. This, in turn, wins the trust and confidence of all stakeholders.

The Board, together with the CEO, HODs, and the Marketing & Sustainability Manager, are responsible for sustainability management and activities across the Fund. The CEO, HODs and the Marketing & Sustainability Manager form the Sustainability Team of Axis-REIT.



BOARD

- Approving ESG strategies and targets/key performance indicators
- Evaluating the overall ESG-related performance on a regular basis
- Overseeing the management of sustainability initiatives, as well as ESG-related risks and strategies

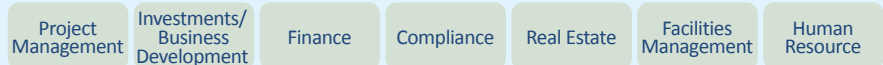


CEO

- Developing and managing sustainability initiatives
- Devising ESG-related strategies in line with business plans
- Assessing the impact and progress of key sustainability action plans
- Ensuring the mitigation of ESG-related risks through the integration of these risks in enterprise risk management procedures



HODs



- Implementing, monitoring and reporting sustainability initiatives, measures and actions that have been set by the CEO and approved by the Board



MARKETING & SUSTAINABILITY MANAGER

- Working closely with the CEO and HODs to implement the approved sustainability initiatives



New in FYE2023:

The Board’s responsibilities on sustainability, as contained in the Board Charter, were expanded to include the oversight and management of climate-related risks and opportunities. The Board acknowledged this as the first step towards adopting the TCFD Recommendations.

Senior Management, being responsible for the identification, assessment, and management of climate-related risks and opportunities, has the duty to report to the Board on a periodic basis, such climate-related matters for review and monitoring purposes. The Board shall consider such climate-related matters in its decision-making on business plans and strategies, budgets, including investment and divestment proposals.

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Board Composition

The Board comprises a mix of Executive and Non-Executive Directors from diverse professional backgrounds. This allows Senior Management to tap the Board's broad expertise and business experience in deliberating issues pertaining to the management and operations of the Fund.

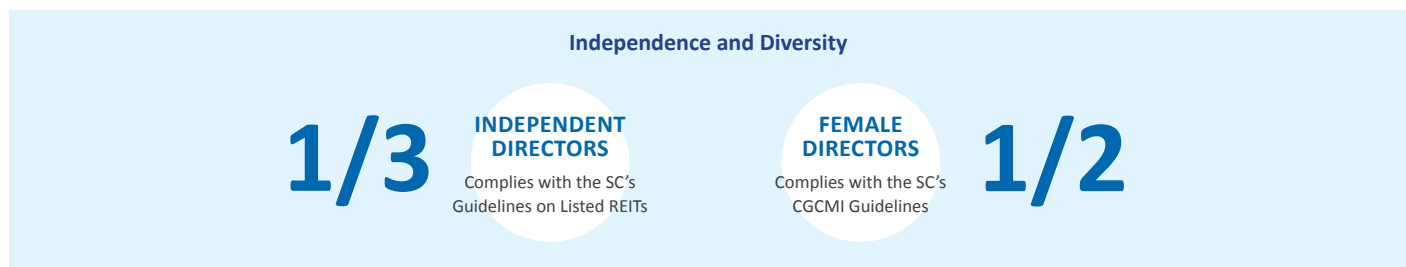


Changes in FYE2023:

- (i) The Board underwent a major change in its composition on 30 May 2023 with the departure of 3 long-serving Independent Non-Executive Directors, who stepped down in accordance with the limit on independent directors' tenures prescribed by the SC's Guidelines on Listed REITs.
- (ii) There was also a change in Alternate Directors on 27 October 2023, when Mr Alex Lee Lao stepped down and Mr Takim Khan Myhre was appointed in his place as the Alternate Director to Dato' Abas Carl Gunnar.



The Board is satisfied with its current composition, given the mix of skills and competencies of its members. The Board further notes that its composition complies with the SC's Guidelines on Listed REITs in terms of independent representation and the SC's CGCMI Guidelines for gender diversity.



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Annual Assessment of the Board, Board Committees and Individual Directors

The Board engaged a third-party consultant, Archer Consulting Group Sdn Bhd (ACG), to facilitate its annual independent assessment of the Board, Board Committees, and each individual Director. ACG conducted these assessments between 26 September 2023 and 3 October 2023 through separate interviews with each Director.



Outcome in FYE2023:

Based on the Nomination Committee's evaluation of ACG's assessment, the Board was satisfied with the existing board structure and composition. The Board views that each of the Directors has been effective in his/her leadership and decision-making.

Chairman of the Board and CEO

The positions of Chairman and CEO are held by separate persons to maintain an effective segregation of duties. This division of responsibilities is defined in the Board Charter and is summarised below:



Chairman of the Board

- Provides leadership to the Board in relation to all aspects of the Board's roles and responsibilities
- Ensures that members of the Board work together with Senior Management in a constructive manner to address strategies, business operations, financial performance and risk management issues
- Plays a role in the Manager's external relationships with stakeholders



CEO

- Has full executive responsibilities over the execution of the agreed business policies and directions set by the Board, and overall operational decisions in managing Axis-REIT
- Works closely with all HODs through weekly cross-departmental meetings in reviewing matters relating to operational issues, capital management, investment proposals, leasing activities, as well as facilities and project management



Changes in FYE2023:

- (i) There was a change in the Board chairmanship with the departure of YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin on 30 May 2023. He has been succeeded by Dato' Abas Carl Gunnar in accordance with the terms of the Board Charter and the succession plan that was approved by the Board in 2019. Dato' Abas Carl Gunnar had previously served as ARMB's Executive Deputy Chairman.
- (ii) Mr Stephen Tew Peng Hwee @ Teoh Peng Hwee (Stephen Tew) was redesignated from Non-Independent Non-Executive Director to Non-Independent Non-Executive Deputy Chairman on 30 May 2023.

Corporate Strategy and Target Setting

At the start of FYE2023, the Board reviewed and approved Axis-REIT's budget, which set the financial roadmap and targets for each department in executing the business plans for the year.

At each of its quarterly meetings, the Board reviewed and assessed the Manager's execution of approved action plans and its progress towards targets and key performance indicators that had been set and approved under the Corporate Sustainability Strategy 2023-2024. The progress, achievements and targets met in FYE2023 are presented in on page 103.



Outcome in FYE2023:

At a strategy workshop held in November 2023, the Sustainability Team formulated enhancements to the corporate strategy with the establishment of an overall financial target as well as non-financial sustainability KPIs. These targets were incorporated in the Corporate Strategy 2024-2025, which was endorsed and adopted by the Board at its first meeting of 2024, convened on 23 January 2024. The Corporate Strategy 2024-2025 is presented on pages 97 to 103.

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Commitment to Climate Management

As part of the Manager's environmental stewardship, the Board has made a commitment to ensure that the Manager will, in Axis-REIT's transition journey, look into efforts to reduce GHG emissions to as close to zero (carbon neutrality) or to achieve net zero by 2050 or earlier.

Assessment of the Board and the Sustainability Team

The Board, at its final Board meeting for 2023, which was held on 27 October 2023, evaluated the performance of the Sustainability Team. Based on the overall progress and targets met for FYE2023, the Board was satisfied with the team's commitment, progress and achievements during the year.

The Directors were also evaluated for their understanding and commitment to ESG action plans and targets for 2023-2024 during the Board's annual assessment conducted by ACG.



Outcome in FYE2023:

The results of ACG's evaluation revealed that the Directors were committed to monitoring the progress and achievement of the predetermined sustainability targets, and that the Board had devoted sufficient time and effort to set strategic plans amid the changing business environment and evolving stakeholder expectations.

Board Meetings and Procedures

The Board meets every quarter and held 4 meetings in FYE2023. Dates for all Board meetings are determined and fixed in advance so that all Directors can schedule and commit their time effectively. This is governed by the Board Charter, which sets expectations on Board members' time commitments.

At the quarterly meetings held in FYE2023, the Board:



Reviewed, discussed and approved the release of Axis-REIT's quarterly and annual financial results



Reviewed proposed acquisitions and/or disposals, corporate plans, annual budget, credit control reports, capital management proposals, real estate reports, facilities and project management reports, investor relations reports, as well as other operational reports



Reviewed the financial performance of Axis-REIT against the approved budget



Reviewed other proposals tabled by Senior Management



Reviewed reports from the Board Committees



Reviewed ESG reports

The CEO led the business performance reporting at each Board meeting. The Chief Financial Officer, Head of Real Estate, Head of Investments and the Investor Relations and Business Development Senior Manager, who are HODs of the Manager, were also in attendance to present their reports and facilitate the review and discussion of issues and matters raised. The structure and participation at the meetings enabled the Board to oversee, assess and monitor Senior Management's performance in administering the business of the Manager and Axis-REIT.

Before every Board meeting, the Executive Committee met to review all reports and proposals from Senior Management. Thereafter, it compiled a comprehensive executive committee report that was presented to the Directors at the Board meetings. These executive committee reports contained financial and operational updates, as well as proposals and recommendations for the Board's consideration, deliberation and decision.

The Company Secretary facilitated the dissemination of information pertaining to Board meetings, sending notices of meetings and their agendas to all Directors no less than seven days before each meeting. The relevant meeting papers were also compiled and distributed to all Directors as soon as practicable once the notices of meetings had been issued, within 5 business days before each meeting.

Meeting among Non-Executive Directors

At the Board meeting held on 27 October 2023, the Non-Executive Directors also held a private session to discuss strategic, governance and operational issues among themselves, without the presence of the Executive Directors and Senior Management.

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Access to Information and Advice

All members of the Board have access to all information about the Manager and Axis-REIT at Board meetings, as well as through enquiries made via established channels. Generally, information is disseminated to the Directors by email. The Board also receives monthly financial updates circulated by the Finance department, and this enables the Board to monitor and assess the performance and prospects of the Fund.

All Directors have access to the rules and regulations governing the Fund and the Manager via the Company Secretary, who maintains such corporate documents. This includes policies, guidelines and other such documents that have been approved by the Board.

The Manager can seek advice from a panel of financiers and consultants who provide professional advice in the areas of financing, capital markets, legal, property valuation and engineering due diligence. This access to expert advice ensures that the Board's decision-making mechanism is informed, effective and result-oriented.

Company Secretary and Head of Compliance

The Board is supported by a professionally-qualified and competent Company Secretary who is also the Head of Compliance of the Manager. The Company Secretary organises all meetings for the Board, Board Committees, and Unitholders, ensuring they comply with the applicable policies, rules and procedures. As the Head of Compliance, the Company Secretary also assists the CEO in legal and corporate compliance matters, liaising and working closely with the Fund's external solicitors and professional advisers.

During FYE2023, the Company Secretary attended all Board, Board Committee and Unitholders' meetings, recording and preparing the

minutes of each meeting for the approval of the Board or the respective Board Committee Chairmen. The Company Secretary also ensured that all compliance requirements such as periodic announcements, regulatory submissions and statutory returns were met in accordance with the law, rules and regulations.

The Company Secretary also facilitated communication between the Board, Board Committees and Senior Management, and updated the Board on all relevant regulatory changes.



Outcome in FYE2023:

During FYE2023, the Company Secretary briefed the Board on all notable regulatory updates. These updates, among others, included the following:

- *Guidance Note on Management of Cyber Incidents and Guidelines on Technology Risk Management, both issued by the SC*
- *Amendments to the Main Market Listing Requirements (MMLR) in relation to conflict-of-interest management and mandatory sustainability training for Directors*
- *Amendments to the SC's Guidelines on Listed REITs which imposed a mandatory 12-year limit on independent directors' tenures*

The Company Secretary also distributed regulators' publications to the Directors for their information and notation. These included the SC's Corporate Governance Monitor 2022, Bursa Securities' Illustrative Sustainability Report, and the updated Code of Ethics for Company Directors issued by the Companies Commission of Malaysia.

Corporate Policies

The following policies can be accessed on Axis-REIT's corporate website:

Policies	Scope	Review in FYE2023
Board Charter	Provides a clear description of the responsibilities of the Board, its Directors and the Board Committees	<ul style="list-style-type: none"> • Revised on 19 January 2023 to elaborate that the remuneration framework of the Board takes into consideration both the financial performance of Axis-REIT and the achievement of agreed targets in respect of the non-financial performance of Axis-REIT • Further revised on 18 April 2023 to include the oversight and management of climate-related risks and opportunities.

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Policies	Scope	Review in FYE2023
Code of Conduct	Outlines the rules of professional conduct, proper practices and ethical behaviour expected of the Manager and its personnel	<ul style="list-style-type: none"> Revised on 19 January 2023 to incorporate a provision on the Manager's general commitment to tackle money-laundering
Whistle-Blowing Policy	Facilitates the management of reports and claims filed in relation to possible improprieties in matters relating to financial reporting, compliance, misconduct and other malpractices	<ul style="list-style-type: none"> Updated on 26 July 2023 to name the current Independent Directors as the designated recipients (replacing the outgoing independent directors) of any reports received through whistle-blowing channels
Anti-Bribery and Anti-Corruption Policy	Serves as a guideline in identifying, recognising and dealing with bribery and corrupt practices that may arise in the course of the Manager's daily business and operations, in furtherance of the Manager's commitment to lawful and ethical behaviour at all times	<ul style="list-style-type: none"> Revised on 27 October 2023 to incorporate certain recommendations proposed in the Best Practice Handbook on Adequate Procedures Please refer to page 124 for more details of the revisions made
Privacy Notice	Serves as a public notice to inform new or existing data subjects of the use of their data by the Manager or parties engaged by the Manager and/or Axis-REIT	<ul style="list-style-type: none"> Revised on 26 July 2023 to update the relevant clauses to be in line with the Personal Data Protection General Code of Practice issued by the Personal Data Protection Commissioner
Policy on Conflict-of-Interest Management	Facilitates the identification, handling and management of conflict-of-interest situations involving the Manager and/or Axis REIT, and applies to all Directors and employees of the Manager	<ul style="list-style-type: none"> Revised on 26 July 2023 to enhance the procedures relating to the disclosure and treatment of conflict-of-interest situations arising from new requirements imposed by Bursa Securities

Board Remuneration and Remuneration Policy

As Axis-REIT is externally managed by ARMB, the Fund itself has no Directors or employees. All Directors and employees are engaged by ARMB, which is a privately-owned company. ARMB, strategically led by the Board, ensures that it appoints experienced and well-qualified personnel to handle the day-to-day operations of managing the Fund. All Directors and employees of the Manager are remunerated by the Manager and not by the Fund.

Details of the Remuneration Committee, which is responsible for the determination of the remuneration policy framework of the Manager's Directors, are set out in the Remuneration Committee section below.

Guided by the remuneration policy, which is documented in the Board Charter of the Manager, the Remuneration Committee reviews the annual remuneration proposals presented by the Executive Committee. The Chairman of the Remuneration Committee, who is an Independent Non-Executive Director, brings her experience and exposure to facilitate the review of the remuneration proposals. The Board perceives that the independence of the Chairman of the Remuneration Committee contributes to an objective and impartial review process.

The Board's remuneration policy was enhanced in January 2023 to state that the Board's remuneration framework should consider the Fund's

financial performance as well as the achievement of its predetermined targets in respect of non-financial key performance indicators.

The Remuneration Committee carried out its annual process of reviewing the remuneration packages of the CEO and other Directors. In reviewing the CEO's remuneration, the Remuneration Committee considered the CEO's leadership, performance and contributions to Axis-REIT as the key assessment indicators. Directors' Fees were reviewed based on market conditions, and the Committee also took into consideration the ESG efforts and achievements of the Manager throughout FYE2023. All recommendations were then submitted to the Board for its final decision, and abstentions from voting by interested Directors were recorded by the Company Secretary.

All remuneration matters at Senior Management level are reviewed and determined by the Executive Committee, and where required, on a case-to-case basis, the Board's guidance and/or approval is sought.



New in FYE2023:

In FYE2023, the Board approved the inclusion of ESG factors into the performance appraisals of Senior Management and the Marketing & Sustainability Manager, where the overall results of the performance appraisals would have financial consequences for Senior Management and the Marketing & Sustainability Manager, impacting their salary increments and/or bonuses.

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A brief overview of the remuneration (comprising salaries, other emoluments, fees, meeting allowances and benefits-in-kind) of current Directors in respect of FYE2023 is presented below:

Range of Remuneration Per Annum	Executive Directors	Non-Executive Directors
RM0 - RM200,000	1*	-
RM200,001 - RM400,000	1	4
RM400,001 - RM600,000	-	-
RM600,001 and above	1	-

Note:

* Mr Takim Khan Myhre, who is an Alternate Director, draws a salary as an employee of the Manager.

Details of Directors' and Senior Management's individual remunerations are not disclosed as the Directors and Senior Management personnel are remunerated by the Manager, which is a privately-owned company. The Manager believes that the overview presented above is sufficient for public disclosure, and that the non-disclosure of individual remunerations is essential to protect the interests of the Manager and its officers.

Board Committees and their Roles

The Board delegates certain functions to Board Committees to assist in discharging its duties. These delegated functions are as follows:



EXECUTIVE COMMITTEE

- Manages the business of the Manager and Axis-REIT in accordance with the vision and mission established and approved by the Board
- Oversees and monitors the day-to-day business activities of the Manager and Axis-REIT
- Oversees the internal talent development and senior leadership succession planning



AUDIT COMMITTEE

- Assists the Board in ensuring that a balanced and understandable assessment of Axis-REIT's financial position and prospects is presented to the investing public
- Assists the Board in the areas of internal controls, risk management, and governance processes of Axis-REIT and the Manager



REMUNERATION COMMITTEE

- Recommends to the Board the policy framework for the remuneration of Executive and Non-Executive Directors of the Board, as well as Senior Management (if any)
- Reviews the remuneration framework from time to time, to ensure that the Manager attracts and retains individuals of the highest calibre



NOMINATION COMMITTEE

- Ensures that the Manager recruits, retains and develops the best available executive and non-executive directors
- Reviews succession at Board level
- Assesses the Board's structure, size and composition
- Evaluates the Directors' mix of skills, expertise and competencies

The Board Committees are guided by their respective Terms of Reference. The Terms of Reference of the Audit Committee, Nomination Committee and Remuneration Committee are available for reference on Axis-REIT's corporate website.



Changes in FYE2023:

The compositions of the Audit and Remuneration Committees were restructured on 30 May 2023 following the departure of 3 long-serving Independent Directors. The changes to the memberships of these Board Committees are presented below:



AUDIT COMMITTEE

CURRENT	PAST
CHAIRMAN	
Lim Keng Hwee (redesignated on 30 May 2023)	Mohd Sharif Bin Hj Yusof (resigned on 30 May 2023)
MEMBERS	
Alvin Dim Lao Devika A/P K Sothinathan	YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin (resigned on 30 May 2023) Alvin Dim Lao Lim Keng Hwee Devika A/P K Sothinathan



REMUNERATION COMMITTEE

CURRENT	PAST
CHAIRMAN	
Devika A/P K Sothinathan (appointed on 30 May 2023)	Datuk Seri Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor (resigned on 30 May 2023)
MEMBERS	
Dato' Abas Carl Gunnar Stephen Tew	Dato' Abas Carl Gunnar Stephen Tew

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Changes in FYE2023:

The composition of the Nomination Committee was restructured on 30 May 2023 following the departure of 3 long-serving Independent Directors. The changes to the membership of this Board Committee are presented below:



NOMINATION COMMITTEE

CURRENT	PAST
CHAIRMAN	
Lim Keng Hwee (appointed on 30 May 2023)	Mohd Sharif Bin Hj Yusof (resigned on 30 May 2023)
MEMBERS	
Stephen Tew Devika A/P K Sothinathan (both appointed on 30 May 2023)	YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin Datuk Seri Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor (both resigned on 30 May 2023)



Audit Committee

The Audit Committee has the duty to ensure that the financial reporting systems, internal controls and risk management systems of the Manager are robust.



The Audit Committee Report, which contains a summary of activities carried out by the Committee during FYE2023, is set out as a separate section in this Report.



Remuneration Committee

As the Directors of the Manager are remunerated by the Manager and not by the Fund, the Executive Committee of the Manager plays an important role in presenting proposals to the Remuneration Committee. In this regard, Dato' Abas Carl Gunnar and Mr Stephen Tew, who are members of the Remuneration Committee, also represent the Executive Committee in presenting remuneration proposals to the Remuneration Committee, under the scrutiny of its Independent Chairman, who was appointed to the chair on 30 May 2023.

While the composition of the Remuneration Committee departs from the recommendation of the MCCG, the Board considers the views of the Executive Committee to be essential in the deliberation process, especially in reviewing the remuneration proposal of the CEO. This is because the Executive Committee oversees the primary management activities and business of Axis-REIT, and consequently has a better understanding of the performance and contributions of the CEO.



Nomination Committee

The chair of the Nomination Committee, who is the Senior Independent Director of the Board, plays an important role in fostering strong relationships and balance across the Board.

The Nomination Committee held 2 meetings in FYE2023, which were convened in April 2023 and October 2023 with the following agendas:

APRIL 2023

OCTOBER 2023

AGENDA	OUTCOME
(i) Considered the restructuring of the Board and Board Committees to be implemented effective 30 May 2023 when 3 long-serving Independent Directors would step down, for recommendation to the Board	<ul style="list-style-type: none"> - The Committee recommended the proposed restructuring of the Board and Board Committees, with the changes taking effect on 30 May 2023 upon the Board's approval. - Details of the changes are presented in the Board Committees and their Roles section above.
(i) Reviewed the assessment results on the performance of the Board, Directors and Board Committees, as compiled by ACG	<p>The Committee noted:</p> <ul style="list-style-type: none"> - Satisfactory levels of corporate governance values/practices, as embedded in the functions of the Board, operations, and management processes of ARMB. - Satisfactory assessments of the Board, Board Committees and individual Directors. - That all Directors have remained fit and proper, observing high standards of integrity and fair dealing in carrying out their duties and responsibilities.

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OCTOBER 2023

AGENDA	OUTCOME
(ii) Assessed the criteria for the annual assessment of Directors (including the assessment of Independent Directors) as employed by ACG in their assessment processes	- No revision to the assessment criteria was recommended by the Committee.
(iii) Reviewed the existing composition of the Board, as well as the effectiveness of the Board and Board Committees	- The Committee was satisfied with the existing composition of the Board and Board Committees. - While the MCGG best practice recommends that the Chairman of the Board should not be a member of any other Board Committee, the Board decided to maintain the composition of its Remuneration Committee, where the Board Chairman is also a member. This exception was based on the assessment that the Chairman is capable of undertaking an effective role in the Remuneration Committee given his position as one of the ultimate major shareholders of the Manager who will act in the best interest of the Manager.
(iv) Reviewed succession plans at Board level	- No new recommendations were raised.
(v) Assessed the training needs of the Directors	- The Committee noted that all Directors complied with training and continuous development requirements.
(vi) Reviewed the term of office and performance of the Audit Committee in accordance with Paragraph 15.20 of the MMLR	- No exception was noted from the assessment results.
(vii) Assessed the retiring Directors based on evaluations conducted	- The Committee recommended the re-election of the retiring Directors for the sole shareholder's approval at the Manager's AGM in 2024.
(viii) Reviewed the proposed appointment of Mr Takim Khan Myhre as Alternate Director to Dato' Abas Carl Gunnar (replacing Mr Alex Lee Lao, who had expressed his intention to step down)	- The review considered Mr Takim Khan Myhre's fit and properness, and his ability to act with due skill, care and diligence. As an Alternate Director, Mr Takim Khan Myhre would have the opportunity to be groomed and trained on the operations of the Board and its decision-making processes, that will help develop his skills and experience as a director.

The Nomination Committee's first meeting, held in April 2023, was specifically convened to discuss the restructuring of the Board and Board Committees pursuant to the then impending departures of the 3 long-serving Independent Directors, whereas the agenda of the meeting convened in October 2023 comprised the annual affairs of the Nomination Committee (items (i) to (vii) in the table above), as well as a special agenda (item (viii)).

Assessment of Independent Directors

The Board undertook the annual evaluation of its 2 Independent Directors based on the results of the assessment that was facilitated by ACG. ACG's report had found that the Independent Directors were capable of exercising their independent judgement in all deliberations and decision-making processes of the Board and Board Committees.

Attendance at Board and Board Committee Meetings in FYE2023

The Appendix accompanying this Statement presents the details of each Director's attendance at Board and Board Committee meetings in FYE2023.

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Directors' Continuous Development Programmes

The Board ensures that its members attend appropriate continuing education programmes to stay updated on relevant developments, and to enhance their skills and strengthen their participation in Board deliberations.

The Company Secretary assists the Nomination Committee in compiling and disseminating information on the relevant and available training programmes for consideration and selection by the Directors and Audit Committee members. The Company Secretary also compiles details of the Directors' participation in continuous development programmes for reporting to the Nomination Committee and the Board accordingly.

All Directors of the Manager fulfilled their training requirements in FYE2023, details of which are presented in the accompanying Appendix.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

An Effective Audit Committee

The Audit Committee plays an important role in the governance structure of the Manager, and this Committee discharged its duties in accordance with its Terms of Reference throughout FYE2023.



Details on how the Audit Committee had discharged its duties in FYE2023 are presented in the Audit Committee Report.

Assessment of the External Auditors

One of the tasks that is delegated to the Audit Committee is the annual assessment of the Fund's External Auditors for re-engagement.

The Company Secretary assists the Audit Committee in this evaluation through the application of 2 evaluation tools that have been approved and adopted by the Audit Committee. The tools comprise an interview with the Partner-in-Charge at the external audit firm, and an evaluation checklist that is completed by Senior Management. The tools are designed to address the following criteria:

- Calibre of the external audit firm
- Quality of the audit process, scope and planning
- Effectiveness of the audit communications
- Auditors' independence and objectivity
- Auditors' suitability for re-appointment

The Audit Committee evaluates the outcome of these assessments in determining the suitability of the External Auditors for re-appointment.

The Audit Committee also holds private engagements with the External Auditors without the presence of Senior Management. These meetings provide a platform for the Audit Committee to gauge the working relationship between the External Auditors and management, as well as the level of independence demonstrated by the External Auditors.

During the year under review, the Audit Committee evaluated the results of the assessments, and recommended the re-engagement of KPMG PLT as Axis-REIT's External Auditors for FYE2023, and this was submitted to the Trustee for approval. The re-appointment of the External Auditors of Axis-REIT is not subject to the approval of Unitholders.

Risk Management and Internal Control Systems

Effective risk management is a fundamental part of the Manager's business strategy. It minimises the risk of adverse disruptions to the Manager's pursuit and accomplishment of Axis-REIT's business goals and objectives, and mitigates any potential loss that may negatively impact the Unitholders of Axis-REIT.

Risk management is embedded in the day-to-day operations as well as the executive functions of the Manager. The barometer for risk management is the Risk Register, which was formulated by the Manager to identify, capture and periodically monitor key risk areas. The Audit Committee reviews the Risk Register on a quarterly basis for reporting to the Board.



Details on the risk management framework of the Manager are contained in the Statement on Risk Management and Internal Control.

The internal audit function of the Manager is outsourced to an independent consultancy firm, Baker Tilly Monteiro Heng Governance Sdn Bhd, which carries out the internal audit review based on an approved internal audit plan. The Internal Auditors report directly to the Audit Committee, presenting and discussing their internal audit reports at the quarterly Audit Committee meetings. The Audit Committee, in turn, conveys all findings and observations from the internal audit reviews to the Board on a quarterly basis.



Details on the internal audit activities are also contained in the Statement on Risk Management and Internal Control.

Assessment of the Effectiveness and Independence of the Internal Audit Function

The Audit Committee also conducts an annual assessment on the effectiveness and independence of the internal audit function. The

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evaluation is based on the results of the Company Secretary's interview with the leader of the internal audit team, applying an assessment tool that has been approved and adopted by the Audit Committee.

Following the assessment that was conducted on 27 October 2023, the Audit Committee was satisfied that:



The internal audit team members are free from any relationships and/or conflicts of interest which could impair their objectivity and independence.



The internal audit firm allocated sufficient staff and resources for the internal audit functions of the Manager.



Based on the audit fieldwork, the timeliness of the deliverables to the Manager, and comprehensiveness of reporting to the Audit Committee in FYE2023, there were no deficiencies in the internal audit function.



There has been no change to the internal audit approach applied in FYE2023. The internal audit function of the Manager is carried out in accordance with the industry's best practices, benchmarked against the applicable practices in the International Standards for the Professional Practice of Internal Auditing.



Checks on potential conflicts-of-interest were conducted to ensure that there were no situations that could impair the independence of the assurance team from Baker Tilly Monteiro Heng PLT that was conducting the Sustainability Assurance of selected ESG indicators of the Fund. Baker Tilly Monteiro Heng PLT is a firm affiliated to Baker Tilly Monteiro Heng Governance Sdn Bhd, which is the firm engaged as the outsourced Internal Auditors of ARMB.



The team leader from Baker Tilly Monteiro Heng Governance Sdn Bhd, Mr Kuan Yew Choong, who is in charge of the internal audit function of the Manager, is independent, experienced, and qualified to render his internal audit services. He is a Fellow Member of the Association of Chartered Certified Accountants and a Chartered Member of the Institute of Internal Auditors Malaysia.

The engagement of the Internal Auditors, including their professional fees, are also reviewed and renewed annually. In its review, the Audit

Committee considers the performance of the Internal Auditors' past services, their level of independence in carrying out their internal audit functions, and their working relationship with management.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Disclosure and Communication with Unitholders and the Investing Community

The Manager has established a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. The Manager achieves this through timely and full disclosure of all material information relating to Axis-REIT by way of public announcements on Bursa Securities' website, through the Fund's corporate website at www.axis-reit.com.my, as well as through press releases, analyst briefings and retail investor roadshows.

Corporate Website

The Manager has a dedicated section for corporate governance on Axis-REIT's corporate website, providing information such as the Board Charter, Code of Conduct, Whistle-blowing Policy, and the Terms of Reference of the various Board Committees. The Manager has dedicated personnel responsible for updating the Fund's corporate website with pertinent and relevant information in a regular and timely manner.

The Fund also uses the corporate website to publish its Integrated Annual Reports and notices of meetings to Unitholders, in accordance with the provisions of the Deed.

Investor Relations

The Board is committed to promoting effective communication and proactive engagements with Unitholders and the investing community through ARMB's Investor Relations department. The department is guided by the Fund's Investor Relations and Corporate Disclosure Policy, which is also accessible on Axis-REIT's corporate website.

To keep the investing public aware of upcoming releases of Axis-REIT's quarterly financial results, the Manager makes it a practice to announce the targeted date for such releases (Targeted Date) 5 market days prior to their release. Following each announcement of the Targeted Date, a black-out period would commence. During this period, the CEO and management are prohibited from meeting and/or being involved in any communications or investor relations activities, until the quarterly financial results are announced and disseminated to the investing public.

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The Manager views the preservation of price-sensitive information as highly important to prevent any leakage of information, whether inadvertently or intentionally.



Details on communications with Unitholders, the investing community, analysts and fund managers are covered on pages 63 to 67.

Other Stakeholder Engagements and Relationship Management

The Manager also places emphasis in engaging other stakeholders such as its employees, the tenants of Axis-REIT, and local communities. These engagements contribute to the business decision-making process as they provide insights and ideas in meeting stakeholders' expectations and sustainable goals. The Marketing & Sustainability Manager is responsible for the various stakeholder engagement initiatives and activities.

AGM and Unitholders' Meetings

AGMs and Unitholders' meetings are the primary forums where Unitholders are presented with quality information for a better appreciation of the goals and objectives of Axis-REIT, the milestones achieved during the year, the challenges faced, as well as the prospects of the Fund. Concurrently, these sessions also serve as a platform for Unitholders to bring their expectations and concerns to the attention of the Manager.

Axis-REIT held its Eleventh AGM on 20 April 2023 on a virtual basis, in accordance with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers, issued by the SC.

The AGM notice was issued within the prescribed timeframe, together with the 2022 Integrated Annual Report, which was released on 28 February 2023. Ample time was allocated for Unitholders to read through the 2022 Integrated Annual Report and consider the resolutions that would be tabled at the AGM. Sufficient explanatory notes were also given in the AGM notice to facilitate Unitholders' consideration of the resolutions for which their approval was sought.

The virtual AGM, held from the broadcast venue, was administered by Boardroom Share Registrars Sdn Bhd using remote participation and electronic voting facilities. This enabled all eligible participants to log in to the portal, view the live webcast of the AGM, listen to the proceedings, submit their questions, and cast their votes electronically.

At the AGM, the Manager presented Axis-REIT's financial performance for FYE2022, together with an update on the Fund's activities and progress, the impact of the pandemic on its business and operations, and its prospects for FYE2023. Unitholders had the opportunity to

submit questions relating to the agenda of the AGM ahead of the meeting via a designated email address, with procedures for doing so clearly set out in the AGM's administrative guide. Questions received via email were addressed at the AGM itself by the CEO. The CEO also attended to questions submitted via the online portal during the AGM, and questions that were not attended to at the AGM itself were managed via email responses to the relevant Unitholders.



The minutes of the Eleventh AGM are available on Axis-REIT's corporate website.

There was no Unitholders' Meeting held in FYE2023.

Compliance Statement

The Board is satisfied that the Manager has substantially applied the principles and best practice recommendations prescribed under the MCCG in its management of Axis-REIT during FYE2023. This Statement has been tabled and approved by the Board of Directors on 23 January 2024.

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APPENDIX

Attendance at Board and Board Committee Meetings in FYE2023

	Meeting Attendance				
	Board of Directors	Executive Committee	Audit Committee	Nomination Committee*	Remuneration Committee
YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin <i>(Resigned w.e.f 30 May 2023)</i>	2/2		3/3	1/1	
Mohd Sharif Bin Hj Yusof <i>(Resigned w.e.f 30 May 2023)</i>	2/2		3/3	1/1	
Datuk Seri Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor <i>(Resigned w.e.f 30 May 2023)</i>	2/2			1/1	1/1
Dato' Abas Carl Gunnar <i>(Alternate Director: Takim Khan Myhre)</i>	4/4	14/14			1/1
Stephen Tew Peng Hwee @ Teoh Peng Hwee <i>(Alternate Director: Maxine Teoh Sui Vern)</i>	4/4	14/14		1/1	1/1
Leong Kit May	4/4	14/14			
Alvin Dim Lao <i>(Alternate Director: Jancis Anne Que Lao)</i>	4/4		4/5		
Lim Keng Hwee	4/4		5/5	1/1	
Devika A/P K Sothinathan	4/4		5/5	1/1	

Note:

* The Nomination Committee underwent a complete restructuring on 30 May 2023 and the details can be found on page 172 of the Corporate Governance Overview Statement

Directors' Continuous Development Programmes in FYE2023

Director	Date	Events
Dato' Abas Carl Gunnar	26 July 2023	Personal Data Protection Policy
	30 August 2023	IFRS Today Podcast – Emission, net-zero commitments
	14 September 2023	Cyber Threat Landscape Report 1H 2023 by Securities Commission Malaysia (resource update)
Stephen Tew	10 - 11 March 2023	Malaysian Annual Real Estate Convention 2023
	26 July 2023	Personal Data Protection Policy
	30 August 2023	IFRS Today Podcast – Emission, net-zero commitments
	14 September 2023	Cyber Threat Landscape Report 1H 2023 by Securities Commission Malaysia (resource update)
Alvin Dim Lao	26 July 2023	Personal Data Protection Policy
	30 August 2023	IFRS Today Podcast – Emission, net-zero commitments
	14 September 2023	Cyber Threat Landscape Report 1H 2023 by Securities Commission Malaysia (resource update)

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Director	Date	Events
Alvin Dim Lao	11 October 2023	Regis-Jefferies Philippine Conference
	7 November 2023	Corporate Governance in the Digital Era
	9 November 2023	Management Association of the Philippines NextGen CEO Conference
	11 November 2023	Set for Success - Championing Finance in Business
Leong Kit May	5 January 2023	CGS-CIMB 15 th Annual Malaysia Virtual Corporate Day
	11 January 2023	2023 Malaysia Real Estate Market Outlook
	8 March 2023	Invest Malaysia 2023 Series 1: Strengthening Resilience & Sustaining Growth
	30 May 2023	AFFIN Conference Series 2023: A New Investment Chapter
	20 & 21 June 2023	Invest ASEAN 2023 - ASEAN Reboot: Reimagining the Future
	26 July 2023	Personal Data Protection Policy
	27 July 2023	Invest Malaysia 2023 Special Series: Launch of the National Energy Transition Roadmap
	30 August 2023	IFRS Today Podcast – Emission, net-zero commitments
	5 September 2023	Advocacy Programme: Conflict of Interest and Governance of Conflict of Interest for Listed Issuers
	14 September 2023	The Basic Concept of Procurement System for Property Professional
	14 September 2023	Cyber Threat Landscape Report 1H 2023 by Securities Commission Malaysia (resource update)
	19 September 2023	Are Your Properties Safe from Fire Disaster?
	19 September 2023	Advocacy Session for Directors and CEO of Main Market Listed Issuers
	16 October 2023	Bursa PLCs Investor Relations Series 2: Centralised Sustainability Intelligence & FTSE4GOOD
	31 October 2023	[AMLA] Money Laundering & Terrorism Financing Through Real Estate
27 & 28 November 2023	MARC Malaysian Bond & Sukuk Conference 2023: Sustainable Transition to a Greener Economy	
Lim Keng Hwee	26 July 2023	Personal Data Protection Policy
	17 August 2023	CTIM: Update on Transfer Pricing Documentation Requirements
	30 August 2023	IFRS Today Podcast – Emission, net-zero commitments
	14 September 2023	Cyber Threat Landscape Report 1H 2023 by Securities Commission Malaysia (resource update)
	29 November 2023	Case Study - Based Webinar : Sustainability and Climate Change Disclosure Requirements
	15 December 2023	MIA Webinar Series : Introduction to Environmental, Social & Governance (ESG) and Sustainable Finance

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Director	Date	Events
Devika A/P K Sothinathan	24 February 2023	Sexual Consent and Shifting the Burden
	16 March 2023	The Defence of Illegality
	10 June 2023	Constitutional Amendment in Greenlighting Bi-National Children's Citizenship
	20 June 2023	Sustainability Reporting – A Case Study and Lessons Learned
	18 July 2023	Special Voluntary Disclosure Programme (SVDP) 2.0
	26 July 2023	Personal Data Protection Policy
	30 August 2023	IFRS Today Podcast – Emission, net-zero commitments
	14 September 2023	Cyber Threat Landscape Report 1H 2023 by Securities Commission Malaysia (resource update)
	25 October 2023	The Child Rights Challenges Facing Children in Malaysia
	3 November 2023	Panel Discussion Housing Integrated Management System ("HIMS") - Practicalities, Realities and Legal Implications
Jancis Anne Que Lao	26 July 2023	Personal Data Protection Policy
	30 August 2023	IFRS Today Podcast – Emission, net-zero commitments
	14 September 2023	Cyber Threat Landscape Report 1H 2023 by Securities Commission Malaysia (resource update)
	7 November 2023	Corporate Governance in the Digital Era
Maxine Teoh Sui Vern	26 July 2023	Personal Data Protection Policy
	30 August 2023	IFRS Today Podcast – Emission, net-zero commitments
	14 September 2023	Cyber Threat Landscape Report 1H 2023 by Securities Commission Malaysia (resource update)
	19 - 20 September 2023	Pathway for Beginners Series : Shares and Share Capital
	10 October 2023	AGM, Accounts, Annual Returns under Companies Act 2016
	17 October 2023	Company Secretaries Training Programme Significant 2.0 (Part A)
	18 October 2023	Company Secretaries Training Programme Significant 2.0 (Part B)
	19 October 2023	Company Secretaries Training Programme Significant 2.0 (Part C)
	31 October 2023	Dividends : When and How to Pay?
	14 November 2023	Company Secretaries Training Programme Essential 1.0 (Part A)
	15 November 2023	Company Secretaries Training Programme Essential 1.0 (Part B)
16 November 2023	Company Secretaries Training Programme Essential 1.0 (Part C)	
Takim Khan Myhre	14 December 2023	ARMB – Anti-Bribery and Anti-Corruption Refresher Training