

# 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, to the success and sustainability of Axis-REIT. We are committed to upholding high standards of corporate governance and have adopted a comprehensive corporate governance framework that aligns with 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 MCCG. The framework, practices, and policies are substantially in accordance with the recommendations of the MCCG.

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

### The Manager of Axis-REIT

As the appointed Manager of Axis-REIT, ARMB has general powers over the Fund's assets and liabilities. Its main responsibility is to manage these 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.

### The Board of Directors of the Manager

The diagram below provides an overview of the Board's responsibilities in carrying out the duties of the Manager:

#### 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 processes
- 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, including climate-related 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](http://www.axis-reit.com.my).

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## 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 Manager, Corporate Communications & Sustainability, are responsible for managing the Fund's sustainability goals and initiatives. The CEO, HODs, and the Manager, Corporate Communications & Sustainability form the Sustainability Team of Axis-REIT.



### BOARD

- Approving ESG strategies and targets/KPIs
- Regularly evaluating the Fund's overall ESG-related performance and progress
- Overseeing the management of sustainability initiatives, as well as ESG-related risks and strategies, including climate-related risks and opportunities
- Ensuring that ESG-related risks and strategies, including climate-related risks and opportunities, are integrated into decision-making processes of business plans, strategies, budgets, as well as investment and divestment proposals



### CEO

- Developing and managing sustainability initiatives
- Identifying, assessing, and managing ESG-related risks, including climate-related risks and opportunities
- Formulating ESG-related strategies, including climate-related risks and opportunities, that are 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



Project  
Management



Investments/  
Business  
Development



Finance



Compliance



Real Estate



Facilities  
Management



Human  
Resource

- Implementing, monitoring, and periodically reporting the progress of sustainability initiatives, including climate-related matters, measures, and actions that have been set by the CEO and approved by the Board



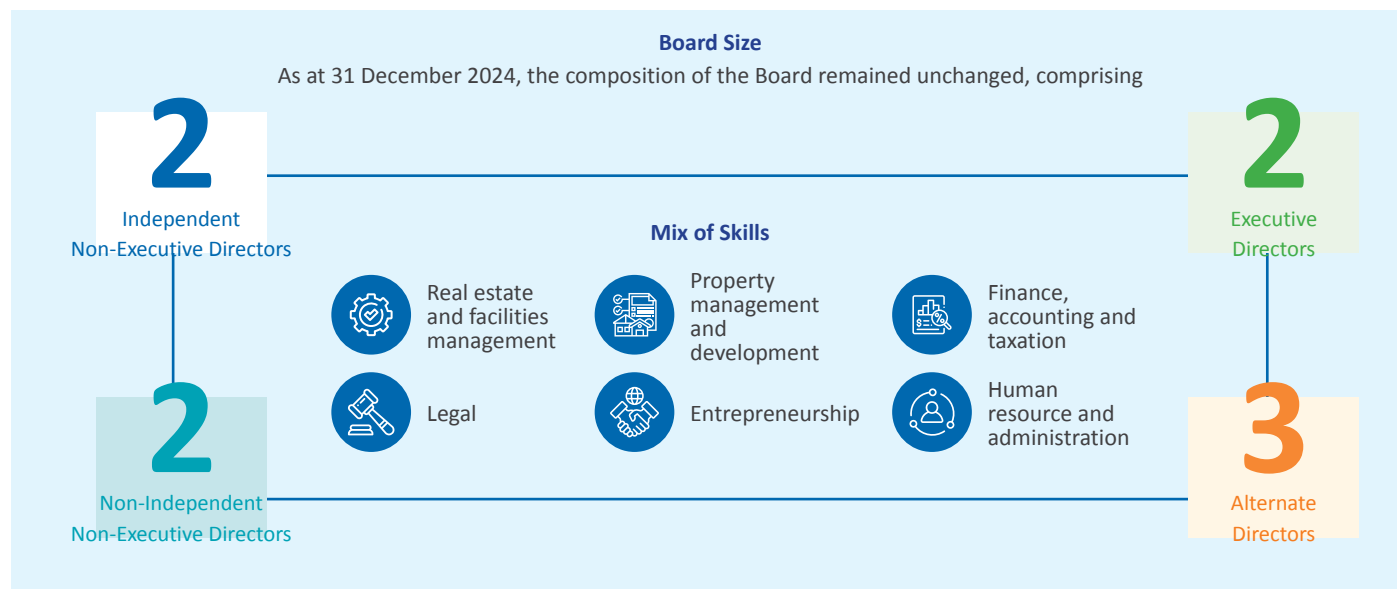
### MANAGER, CORPORATE COMMUNICATIONS & SUSTAINABILITY

- Working closely with the CEO and HODs to implement approved sustainability initiatives, including climate-related matters and action plans, and thereafter, monitoring and reporting on the progress and impact of these initiatives

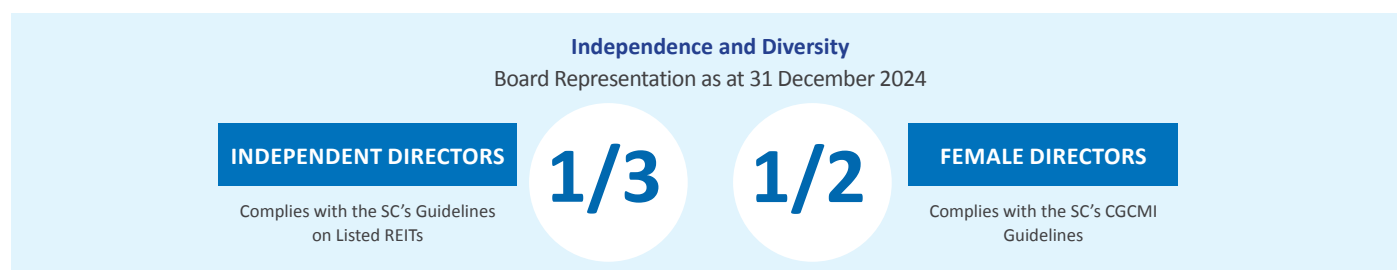
# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 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.



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, as well as the SC's CGCMI Guidelines for gender diversity.



## Annual Assessment of the Board, Board Committees, and Individual Directors

The Board appointed a third-party consultant, Archer Consulting Group Sdn Bhd (ACG), to facilitate its annual independent assessments of the Board, Board Committees, and each individual Director. ACG conducted these assessments between 2 October 2024 and 18 October 2024 through separate interviews with each Director.



### Outcome in FYE2024:

The Nomination Committee evaluated ACG's assessments of the Board, Board Committees, and each individual Director. Based on this evaluation, the Board was satisfied with the existing board structure and composition, concluding that each Director has been effective in their leadership and decision-making.

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## 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 in implementing the agreed business policies and directions set by the Board, as well as for overall operational decisions in managing Axis-REIT
- Works closely with all HODs through weekly cross-departmental meetings to review operational issues, capital management, investment proposals, leasing activities, as well as facilities and project management

## Corporate Strategy and Target Setting

At the start of FYE2024, the Board reviewed and approved Axis-REIT's budget, which set the financial roadmap and targets for each department in executing their 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 KPIs that had been set and approved in the Corporate Strategy 2024-2025. The progress, achievements, and targets met in FYE2024 are presented on pages 104 to 105.



### Outcome in FYE2024:

*At a strategy workshop held in December 2024, the Sustainability Team reviewed and updated the 2025-2026 corporate strategy and targets. These revisions were subsequently endorsed and adopted by the Board at its first meeting of 2025, convened on 23 January 2025. The Corporate Strategy 2025-2026 is presented on pages 99 to 105 of this Report.*

## Commitment to Climate Management

As part of its environmental stewardship plans, ARMB has committed to reducing Axis-REIT's GHG emissions to as close to zero (carbon neutrality) or achieving net zero by 2050 or earlier. The Sustainability Team is currently developing a roadmap to meet this commitment, which will be presented to the Board for approval in 2025.

### Assessment of the Board and the Sustainability Team

The Board has evaluated the performance of the Sustainability Team in relation to the overall progress and targets met during FYE2024, and expressed satisfaction with the team's commitment, progress, and achievements during the year.

The Directors were also evaluated for their leadership and commitment to ESG action plans and targets for 2024-2025 during the Board's annual assessment conducted by ACG.



### Outcome in FYE2024:

*ACG's evaluation concluded that the Directors were committed to monitoring the progress and achievement of the predetermined sustainability targets. Subsequently, in January 2025, the Board appointed its Chairman as the person responsible for the oversight of climate change risks.*

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Board Meetings and Procedures

The Board meets every quarter and held 4 meetings in FYE2024. 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 FYE2024, 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, the 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 Senior Manager, Investor Relations and Business Development, 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 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 by 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 28 October 2024, the Non-Executive Directors held a separate and private discussion to review the strategic, governance, and operational matters among themselves, without the presence of the Executive Directors or Senior Management.

## Access to Information and Advice

All members of the Board have access to all information about the Manager and Axis-REIT at Board meetings and through enquiries made via established channels. Generally, information is disseminated to the Directors via email. Additionally, the Finance Team also circulates monthly financial updates to the Board, enabling 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 that all such meetings 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 to ensure compliance with all relevant regulations at all times.

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During FYE2024, the Company Secretary attended all Board, Board Committee, and Unitholders' meetings, recording and preparing the minutes of each meeting for the approval of the respective 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 applicable laws, 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 FYE2024:

During FYE2024, the Company Secretary briefed the Board on all notable regulatory updates. These updates, among others, included the following:

- Mandatory Reporting of ESG performance data by Bursa Securities
- Amendments to the SC's Guidelines on Listed REITs and MMLR on the revision to the timeline for REITs to issue annual reports and hold AGMs
- Requirement to hold physical or hybrid general meetings with effect from 1 March 2025 onwards
- National Sustainability Reporting Framework

## Corporate Policies

As the Manager of Axis-REIT, ARMB is guided and governed by several corporate policies in managing the Fund. These policies, which can be accessed on Axis-REIT's corporate website, are continually reviewed and updated to reflect the prevailing regulatory requirements and operating conditions.



## Outcome in FYE2024:

During FYE2024, the Board reviewed Axis-REIT's corporate policies. No revisions were made to the Board Charter, Code of Conduct or Whistle-Blowing Policy, while several other policies, namely the Cyber Risk Policy & Procedures, Anti-Corruption & Fraud Policy (formerly known as (f.k.a.) Anti-Bribery and Anti-Corruption Policy), and Business Continuity Planning Policy, were updated. During the year, the Board also approved the Technology Risk Management Framework, in line with the SC's Guidelines on Technology Risk Management.

Policies	Scope	Revisions in FYE2024
<b>Board Charter</b>	Provides a clear description of the responsibilities of the Board, its Directors, and the Board Committees	None
<b>Code of Conduct</b>	Outlines the rules of professional conduct, proper practices, and ethical behaviour expected of the Manager and its personnel	None
<b>Whistle-Blowing Policy</b>	Facilitates the management of reports and claims filed in relation to possible improprieties in matters relating to financial reporting, compliance, misconduct, and other malpractices	None
<b>Cyber Risk Policy &amp; Procedures</b>	Guides the management of cyber risks to preserve the confidentiality, integrity, and availability of information or data	- Revised on 23 January 2024 to incorporate the detailed processes for system and server back-ups
<b>Anti-Corruption &amp; Fraud Policy</b> (f.k.a. Anti-Bribery and Anti-Corruption Policy)	Serves as a guideline for 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	- Revised on 23 July 2024 to incorporate provisions on fraud and the requirement for any personnel to declare and record receipts of gifts with an estimated value of RM1,000 and above - With the inclusion of fraud, this Policy was renamed as the Anti-Corruption & Fraud Policy



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Policies	Scope	Revisions in FYE2024
<b>Business Continuity Planning</b>	Outlines the Manager's business continuity management procedures to ensure the continuation of business operations and fulfilment of business obligations during or following a critical incident	<ul style="list-style-type: none"> <li>- First revised on 23 July 2024 to incorporate a new section that addresses manpower-related contingencies by identifying and preparing individuals to step into critical roles if and when such positions become vacant, and to formalise the development of a talent pipeline of employees, e.g., via internship programmes</li> <li>- Further revised on 28 October 2024 to include IT disaster recovery planning processes</li> </ul>
<b>Technology Risk Management Framework</b>	Provides a framework for the management of technology risks, technology operations, technology service providers and cybersecurity	<ul style="list-style-type: none"> <li>- Newly formulated on 23 July 2024 in compliance with the SC's Guidelines on Technology Risk Management</li> </ul>

### 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 Directors, are set out in the Remuneration Committee section below.

The remuneration policy of the Board is documented in the Board Charter of the Manager. The remuneration framework encompasses a review of the Directors' remuneration against the Fund's financial performance, as well as the achievement of the Fund's predetermined targets in respect of its non-financial KPIs.

Guided by the said remuneration policy, the Remuneration Committee reviews the annual remuneration proposals presented by the Executive Committee. The Chairperson 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 Chairperson of the Remuneration Committee contributes to an objective and impartial review process.

In FYE2024, the Remuneration Committee carried out its annual review of 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, including the achievement of the agreed non-financial, ESG-related targets as key assessment indicators. Directors' Fees were reviewed based on market conditions and the financial performance of the Fund. Additionally, the Committee considered the ESG efforts and achievements of the Manager, which were driven by the Sustainability Team throughout FYE2024. 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.

A brief overview of the remuneration (comprising salaries, other emoluments, fees, meeting allowances and benefits-in-kind) of our current Directors in respect of FYE2024 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	-

\* Mr Takim Khan Myhre, who is an Alternate Director, draws salaries as an employee of the Manager

Note: Details of Directors' and Senior Management's individual remunerations are not disclosed as the Directors and Senior Management personnel are remunerated by ARMB, 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.

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## Board Committees and their Roles

The Board delegates certain functions to Board Committees, who assist the Board 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 (where necessary)
- 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 viewing on Axis-REIT's corporate website.



### 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 FYE2024, 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 Chairperson.

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.

At its meeting held in FYE2024, the Nomination Committee undertook the following activities, which are its annual affairs:

- (i) Reviewed the assessment results on the performance of the Board, Directors, and Board Committees, as compiled by ACG, including the independence of the Independent Directors

#### Outcome

#### The Committee noted:

- ◆ 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.
- ◆ That the Independent Directors were independent and capable of exercising independent judgement in all deliberations and decision-making.



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## NOMINATION COMMITTEE

- (ii) Evaluated the criteria for the annual assessment of Directors (including the assessment of Independent Directors) as employed by ACG in their assessment processes

### Outcome

- ◆ 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

### Outcome

- ◆ The Committee was satisfied with the existing composition of the Board and Board Committees.
- ◆ While the MCCG 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

### Outcome

- ◆ No new recommendations were raised.

- (v) Assessed the training needs of the Directors

### Outcome

- ◆ 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

### Outcome

- ◆ No exception was noted from the assessment results.

- (vii) Assessed the retiring Directors for re-election based on evaluations conducted

### Outcome

- ◆ The Committee recommended the re-election of the retiring Directors to the Board, who then recommended the same for the sole shareholder's approval at the Manager's AGM in 2025.

## 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 FYE2024

The Appendix accompanying this Statement presents the details of each Director's attendance at Board and Board Committee meetings in FYE2024.

## 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.

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All Directors of the Manager fulfilled their training requirements in FYE2024, 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 FYE2024.



Details on how the Audit Committee had discharged its duties in FYE2024 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 FYE2024, 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 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 28 October 2024, 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.

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Based on the audit fieldwork, the timeliness of the deliverables to the Manager, and comprehensiveness of reporting to the Audit Committee in FYE2024, there were no deficiencies in the internal audit function.



There has been no change to the internal audit approach applied in FYE2024. 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 Audit 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](http://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, as well as 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.

The Manager makes it a practice to announce the targeted release date of Axis-REIT's quarterly financial results (Targeted Date) 5 market days prior to its release. Following each announcement of the Targeted Date, a blackout period commences. During this period, the CEO and management are prohibited from meeting with or being involved in any communications or investor relations activities, until the quarterly financial results are announced and disseminated to the investing public.

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 67 to 71.

#### 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 business decision-making processes as they provide insights and ideas in meeting stakeholders' expectations and sustainability goals. The Manager, Corporate Communications &

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Sustainability 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. These sessions also serve as a platform for Unitholders to ask questions and seek clarifications on matters relating to the agenda of those meetings.

Axis-REIT held its Twelfth AGM on 25 April 2024 as a virtual meeting, 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 2023 Integrated Annual Report, which was released on 29 February 2024. Ample time was allocated for Unitholders to read the 2023 Integrated Annual Report and consider the resolutions that would be tabled at the AGM. Sufficient explanatory notes were also given during 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 (RPEV) 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 FYE2023, together with an update on the Fund's activities and progress, and its prospects for FYE2024. 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.

Axis-REIT will be conducting its 2025 AGM as a physical meeting, in line with the updated requirements prescribed by the regulators.



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

On 23 October 2024, Axis-REIT convened a Unitholders' meeting to seek Unitholders' approval for the allotment of new units to the major Unitholders of Axis-REIT, namely, the Employees Provident Fund Board and Kumpulan Wang Persaraan (Diperbadankan), pursuant to the proposed placement exercise undertaken by Axis-REIT.

A Circular to Unitholders containing details of the proposal, together with the Notice of Unitholders' Meeting, were issued to all Unitholders within the prescribed timeframe. This meeting was held as a virtual meeting using RPEV facilities. The conduct of the Unitholders' meeting and the question-and-answer procedures before and during the meeting were carried out in the same manner as the Twelfth AGM.



The minutes of the Unitholders' meeting held on 23 October 2024 are available on Axis-REIT's corporate website.

## 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 FYE2024. This Statement has been tabled and approved by the Board of Directors on 23 January 2025.

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## Appendix

### Attendance at Board and Board Committee Meetings in FYE2024

	Meeting Attendance				
	Board of Directors	Executive Committee	Audit Committee	Nomination Committee*	Remuneration Committee
<b>Dato' Abas Carl Gunnar</b> (Alternate Director: Takim Khan Myhre)	4/4	9/9			1/1
<b>Stephen Tew Peng Hwee @ Teoh Peng Hwee</b> (Alternate Director: Maxine Teoh Sui Vern)	4/4	9/9		1/1	1/1
<b>Leong Kit May</b>	4/4	9/9			
<b>Alvin Dim Lao</b> (Alternate Director: Jancis Anne Que Lao)	4/4		4/4		
<b>Lim Keng Hwee</b>	4/4		4/4	1/1	
<b>Devika A/P K Sothinathan</b>	4/4		4/4	1/1	1/1

### Directors' Continuous Development Programmes in FYE2024

Director	Date	Events
<b>Dato' Abas Carl Gunnar</b>	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
<b>Tew Peng Hwee @ Teoh Peng Hwee</b>	6 – 7 March 2024	MAREC 2024 – Real Estate Evolution: Winning through innovation and sustainability
	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	29 June 2024	Marketing Industrial Properties
	6 July 2024	Marketing Industrial Properties 2.0
	23 July 2024	Anti-Corruption & Fraud Policy
	1 August 2024	Marketing Industrial Properties 3.0
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
<b>Alvin Dim Lao</b>	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	5 June 2024	Nomura Investor Forum Asia - Singapore
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage

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Director	Date	Events
Alvin Dim Lao	12 August 2024	Personal Data Protection & Privacy Laws Update
	24 October 2024	Regis Investor Conference - Philippines
	5 November 2024	The Philippines at a Critical Juncture: Risks, Opportunities and Ideas for the Next 10 Years
Leong Kit May	10 January 2024	2024 Malaysia Real Estate Market Outlook
	11 January 2024	Recent Reported Case Law in the Property Development Industry: What Developers Need to Know
	27 March 2024	BIMB Securities Corporate Day (ESG)
	3 April 2024	BIMB Securities Corporate Day (Strengthening Ringgit Against Greenback)
	20 May 2024	MIPFM Smart Building Conference
	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	23 July 2024	Anti-Corruption & Fraud Policy
	31 July 2024	Sustainable Construction: The Next Level Symposium
	1 August 2024	Seminar Cukai Keuntungan Modal 2024
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
	21 August 2024	MMBS 2024: Charting the Course for Malaysia's Economy
	10 September 2024	MRMA Malaysian REIT Forum 2024
	24 September 2024	Building Sustainable Credibility: Assurance, Greenwashing and The Rise of Green-Hushing
	3 October 2024	The 9th Annual REITs and Real Estate Investment Summit Asia Pacific 2024
	29 November 2024	Anti-Corruption and Fraud Policy update Training
Lim Keng Hwee	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	10 July 2024	Bursa Academy: Conflict of Interest (COI) and Governance of COI
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
	29 October 2024	The Tax Appeal Process
	14 November 2024	Corporate Tax Strategies
	19 November 2024	Preparing for IFRS Sustainability Disclosure Standards in Malaysia
	22 November 2024	Business Valuation Methods & Applications



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Director	Date	Events
Devika A/P K Sothinathan	27 March 2024	Jurisprudence on Judgments – A Reflection on Judgments & Justice
	10 May 2024	ICDM PowerTalk: Being Sued as an INED – A personal Journey
	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	16 July 2024	Exiguous Rights of Children in Criminal Cases
	18 July 2024	E-Invoicing for Law Firms
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
Jancis Anne Que Lao	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
Maxine Teoh Sui Vern	5 November 2024	The Philippines at a Critical Juncture: Risks, Opportunities and Ideas for the Next 10 Years
	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
Takim Khan Myhre	12 August 2024	Personal Data Protection & Privacy Laws Update
	30 – 31 January 2024	Mandatory Accreditation Programme (MAP I)
	15 – 16 May 2024	Property Rental and Leasing Conference 2024: Strategising Leasing Opportunities For Tomorrow's Property Sector
	28 May 2024	What's next for the ISSB? Implementation of IFRS S1 and IFRS S2 and research on biodiversity and human capital
	30 May 2024	Cyber Threat Landscape Report 2H 2023
	23 July 2024	Anti-Corruption & Fraud Policy
	6 August 2024	Navigating the fallout: Lessons from the CrowdStrike outage
	12 August 2024	Personal Data Protection & Privacy Laws Update
	22 August 2024	Business Foresight Forum 2024 – Investing in MSMEs for Impact