



AXIS REIT MANAGERS BERHAD (649450-W)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

Constitution

The Remuneration Committee (“Committee”) is a board committee established by the Board of Directors of the Company, as management company (“Manager”) of Axis Real Estate Investment Trust (“Axis-REIT”) primarily tasked with the delegated responsibilities to assist the Board of Directors in the remuneration matters of the Directors in line with good corporate governance principles and practices.

Membership

1. The Committee shall be appointed by the Board of Directors from among the Directors of the Manager and shall comprise of not less than three (3) members, consisting wholly or mainly non-executive directors.
2. The members of the Committee shall elect a Chairman from among their members.
3. The Company Secretary or such other person(s) authorized by the Board of Directors shall act as the Secretary to the Committee.
4. If a member of the Committee resigns, dies or for any other reason ceases to be a member resulting in the number of members to be reduced to below three (3), the Board of Directors shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Meetings and Minutes

5. The Committee shall meet at least once a year. The Chairman of the Committee may request for additional meeting(s) as and when he deemed necessary.
6. The Committee shall request the Company Secretary to issue the notice convening the meeting of the Committee to all the members of the Committee and invitees (if any) together with the agenda of the meeting.
7. The quorum for the meeting of the Committee shall be two (2) members. In the absence of the Chairman of the Committee, the remaining members present shall elect one (1) of their members as chairman of the meeting.
8. The Chairman of the Committee shall be entitled, where deemed appropriate, to invite any other person to a meeting of the Committee at which that person’s expertise may be required having regard to the subject matter to be discussed.
9. Decisions of the Committee shall be determined by a majority of votes of members present and in the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. Save for where only two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present or at which only two (2) members are competent to vote on the matters deliberated, shall not have a casting vote.

Terms of Reference of Remuneration Committee (Cont'd)

10. The Committee shall report to the Board of Directors its recommendations, proposals, activities and decisions, where appropriate. The Committee's minutes of meetings shall be tabled and noted by the Board of Directors. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Manager at the registered office of the Manager or the principal place of business of the Manager, and shall be open for inspection by any member of the Committee and the Board of Directors. The minutes of the Committee shall also be relied upon for internal or external audit purposes. As for other purposes not herein stated, the minutes of the Committee may only be released to the relevant requesting party at the consent of the Committee.
11. A circular resolution in writing signed by a majority of the members of the Committee shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the Committee. Any such document which may be transmitted via facsimile or technological means shall be accepted as the resolution of the Committee sufficiently signed by the member(s).
12. Any member of the Committee may participate in any meeting of the Committee via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

Authority

13. The Committee shall have access to resources and information as it may require in the discharge of its duties and responsibilities including obtaining professional advice or expert reports from external source, at the expense of the Manager and/or Axis-REIT, where applicable.

Functions and Duties

14. Establish and recommend to the Board of Directors the remuneration framework in determining the remuneration packages of the Directors of the Board, both the Executive and Non-Executive Directors, senior management personnel (if applicable) and to review changes to the framework from time to time.

The remuneration framework should be designed in such a way to support strategies and the long term vision and mission of the Manager in managing Axis-REIT and effective enough to attract and retain high-calibre Directors and/or senior management personnel (if applicable) who are needed to run the Manager and Axis-REIT successfully; to motivate and create incentive for productive contributions; and to focus on achievement of desired goals and objectives.

15. Review on an annual basis the proposals from the Executive Committee of the Manager, the remuneration packages (such as salaries, bonuses, benefits-in-kind, incentives) of the Executive Directors and/or executive management personnel (if applicable), drawing from outside advice as necessary, and if deemed appropriate, to make recommendations to the Board of Directors.

Remuneration packages for Executive Directors and/or senior management personnel (if applicable) should involve a balance between fixed and performance-linked elements taking into consideration the level of responsibility, complexity of the role and the market practice of the industry the Manager operates in.

Terms of Reference of Remuneration Committee (Cont'd)

16. Review any proposal from the Executive Committee of the Manager relating to the remuneration packages of the Non-Executive Directors for recommendation to the Board of Directors (if any).
17. Consider and if appropriate, recommend to the Board of Directors any proposals relating to the reward system of the Manager.
18. Consider other matters as referred to the Committee by the Board of Directors.

Reporting Procedures

19. The remuneration packages of the Executive Directors shall be the ultimate responsibility of the Board of Directors after considering the recommendations from the Committee. Non-Executive Directors' remuneration packages will be a matter to be decided by the Board of Directors as a whole.
20. Directors, whether Executive or Non-Executive, shall not participate in deliberation, decision-making and voting on their respective remuneration packages.
21. All recommendations, assessment results/reports and proposals shall be referred to the Board of Directors for the Board's onward consideration, evaluation, decision, implementation and/or improvements.

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