

CORPORATE GOVERNANCE OVERVIEW STATEMENT



ARMB is the management company of Axis-REIT and is pleased to present this Corporate Governance Overview Statement. This statement has been approved by the Board and 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, in turn, 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, reflecting the requirements applicable to Axis-REIT as a large company defined by the MCCG. These 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 holds the authority to oversee the Fund's assets and liabilities. Its main responsibility is to manage these assets and liabilities for the benefit of the Fund's Unitholders, acting with integrity, 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 holder, regulated by the Capital Markets and Services Act 2007. In addition to adhering to the practices and principles of the MCCG, the Manager is required to meet the minimum standards of conduct in the capital market as prescribed by the SC, and the SC's Guidelines on Corporate Governance for Capital Market Intermediaries (CGCMI Guidelines).

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

- ➔ Strategic planning to support long-term value creation
- ➔ Corporate governance, reinforcing ethical, prudent, and professional behaviour
- ➔ Supervision and oversight of Senior Management towards achieving the Fund's objectives and mission
- ➔ Business plans and the results of their implementation
- ➔ Asset management of Axis-REIT's property portfolio
- ➔ Risk management and internal controls, including setting the risk appetite and tolerance in decision-making processes
- ➔ Financial and non-financial reporting systems
- ➔ Business development and growth strategies
- ➔ Succession planning at Board and Senior Management levels
- ➔ Stakeholder communication and engagements
- ➔ Oversight of sustainability-related risks and opportunities, 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.

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Sustainability Governance Structure

Effective sustainability management requires strong leadership to ensure that day-to-day operations and business decisions align with the Fund's vision and sustainability targets, thereby securing the trust and confidence of all stakeholders.

The CEO, HODs, and the Manager, Corporate Communications & Sustainability form the Sustainability team of Axis-REIT. This team, along with the Board, are responsible for managing the Fund's sustainability goals and initiatives.



BOARD

- Approving ESG strategies and targets/KPIs
- Regularly evaluating the Fund's overall ESG-related performance and progress
- Overseeing sustainability-related risks and opportunities, including climate-related matters, alongside the management of sustainability strategies and initiatives
- Ensuring that sustainability-related risks and opportunities, including climate-related matters, are integrated into decision-making processes of business plans, strategies, budgets, as well as investment and divestment proposals
- Reviewing and monitoring sustainability-related issues and strategy progress reports prepared by the CEO and Senior Management on a quarterly basis



BOARD CHAIRMAN

- Ensuring the Board's commitment in sustainability governance oversight
- Overseeing climate change risks on behalf of the Board



CEO

- Developing and managing sustainability initiatives
- Identifying, assessing, and managing sustainability-related risks and opportunities, including climate-related matters
- Formulating sustainability-related strategies in line with business plans
- Assessing the impact and progress of key sustainability action plans
- Ensuring the mitigation of sustainability-related risks by integrating these risks in the enterprise risk management processes
- Providing updates on sustainability-related strategies and performance to the Board on a quarterly basis



HODs



Project
Management



Investments



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

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Board Composition

The Board comprises a balanced mix of Executive and Non-Executive Directors with diverse professional backgrounds. This diversity enables Senior Management to draw on the Board’s wide range of expertise and business experience when deliberating matters 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 assessments of the Board, Board Committees, and each individual Director were internally facilitated by the Company Secretary in September 2025. The assessment criteria covered areas relating to the fit and properness of the Directors, the contributions by the Directors, and their understanding of the roles and responsibilities of the Directors and the Board as a whole, including the effectiveness of the Board and each Board Committee. The assessment results were compiled and reported to the Nomination Committee in October 2025.

Note: The evaluation process for FYE2024 was facilitated by an independent expert. The Board is committed to engaging an independent expert to conduct the evaluation at least once every 3 years in accordance with the best practice recommended under the MCCG.

Outcome in FYE2025: The Nomination Committee reviewed the assessments of the Board, Board Committees, and each individual Director. Based on the Committee’s evaluation, the Board was satisfied with the existing board structure and composition as well as the experiences and competencies of the Directors, enabling the Board to discharge its duties and responsibilities effectively.

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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, summarised below, is defined in the Board Charter:

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 in addressing 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 Board meeting held on 23 January 2025, 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 the same meeting, the Board also approved and adopted the Corporate Strategy (2025-2026), comprising financial and non-financial key performance indicators (KPIs) under strategic components – real estate, capital management, facilities management, investments, development and governance.

Both the budget and the Corporate Strategy (2025-2026) formed the benchmark to guide the performance of the Manager in managing Axis-REIT, ensuring that resources are allocated efficiently and action plans are purposeful in order to meet the agreed targets.

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 (2025-2026).



The progress, achievements, and targets met in FYE2025 are presented on pages 98 to 99.

Commitment to Climate Management

As part of its environmental stewardship plans, the Manager has committed to reducing Axis-REIT's GHG emissions to close to zero (carbon neutrality) or achieving net zero by 2050 or earlier. In FYE2025, the Board approved the Carbon Neutrality by 2050 Roadmap, driven primarily by renewable energy procurement.



More details on this roadmap can be found in the Management of Material Sustainability Matters – Energy & Carbon Footprint on page 134.

Assessment of the Board and the Sustainability Team

The Board provides active oversight to drive sustainable growth for Axis-REIT by periodically reviewing the Corporate Strategy (2025-2026). The Board's annual assessment reflected a high level of engagement by the Directors in tracking both financial and non-financial strategic targets.

The Board also reviewed the performance of the Sustainability Team in relation to overall progress and targets met during FYE2025, and was satisfied with the progress and outcomes achieved in support of the Corporate Strategy (2025-2026).

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Board Meetings and Procedures

The Board meets every quarter and held four meetings in FYE2025. Dates for all Board meetings are determined and fixed in advance, allowing Directors to schedule and commit their time effectively. This is governed by the Board Charter, which sets expectations on time commitments for Board members.

At the quarterly meetings held in FYE2025, the Board:

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Reviewed, discussed, and approved the release of Axis-REIT's quarterly and annual financial results
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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 corporate and sustainability strategies along with related performance progress reports
- 

Reviewed corporate policies and procedures and approved revisions thereof
- 

Reviewed other proposals tabled by Senior Management
- 

Reviewed reports from the Board Committees

The CEO led the business performance reporting at each Board meeting. The Chief Financial Officer (CFO), the Head of Real Estate, and the Head of Investments, 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. This participation and meeting structure 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, sustainability-related performance and progress, 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. Following the issuance of meeting notices, soft and hard copies of the relevant meeting papers were compiled and distributed to all Directors as soon as practicable, and no later than five business days prior to each meeting.

Meeting among Non-Executive Directors

At the Board meeting held on 23 October 2025, the Non-Executive Directors held a separate and private discussion to review strategic, governance, and operational matters without the presence of the Executive Directors or Senior Management.

Access to Information and Advice

All members of the Board have full access to information concerning the Manager and Axis-REIT, provided during Board meetings and through enquiries made via established channels. Information is primarily disseminated to the Directors via email; additionally, the Finance department circulates monthly financial updates to assist the Board in monitoring and assessing the Fund's performance and prospects.

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

The Manager is able to 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 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 FYE2025, 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 FYE2025:

In FYE2025, the Company Secretary briefed the Board on all notable regulatory updates. These updates, among others, included the following:

- Corporate Governance Monitor 2024
- National Sustainability Reporting Framework
- Updated sustainability reporting requirements under the MMLR
- Personal Data Protection (Amendment) Act 2024, including the newly issued guidelines on appointment of a data protection officer, data breach notification, and cross border personal data transfer

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 FYE2025:

The outcome of the Board's review of Axis-REIT's corporate policies in FYE2025 is presented below:

Policies	Scope	Revisions in FYE2025
Board Charter	Provides a clear description of the responsibilities of the Board, its Directors, and the Board Committees	Revised to formalise the Board's Chairman position as the person responsible for climate change risks at the Board level
Code of Conduct	Outlines the rules of professional conduct, proper practices, and ethical behaviour expected of the Manager and its personnel	None except a minor housekeeping amendment
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	None except a minor housekeeping amendment
ACF 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	None
TRM Framework	Provides a framework for the management of technology risks, technology operations, technology service providers, and cyber security	<ul style="list-style-type: none"> - Fine-tuned to reflect the specific processes adopted by the Manager in managing technology risks - Incorporated the statement on risk tolerance/appetite pursuant to the Internal Auditor's recommendation - Incorporated a section on technology service provider management

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Policies	Scope	Revisions in FYE2025
Cyber Risk Policy & Procedures	Guides the management of cyber risks to preserve the confidentiality, integrity, and availability of information or data	<ul style="list-style-type: none"> - Amended to align with the provisions under the SC's TRM Guidelines - Expanded the backup procedures to include Hyper V – Replica, a feature/solution integral to the IT disaster recovery process of the Manager
IT Guidelines	Prescribes the management and handling of data and confidential information, outlining employees' responsibilities in using company devices and IT assets, assessing social media and internet, network systems, etc.	<ul style="list-style-type: none"> - Reviewed in consultation with the outsourced IT service provider to ensure that the IT Guidelines are in line with the Manager's current IT environment and processes - Incorporated multifactor authentication as an additional security control to access cloud data stored in Microsoft 365 - Incorporated email management and data transfer processes
Personal Data Protection Policy	Sets out how the Manager collects, uses, stores, shares, and protects personal data	<ul style="list-style-type: none"> - Updated to reflect the new provisions in the Guidelines on Data Breach Notification

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. Strategically led by the Board, ARMB 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 this 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 recognises that the independence of the Chairperson of the Remuneration Committee contributes to an objective and impartial review process.

In FYE2025, 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 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 FYE2025. 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 the Senior Management level are reviewed and determined by the Executive Committee, and where required, the Board's guidance and/or approval is sought on a case-by-case basis.

A brief overview of the remuneration (comprising salaries, other emoluments, fees, meeting allowances, and benefits-in-kind) of the current Directors in FYE2025 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 the 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 of the Fund established and approved by the Board
- Oversees and monitors the day-to-day business activities of the Manager and Axis-REIT
- Oversees 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, Nomination, and Remuneration Committees are available for viewing on Axis-REIT's corporate website.



AUDIT COMMITTEE

The Audit Committee is responsible for ensuring that the financial reporting system, risk management and internal control system of the Manager are robust.



The Audit Committee Report, which summarises the activities carried out by the Committee during FYE2025, 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 MCGG, the Board considers the views of the Executive Committee to be essential to its deliberations, especially in reviewing the CEO's remuneration proposal. This is due to the Executive Committee's oversight of the primary management activities and business of Axis-REIT, providing it with 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 a meeting held in FYE2025, the Nomination Committee undertook the following activities as part of its annual affairs:

- (i) Reviewed the assessment results on the performance of the Board, individual Directors, and Board Committees, as compiled by the Secretary via an internally facilitated evaluation process

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)

Outcome

- ➔ The Committee accepted the assessment criteria applied in the internal evaluation process.

- (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, and will hence 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 sole shareholder's approval at the Manager's AGM in 2026.

Assessment of Independent Directors

The Board undertook the annual evaluation of its two Independent Directors based on the results of the assessment facilitated by the Company Secretary. The Board noted that the Directors did not come across any potential conflict that may impair the independence of the Independent Directors.

Attendance at Board and Board Committee Meetings in FYE2025

The Appendix accompanying this Statement presents the details of each Director's attendance at Board and Board Committee meetings in FYE2025.

Directors' Continuous Development Programmes

The Board ensures that its members attend appropriate continuing education programmes to stay updated on relevant developments, including topics related to sustainability, 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 to be reported to the Nomination Committee and the Board accordingly.

All Directors of the Manager fulfilled their training requirements in FYE2025 and attended the Mandatory Accreditation Programme Part II – *Leading for Impact*, which equipped Directors to understand and navigate sustainability issues for stronger corporate oversight.

The details of the Directors' Training in FYE2025 are presented in the accompanying Appendix.

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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 discharged its duties in accordance with its Terms of Reference throughout FYE2025.

 The risk governance structure of the Manager is set out in the Statement on Risk Management and Internal Control.

 Details on how the Audit Committee had discharged its duties in FYE2025 are presented in the Audit Committee Report.

Assessment of the External Auditors

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

The Company Secretary assists the Audit Committee in this evaluation through the application of two 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 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 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-appointment of KPMG PLT as Axis-REIT's External Auditors for FYE2025. 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 day-to-day operations as well as the executive functions of the Manager. The barometer for risk management is the Risk Register, 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. The Board is ultimately responsible for the overall risk management and internal control system of the Manager.

 Details on the risk management and internal control 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 available in the Statement on Risk Management and Internal Control.

Assessment of the Effectiveness and Independence of the Internal Audit Function

The Audit Committee 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, and applies an assessment tool that has been approved and adopted by the Audit Committee.

Following the assessment conducted on 23 October 2025, the Audit Committee was satisfied that:

- (i) Internal audit team members are free from any relationships and/or conflicts of interest which could impair their objectivity and independence.
- (ii) The internal audit firm allocated sufficient staff and resources for the internal audit functions of the Manager.
- (iii) Based on the audit fieldwork, the timeliness of the deliverables to the Manager, and comprehensiveness in reporting to the Audit Committee in FYE2025, there were no deficiencies in the internal audit function.
- (iv) The internal audit approach applied in FYE2025 remained unchanged. The internal audit function of the Manager is carried out in accordance with the industry's best practices, benchmarked against applicable practices in the International Standards for the Professional Practice of Internal Auditing.

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- (v) Checks on potential conflicts of interest were conducted to ensure there were no circumstances that could impair the independence of the assurance team from Baker Tilly Monteiro Heng PLT, which conducted the Sustainability Audit of selected sustainability indicators of the Fund. Baker Tilly Monteiro Heng PLT is affiliated to Baker Tilly Monteiro Heng Governance Sdn Bhd, the firm engaged as the outsourced Internal Auditors of ARMB.
- (vi) Mr Kuan Yew Choong is the team leader from Baker Tilly Monteiro Heng Governance Sdn Bhd in charge of the internal audit function of the Manager. He is independent, experienced, and qualified to render internal audit services, and is a Fellow Member of the Association of Chartered Certified Accountants, as well as 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 via 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, 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 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 activities. The Manager 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 dates of Axis-REIT's quarterly financial results (Targeted Date) five market days prior to its release. Following each announcement of the Targeted Date, a blackout period commences until the quarterly financial results are announced and disseminated to the investing public. During this period, the CEO and management are prohibited from meeting with, or being involved in, any communications or investor relations activities.

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 59.

Other Stakeholder Engagements and Relationship Management

The Manager also places emphasis on 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 & 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 concurrently serve as a platform for Unitholders to bring their expectations and concerns to the attention of the Manager.

After several years of virtual AGMs, Axis-REIT returned to holding its Thirteenth AGM in physical form on 24 April 2025. This is in line with updated requirements prescribed by the regulators.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The AGM notice was issued within the prescribed timeframe, along with the Integrated Annual Report 2024 which was released on 14 March 2025. Ample time was allocated for Unitholders to read the Integrated Annual Report 2024 and consider the resolutions that would be tabled at the AGM. Sufficient explanatory notes were also provided in the AGM notice to facilitate Unitholders' consideration of the resolutions tabled for their approval.

At the AGM, the Manager presented Axis-REIT's financial performance in FYE2024, an update on the Fund's activities and progress, and its prospects for FYE2025. The Board provided opportunities for Unitholders present at the meeting to raise questions pertaining to the business activities of Axis-REIT. The Chairman, CEO, other Directors, and Senior Management of the Manager were present at the AGM to answer these queries. Senior Management, including the Company Secretary, played an important part in facilitating the smooth running of the AGM.



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

No Unitholders' meeting was held in FYE2025.

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 FYE2025. This Statement was tabled and approved by the Board of Directors on 28 January 2026.

APPENDIX

Attendance at Board and Board Committee Meetings in FYE2025

	Meeting Attendance				
	Board of Directors	Executive Committee	Audit Committee	Nomination Committee	Remuneration Committee
Dato' Abas Carl Gunnar (Alternate Director: Takim Khan Myhre)	4/4	15/15			1/1
Stephen Tew Peng Hwee @ Teoh Peng Hwee (Alternate Director: Maxine Teoh Sui Vern)	4/4	15/15		1/1	1/1
Leong Kit May	4/4	15/15			
Alvin Dim Lao (Alternate Director: Jancis Anne Que Lao)	4/4		3/4		
Lim Keng Hwee	4/4		4/4	1/1	
Devika A/P K Sothinathan	4/4		4/4	1/1	1/1

Directors' Continuous Development Programmes in FYE2025

Director	Date	Events
Dato' Abas Carl Gunnar	12-13 February 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	13 August 2025	Cybersecurity Considerations 2025 Report
Stephen Tew Peng Hwee @ Teoh Peng Hwee	26-27 February 2025	Malaysian Annual Real Estate Convention 2025
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	26-27 May 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	13 August 2025	Cybersecurity Considerations 2025 Report

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Director	Date	Events
Alvin Dim Lao	27 February 2025	Becoming a Data and AI-Driven Organization
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	10-13 March 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	20 March 2025	Philippine Stock Exchange Investor Conference
	13 August 2025	Cybersecurity Considerations 2025 Report
	7 November 2025	Auerbach Grayson Emerging & Frontier Markets Virtual Investor Conference
	14 November 2025	Philippine Stock Exchange Star Investor Conference
Leong Kit May	8 January 2025	CIMB Treasury & Market Outlook Q1 2025
	9 January 2025	Forum Ekonomi Malaysia 2025
	12-13 February 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	28 February 2025	Bursa Sectorial Workshop for Malaysian REITs
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	16 April 2025	Bursa PLCs IR4U Series 4: Leopard in the Grass – Global Economic, FX & Rates Outlook 2025
	25 April 2025	Industry Consultation - New Product Governance Guidelines
	7 May 2025	REHDA Focus Group Discussion on SST
	1 July 2025	Invest ASEAN-Malaysia Conference 2025
	3 July 2025	MIPFM CPD Seminar Series 2025: Sustainable Property Management in Kuala Lumpur
	28 July 2025	Bursa Malaysia - Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level
	13 August 2025	Cybersecurity Considerations 2025 Report
	29-30 September 2025	South Klang Valley 2025 – Capitalising on Growth & Infrastructure Drivers
	10 October 2025	Commercial Tenancies in Practice: A Legal & Practical Guide
15 October 2025	MARC360 Reflections: Analyses of Malaysia's 2026 Budget and Post-Budget Debates	
Lim Keng Hwee	12-13 February 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	13 August 2025	Cybersecurity Considerations 2025 Report
	16 October 2025	Updates on implementation of E-Invoicing in Malaysia
	24 October 2025	MFRS 18 and 19
	11 November 2025	Service Tax in Malaysia – key concepts, compliance and updates
	25 November 2025	AOB Conversation with Audit Committee

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Director	Date	Events
Devika A/P K Sothinathan	13-14 January 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	4 June 2025	Defrauded in the Age of AI and Deepfakes: Remedies and Risk Management
	13 August 2025	Cybersecurity Considerations 2025 Report
	7 October 2025	Housing Development: Late Delivery and Defect – Law & Practice
	29 October 2025	The Current Position on Statelessness and Citizenship Based on Recent Federal Court Cases and Federal Constitution Amendments
	31 October 2025	The Malaysian Bar and the Japan Federation of Bar Association – Immigrants and Refugees
	20 November 2025	Governance in Crises: Comparative Lessons from Billion-Dollar Failures
	Jancis Anne Que Lao	6 March 2025
11 March 2025		APREA Philippines Conference 2025: The Next Chapter in Real Assets
19-20 March 2025		Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
22 July 2025		EO PH Learning: AI-First Mindset Principles and Readiness to apply AI-driven strategies in Business with Raj Goodman
13 August 2025		Cybersecurity Considerations 2025 Report
1 October 2025		EO PH Learning: AI Series with Raj Goodman Session 2: AI for Operational Efficiency
Maxine Teoh Sui Vern	17 January 2025	E-Invoicing in Malaysia (For Corporate Service Providers)
	20 January 2025	MBRS 2.0 - Annual Return
	21 January 2025	The Beneficial Ownership Reporting Framework for Companies Under the Companies Act 2016
	4 February 2025	E-Invoice Implementation in Malaysia and Navigating the MyInvois Portal
	13 February 2025	Cessation of Companies and Limited Liability Partnership
	25-26 February 2025	Company Secretary and Getting Started with Companies
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	15-16 April 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	13 August 2025	Cybersecurity Considerations 2025 Report
Takim Khan Myhre	12-13 February 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	13 August 2025	Cybersecurity Considerations 2025 Report