CORPORATE GOVERNANCE

| 00 |
|-----|
| 96 |
| 99 |
| 102 |
| 112 |
| 121 |
| 125 |
| 129 |
| 133 |
| 151 |
| 153 |
| 154 |
| |



Datin Ungku Suseelawati binti Ungku Omar

Independent Non-Executive Director

Datuk Hashim bin Wahir

Chairman, Independent Non-Executive Director

Abdullah bin Abu Samah

Independent Non-Executive Director

Goh Tian Sui

Independent Non-Executive Director

Company Secretaries



Nuraliza binti Abd Rahman (MAICSA 7067934)



Rohaya binti Jaafar

(LS0008376)



Lailatul Azma binti Abdullah

Independent Non-Executive Director

Datuk Sr. Akmal bin Ahmad

Non-Independent Non-Executive Director

Shamsul Anuar bin Abdul Majid

Non-Independent Non-Executive Director

Dato' Mohammed Ridha bin Dato' Haji Abd Kadir

Non-Independent Non-Executive Director

Notes: - None of the Board of Directors have:

- · Any family relationship with any Director of Manager and/or major unitholder of Al-Salām REIT;
- · Any conflict of interest with Al-Salām REIT;
- · Any conviction of interest within the past 5 years (other than traffic offences); and
- Any public sanctions or penalties imposed by the relevant regulated bodies during the financial year ended 31 December 2024





Committee Member

Nil



Academic and Professional Qualifications

- 1. Bachelor of Engineering (Honours) in Mechanical Engineering,
 - Universiti Teknologi Malaysia
- Executive Development Program,
 Ashridge Management College, United Kingdom
- 3. Executive Development Program,
 - Johnson School of Management, Cornell University, USA
- 4. Capital Markets Service Representative's Licence holder



Working Experience

Present Appointment Nil

Past Experiences

- 1. Director,
 PETRONAS Hartabina Sdn Bhd (2013)
- Chief Executive Officer, KLCC REIT Management Sdn Bhd - Manager of KLCCP Stapled Group (2013)
- 3. Group Chief Executive Officer/Executive Director, KLCC(Holdings) Sdn Bhd /KLCC Property Holdings Berhad (2007)

- 4. Country Chairman, Petronas Sudan Operations, Khartoum (2004)
- General Manager, Planning and Resource Allocation - PETRONAS, Kuala Lumpur (2000)
- 6. General Manager of Chad/Cameroon JV Project, Petronas Carigali Sdn Bhd (1999)
- Senior Manager, Petroleum Engineering Department, Petronas Carigali Sdn Bhd (1993)
- 8. Head of Production Technology Baram Delta Operations, Miri, Sarawak (1983)
- 9. Engineer Petronas Carigali Sdn Bhd (1981)



Other Directorship

Listed Issuer

· Al-`Agar Healthcare REIT

Public Companies

· Pelaburan Hartanah Berhad



Course Attended

None





Committee Member

1. Member, Board Investment Committee



Academic and Professional Qualifications

Bachelor Marketing
 Lancaster University, United Kingdom



Working Experience

Present Appointment

1. Executive Director & Regional Head of Retail, SEA, Nawawi Tie Leung

Past Experiences

- General Manager (Retail Development KLCC Holdings) (1993)
- 2. Project Manager, Metrojaya Berhad (1990)
- 3. Head of Development Section Petronas Gas Sdn Bhd (1980)



Other Directorship

Listed Issuer

- · Al-`Agar Healthcare REIT
- · PHB Property Ventures Berhad

Public Companies

Nil



Course Attended

1. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)





Committee Member

- 1. Chairman, Board Audit and Risk Committee
- 2. Member, Board Investment Committee
- 3. Member, Board Nomination and Remuneration Committee



Academic and Professional Qualifications

- Bachelor of Science in Business Administration University of the Pacific, USA
- 2. **Master of Business Administration** University of Washington, USA

3. Member

Malaysian Institute of Accountants Malaysian Institute of Certified Public Accountants



Working Experience

Present Appointment

Past Experiences

- Licensed Partner for Audit of Financial Statements of Companies Listed and Non-Listed, KPMG Malaysia Partner (Audit) (1997)
- 2. Managing the Audit and the Financial Statements of Companies, KPMG Malaysia Audit Manager (1993)
- 3. Fieldwork of Audit of Financial Statements, KPMG Malaysia Audit Staff (1983)



Other Directorship

Listed Issuer

- · Al-`Agar Healthcare REIT
- · Media Prima Berhad
- Johor Plantations Group Berhad

Public Companies

Nil



- 1. Financial Reporting on Impact of Climate Change
- 2. Emerging Strategic Risks and Mitigation Strategies for 2024: Exclusive Board and C-Suite Brief
- 3. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
- 4. 2025 Malaysian Budget Seminar by Lumenz Tax





Committee Member

1. Member, Board Investment Committee



Academic and Professional Qualifications

Bachelor of Science
 University of Reading, United Kingdom



Working Experience

Present Appointment Nil

Past Experiences

- 1. Independent Non-Executive, IJM Corporation Berhad (2016)
- 2. Independent Non-Executive Director, IJM Land Berhad (2013)
- 3. Independent Non-Executive Director,
- 4. GLM REIT Management Sdn Bhd (2006)

- 5. Managing Director, C H Williams Talhar & Wong Sdn Bhd (2003)
- Deputy Managing Director, C H Williams Talhar & Wong Sdn Bhd (2001)
- 7. Director, C H Williams Talhar & Wong Sdn Bhd (1989)
- 8. Associate Director, C H Williams Talhar & Wong Sdn Bhd (1983)
- 9. Manager, C H Williams Talhar & Wong Sdn Bhd (1981) 10. Valuation Officer, Ministry of Finance (1978)



Other Directorship

Listed Issuer

· Al-`Agar Healthcare REIT

Public Companies

Nil



- 1. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
- 2. 31st National Real Estate Convention (NREC)

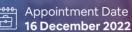


LAILATUL AZMA BINTI ABDULLAH Independent Non-Executive Director











Meetings Attended



Committee Member

- 1. Chairman, Board Sustainability Committee
- 2. Member, Board Audit and Risk Committee
- 3. Member, Board Investment Committee



Academic and Professional Qualifications

- 1. Bachelor of Science (First Class Honours) Quantity Surveying
 - University of Reading, United Kingdom
- 2. Master of Science (Distinction) IT Management in Construction
 - University of Salford, United Kingdom

3. Master of Laws (LLM), Corporate Governance

The University of Law, United Kingdom

4. Capital Markets Service Representative's Licence holder



Working Experience

Present Appointment

Nil

Past Experiences

- Head of Partnership, Specialized Sports Services Sdn Bhd (2023)
- Head of Branding and Advertising, Destination, Resorts and Hotels Sdn Bhd (Subsidiary of Khazanah) (2014)
- 3. Director, Asset Management & Investment Committee for CIMB Trust-Capital Sdn Bhd, CIMB Group Berhad (2011)

- 4. Senior Manager (Asset Management), CIMB Group Berhad (2010)
- 5. Head of Property Development and Management, CIMB Group Berhad (2007)
- 6. Head of Business Development, X-Txt Asia Sdn Bhd (2006)
- 7. Chief of Operations, GCS Sdn Bhd (2004)
- 8. Quantity Surveyor Project Executive, Davis, Langdon & Seah Malaysia (JUBM Sdn Bhd) (1997)
- 9. Contracts Manager, GCS Sdn Bhd (1995)



Other Directorship

Listed Issuer

- · Al-`Agar Healthcare REIT
- · Varia Berhad

Public Companies

Nil



- 1. ICDM BSC Dialogue with Stewardship Asia Centre: Launch of "Boards as Stewards of Sustainability: View Across Asia & Pacific" Report
- 2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)





Committee Member

1. Member, Board Audit and Risk Committee



Academic and Professional Qualifications

 Diploma in Quantity Surveying Universiti Teknologi MARA

Working Experience

Present Appointment

- Director, Real Estate & Infrastructure Division, Johor Corporation
- 2. Group Managing Director, JLand Group Sdn Bhd

Past Experiences

- Executive Director, JLand Group Sdn Bhd (2022)
- 2. Group Managing Director, Johor Land Berhad (2022)
- 3. Chief Operating Officer, Iskandar Investment Berhad (2020)
- 4. Chief Executive Officer, Iskandar Development Management Services Sdn Bhd (IIB subsidiary) (2018)
- 5. Chief Development Officer, Iskandar Investment Berhad (2016)

- Bachelor of Science in Quantity Surveying Universiti Teknologi MARA
- Director of Operations, Iskandar Development Management Services Sdn Bhd (2013)
- 7. General Manager, Nusajaya Development Sdn Bhd (UEM Land Berhad subsidiary) (2007)
- 8. Project Manager 1, (Prince Court Medical Centre Project) KLCC Projeks Sdn Bhd (2007)
- 9. Project Manager, (University Technology of Petronas Development) KLCC Projeks Sdn Bhd (2003)
- 10.Project Manager, (Petronas Twin Towers Fit-Out) KLCC Projeks Sdn Bhd (1999)
- 11. Contract Management Executive, KLCC Projeks Sdn Bhd (1993)



Other Directorship

Listed Issuer

· Al-`Aqar Healthcare REIT

Public Companies

 JLG Integra Berhad (Formerly known as Damansara Holdings Berhad)



Course Attended

None





Committee Member

- 1. Chairman, Board Investment Committee
- 2. Member, Board Nomination and Remuneration Committee



Academic and Professional Qualifications

- Bachelor of Science (Honours), Chemistry Imperial College London, United Kingdom
- 2. Master of Business Administration (MBA) Islamic Finance
 - International Islamic University Malaysia
- 3. Member, Chartered Financial Analyst (CFA) CFA Institute, Charlottesville, Virginia, USA



Working Experience

Present Appointment

1. Chief Investment Officer, Johor Corporation

Past Experiences

- 1. General Manager, Johor Corporation (2019)
- 2. Director and Principal Partner, Fikiran Sepakat Sdn Bhd (2017)

- 3. Special Officer to the Managing Director, Iskandar Waterfront Holdings (2014)
- 4. Executive Vice President, Strategy & Feasibility, Iskandar Investment Berhad (2011)
- 5. Vice President, Finance and Special Projects, Greenland Malaysia (2007)
- 6. Energy Sector Specialist, The Boston Consulting Group (2001)
- 7. Planning Analyst, Downstream Economics Planning Department, Shell Malaysia (1999)



Other Directorship

Listed Issuer

- · Al-`Agar Healthcare REIT
- KPJ Healthcare Berhad
- · Johor Plantations Group Berhad

Public Companies

- QSR Brands (M) Holdings Berhad
- · Kulim (M) Berhad



- 1. IFRS Foundation Conference
- 2. CEREBRUM Insights DS Idris Jala
- 3. JCorp Leadership Forum 2024
- 4. Artificial Intelligence in Finance Delivering Business Value





Committee Member

Nil



Academic and Professional Qualifications

1. Bachelor of Resource and Environmental Economics

Universiti Pertanian Malaysia

2. Master of Technology Management

Universiti Teknologi Malaysia



Working Experience

Present Appointment

- State Financial Officer of Johor, Johor State Treasury Office
- **Past Experiences**
- Timbalan Setiausaha Kerajaan Johor (Pembangunan), Pejabat Setiausaha Kerajaan Johor (2022)
- 2. Pengarah, Pejabat Tanah dan Galian Johor (2019)
- 3. Pegawai Daerah, Pejabat Daerah Johor Bahru (2018)
- 4. Pegawai Daerah, Pejabat Daerah Kota Tinggi (2017)



Other Directorship

Listed Issuer

· Al-`Agar Healthcare REIT

Public Companies

Nil



Course Attended

- 1. Program Executive Talk "Leadership and Sharing Experience"
- 2. Program Sinergi Berpasukan: Mengubah Cabaran Menjadi Kemenangan Bil 1/2024 Bagi Perbendaharaan Negeri Johor Tahun 2024
- 3. Khazanah Megatrends Forum (KMF 2024): Pursuit of Potatoes: Paving Paths from the Probable to the Possible

Notes - None of the Directors have:

- · any family relationship with any Director of the Manager and/or major unitholder of Al-Salām;
- · any conflict of interest with Al-Salām;
- $\cdot\,\,$ any conviction of interest within the past 5 years (other than traffic offences); and
- · any public sanctions or penalties imposed by the relevant regulated bodies during the financial year ended 31 December 2024.

The Shariah Committee





Academic and Professional Qualifications

- Bachelor Islamic Law and Syariah Islamiah Al-Azhar University, Egypt
- 2. **Master of Arts**Asia e University

3. Doctor of Philosophy (Human Development)

Universiti Tun Hussein Onn Malaysia



Working Experience

He is a member of the Johor Royal Council and Islamic Religious Council (Johor). He retired as Mufti of Johor in November 2002 and continued his service until 13 November 2008 and now remains as the Advisor to the Islamic Religious Council (Johor).

He was appointed as Federal Supreme Committee of Islamic Affairs Strengthening Management on 9 August 2018. His vast experience in Islamic practise and jurisprudence, juristic methodology, hadith and its sciences and spirituality were gained throughout his services as Acting Kadi, Syarie Lawyer Islamic Affair Officer Religious Department (Prime Minister Department), Acting Assistant Examination and Registrar Religious School of Johor State and Religious Teacher of Johor State.



Present Appointment

- 1. Shariah Committee, Al-`Agar Healthcare REIT
- 2. Chairman of Yayasan Infaq Angkasa
- 3. Member Adviser Member, Permodalan Nasional Berhad
- 4. Member, Universiti Tun Hussein Onn Malaysia
- 5. Member, Yayasan Wakaf Anak Yatim Malaysia
- Committee Member, Johor Islamic Council including Zakat, Wakaf, Baitulmal, Teaching Certification and Education
- 7. Committee Member of various companies within the JCorp Group
- 8. Committee Member of various councils including the Johor Royal Congregational Council, Johor Islamic Council's Finance and Investment, Planning and Development units

The Shariah Committee





Academic and Professional Qualifications

- Bachelor in Shariah Al-Azhar University, Egypt
- 2. **Doctor of Philosophy (PhD) in Shariah** University of St Andrews, Scotland



Working Experience

He began his career with Universiti Kebangsaan Malaysia as the Head of Department of Quran and Sunnah, Faculty of Islamic Studies and Lecturer at Faculty of Law Universiti Kebangsaan Malaysia

He has served as Shariah Advisor and Shariah committee member at several corporate organisation such as Tabung Haji, Bank Negara Malaysia, Dewan Bahasa dan Pustaka, Takaful Nasional and Terengganu Trust Fund as well as financial institutions namely, Bank Muamalat Malaysia Berhad, Bank Kerjasama Rakyat Malaysia Berhad, RHB Bank Berhad and Bank Pembangunan Malaysia Berhad.



Present Appointment

1. Shariah Committee, Al-`Aqar Healthcare REIT

The Shariah Committee



IBFIM is a registered Shariah adviser under the Capital Market Services Act 2007 and has been providing a wide range of Shariah advisory and consultancy services for Islamic financial services industry since 2001. IBFIM is also a lifelong learning institution that specialises in technical certifications for Islamic financial services industry. As Shariah Adviser to Al-Salām, IBFIM is providing necessary advice to ensure that Al-Salām business is Shariah compliant. IBFIM was appointed as the Shariah Adviser for Al-Salām effective 2 July 2020.

Profile of Designated Person responsible for Shariah matters relating to Al-Salām

In relation to Shariah matters, the designated persons responsible for the fund investment activities under Al-Salām is Irma Namira Binti Missnan.

Irma Namira Binti Missnan is currently a Manager, Shariah Consultancy of IBFIM and a registered Shariah Officer with the Securities Commission of Malaysia for IBFIM in relation to the Islamic capital market-related product and services. She brings with her approximately 13 years of experience in Islamic finance and Shariah advisory. At IBFIM, she is responsible to lead and provide relevant inputs for the Shariah advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market, Islamic REITs and Islamic unit trust funds.

Irma Namira had started her career in 2012 as a Shariah executive in RHB Islamic Bank Berhad. Specialising in Shariah advisory, governance and management portfolios, she was then entrusted as a Section Head of the Shariah Secretariat of RHB Islamic Bank from May 2015 until March 2020 before joining IBFIM. She is experienced in the Shariah application in Islamic products and services which includes retail banking, non-retail banking and Islamic capital markets.

Irma Namira graduated with Bachelor of Syariah and Laws (Hons) from Universiti Sains Islam Malaysia and obtained Certificate in Islamic Law of Banking & Finance from International Islamic University Malaysia. She is a member of Association of Shariah Advisors in Islamic Finance ("ASAS") She also holds Associate Qualification in Islamic Finance (AQIF) certification and is currently pursuing Certified Professional Shariah Auditor (CPSA) certification from IBFIM.

Notes - None of the Shariah Committee members have:

- · any family relationship with any Director of the Manager and/or major unitholder of Al-Salām;
- · any conflict of interest with Al-Salām;
- · any conviction of interest within the past 5 years (other than traffic offences); and
- · any public sanctions or penalties imposed by the relevant regulated bodies during the financial year ended 31 December 2024.

The Management Team



ZULHILMY BIN KAMARUDDIN

Chief Executive Officer





Gender Male



Nationality Malaysian



Chief Operating Officer



Age **52**



Gender



Nationality **Malaysian**



Appointment Date

4 November 2024



Academic and Professional Qualifications

- **BA (Hons) Accounting & Finance** University of Kent, United Kingdom
- **Master of Accountancy** Universiti Teknologi MARA
- **Executive Development Programme** Columbia Business School, New York, United
- Capital Markets Service Representative's Licence holder



Directorship

· Fund Board Member Aman REIF, Muscat, Oman



Working Experience

- **Director, Client Coverage** RHB Investment Bank Bhd (2024)
- Head, Investment Banking RHB Islamic Bank Bhd (2011)
- **Assistant Vice President** Maybank Investment Bank Bhd (2009)



Appointment Date

15 August 2024



Academic and Professional Qualifications

Bachelor of Commerce (Finance & Accounting) Flinders University of South Australia, Adelaide, Australia



Directorship

Nil



Working Experience

- Senior Management Team (Pre & Post **Opening Team)**
 - Pavilion Damansara Heights, Pavilion Bukit Jalil (2024)
- **Head of Asset Management** S P Setia Bhd (2020)
- **Head of Property Management (Shopping** Complexes, Condominiums, Commercials) Eng Lian Enterprise Sdn Bhd (2015)
- Assistant Manager Business Development Reliance Shipping & Travel Agencies Bhd (1999)

The Management Team



AHMAD NAZRI BIN MOHAMAD

Chief Financial Officer

Age



Gender **Male**



Nationality **Malaysian**



Head, CEO's Office, IR & Strategy



Age **34**



Gender **Female**



Nationality **Malaysian**



Appointment Date

17 February 2025



Academic and Professional Qualifications

- Fellow Member
 Association of Chartered Certified
 Accountants (ACCA)
- Member Malaysian Institute of Accountant
- BA in Accounting and Finance (Hons)
 Lancaster University



Directorship

Nil



Working Experience

- Group Chief Financial Officer
 Theta Edge Berhad (2024)
- Group Chief Financial Officer
 Ingress Corporation Berhad (2023)



Appointment Date

7 April 2025



Academic and Professional Qualifications

 Bsc. Hons Mathematics, Operational Research, Statistics & Economics University Of Warwick, UK



Directorship

Nil



Working Experience

- **Head, Strategy**Menteri Besar Selangor (Incorporated) (2025)
- Head, Corporate Finance
 Menteri Besar Selangor (Incorporated) (2024)
- Equity Capital Markets RHB Investment Bank Berhad (2015)

The Management Team



NOR SHAKIRA BINTI ZAINAL

Head, Governance & Legal





Gender **Female**



Nationality **Malaysian**



Age **56**



ROZIAH BINTI ABU BAKAR

Head, Corporate Services

Nationality **Malaysian**



Appointment Date

7 April 2025



Academic and Professional Qualifications

- Master of Criminal Justice University Malaya
- Bachelor of Laws (Honours)
 International Islamic University Malaysia



Directorship

Nil



Working Experience

- Group Head Legal, Secretarial & Regulatory Management
- Senior Manager, Legal & Contract
 Malakoff Corporation Berhad (MMC Group) (2024)
- Legal Manager
 Pelabuhan Tanjung Pelepas Sdn Bhd (MMC Group)
 (2018)
- Legal Manager
 Zelan Berhad (MMC Group) (2017)
- Legal Associate
 Zul Rafique & Partners (2016)
- Federal Council
 Attorney General's Chambers (2014)



Appointment Date

1 March 2016



Academic and Professional Qualifications

- Bachelor of Arts, International Relations
 The University of British Columbia, Vancouver,
 Canada
- Master of Business Administration, Henley Business School, University of Reading
- Enterprise Risk Advisor, Institute of Enterprise Risk Practitioners



Directorship

Nil



Working Experience

- Senior Manager
 KFCH International College (2016)
- Manager
 Akademi Johor Corporation (2013)
- Deputy Manager
 Johor Corporation (2010)

Notes - None of the Management and Key Personnel have:

- · any family relationship with any Director of the Manager and/or major unitholder of Al-Salām;
- · any conflict of interest with Al-Salām;
- · any convictions for offences within the past 5 years (other than traffic offences); and
- · any public sanctions or penalties imposed by the relevant regulated bodies during the financial year ended 31 December 2024.

In its deliberation and review of the CG Overview Statement, the Board is satisfied that the practices set out in the Malaysian Code on Corporate Governance ("MCCG") as defined in the MCCG, in all material respects, have been applied to achieve the intended outcomes for the financial year under review.

Introduction

This Corporate Governance Overview Statement ("CG Statement") sets out the principal features of the Group's corporate governance approach, a summary of corporate governance practices during the year under review as well as key focus areas and future priorities concerning corporate governance.

The Board is committed to ensuring that a strong governance framework operates throughout the Group, recognising that good corporate governance is a vital component to support management in their delivery of the Group's strategic objectives and to operate a sustainable business for the benefit of all stakeholders. The process of identifying, developing, and maintaining high standards of corporate governance is ongoing and dynamic, to reflect changes in the Group and its business, the composition of the Board, and developments in corporate governance.

The Board has been guided by the MCCG in its implementation of CG practices while ensuring compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, the Guidelines for Listed REITs, Bursa Malaysia Corporate Governance Guide 28 April 2021, and Companies Act 2016.

The CG Overview Statement provides a summary of the Company's CG practices during the financial year, with reference to the following 3 principles, intended outcomes and practices of the MCCG, having considered the Company's structure, processes, business environment and industry practices:

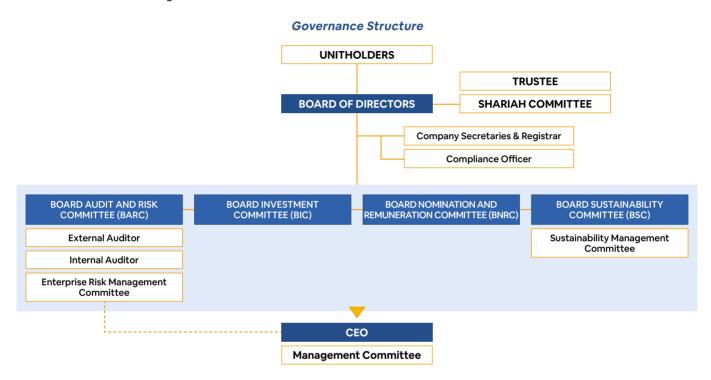
- Principle A: Board Leadership and Effectiveness;
- · Principle B: Effective Audit and Risk Management; and
- Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

To ensure compliance with the most recent applicable Corporate Governance and regulatory obligations, the Board regularly reviews its governance procedures and processes. Throughout the year in review, all the provisions of the MCCG 2021 save for Practices 8.1 (detailed disclosure on a named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits-in-kind and other emoluments) and 8.2 (disclosure of senior management's remuneration).

The Corporate Governance Report is available on the Fund's website at www.alsalamreit.com.my as well as via an announcement on the website of Bursa Malaysia. This Corporate Governance Overview Statement should also be read in tandem with the other statements in the Sustainability Statement namely, the Statement on Risk Management and Internal Control, Audit and Risk Committee Report, and Sustainability Statement.

CORPORATE GOVERNANCE STRUCTURE

The governance structure of the Manager where the responsibilities of the Board are delegated to the relevant Board Committees and the Managemen is illustrated below:



The main purpose of a governance structure is to address the central issues revolving the four components of the governance operating model summarised below:

| COMPONENTS | SUBCOMPONENTS | DESCRIPTION |
|-------------------------------|---|---|
| STRUCTURE | Committee structure and charters Organisational design and reporting lines Control and support function roles | Outlines board and management committee structures, mandates, membership and charters Establishes design of governance framework Delineates organisational structure, reporting lines and relationships Highlights roles and independence of control and support functions from business owners |
| OVERSIGHT RESPONSIBILITIES | Committee (s) authorities and responsibilities Management accountability and authority Board oversight and responsibilities Reporting, escalation, and veto rights | Outlines the type of committees (board and management) and associated responsibilities Specifies functional accountabilities for day-to-day management of business practices across the enterprise Delineates board and management approved policies supporting delegation of authority (decision rights) including reporting, escalation and veto rights |

CORPORATE GOVERNANCE STRUCTURE (CONT'D)

The main purpose of a governance structure is to address the central issues revolving the four components of the governance operating model summarised below (Cont'd):

| COMPONENTS | SUBCOMPONENTS | DESCRIPTION |
|------------------|--|---|
| TALENT & CULTURE | Business and operating principles Core belief and risk culture Leadership development and talent programmes performance Management and incentives | Aligns governance with operating and business principles Articulates core beliefs and foundation for culture Highlights characteristics of risk culture Outlines leadership succession, assessment, and development responsibilities Aligns performance management, approach, measures and responsibilities to compensation and incentive plans |
| INFRASTRUCTURE | · Policies and Procedures | Establishes design and content of policy manual and associated procedures Outlines type and frequency of internal reporting and communications Define scorecards, measures, and metrics to track performance Aligns technology and governance requirements |

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Board Leadership and Management

The Board is led by an Independent Non-Executive Director and comprised of 4 Independent Non-Executive Directors and 4 Non- Independent Non-Executive Directors. The Directors have a balance and depth of skills, experience, independence and knowledge of the Real Estate/ Property industry and the REIT business model, which enables them to discharge their respective duties and responsibilities effectively. Each Director and Senior Management were assessed for compliance with the Policy on Fit & Proper Criteria, their performance, and contribution to board effectiveness. Should any of them be found to be no longer fit and proper or is underperforming, the BNRC will take corrective measures to manage such events accordingly.

The Board is collectively responsible for the and the REIT Manager's long term business sustainability, strategic planning and long term targets. The annual budget and strategic planning report are developed by the Chief Executive Officer and the senior management team and approved by the Board. The management team, led by the Chief Executive Officer, is responsible for implementing the strategy and managing the business at an operational level, aimed at promoting a long-term value for the unitholders and stakeholders.

Number of Meetings and Board Attendance in 2024

Similarly, all highlights of matters reviewed, deliberated and approved by the Board and Board Committees during FY2024 can be found on the same section mentioned above.

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Number of Meetings and Board Attendance in 2024 (Cont'd)

| | | Date of Meetings | | | | | |
|----|---|-------------------------------|-------------|-------------|--------------------------|-------------|--------------------------|
| No | DIRECTOR | 22 Feb 2024 | 24 May 2024 | 29 Aug 2024 | 18 Sep 2024 (Special) | 28 Nov 2024 | 12 Dec 2024 (Special) |
| 1 | Dato' Haji Mohd Redza Shah bin Abdul Wahid (resigned w.e.f. 31 December 2024) | ✓ | ✓ | ✓ | ✓ | √ | ✓ |
| 2 | Datuk Hashim bin Wahir (redesignation as Chairman w.e.f. 31 December 2024) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3 | Abdullah bin Abu Samah | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4 | Datuk Sr Akmal bin Ahmad | ✓ | × | ✓ | ✓ | ✓ | ✓ |
| 5 | Shamsul Anuar bin Abdul Majid | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6 | Ng Yan Chuan | ✓ | ✓ | ✓ | ✓ | ✓ | × |
| 7 | Lailatul Azma binti Abdullah | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 8 | Dato' Haji Mohammed Ridha bin Dato' Haji Abd Kadir | (appointed on 22 August 2024) | | | × | × | × |

Remarks:

- 1. Dato' Mohammed Ridha Bin Dato' Haji Abd Kadir on medical leave until 12 February 2025.
- 2. Datin Ungku Suseelawati Binti Ungku Omar and Goh Tian Sui were appointed on 21 January 2025.

Separation of Duties between the Chairman and the Chief Executive Officer

The primary responsibility of the Chair is to lead and guide the Board so that it can discharge its duties effectively. The Chair is responsible for promoting best practice in corporate governance and for overseeing the development, adoption, delivery and communication of an effective corporate governance model for the Company. The Board collectively develops and determines the Group's purpose, strategy and overall commercial objectives. The Board ensures that the Group adopts policies and procedures that it considers appropriate having regard to its size and activities.

The CEO holds the principal responsibilities of reporting, clarifying, communicating, implementing and recommending key strategic and operational matters and proposals to the Board for approval as well as implementation policies and strategies and managing the business at an operational level, aimed at promoting a long-term value for the unitholders and stakeholders alike.

The respective roles of the Chairman and CEO are clearly defined and documented in the Board Charter to promote accountability and facilitate division of responsibilities between them and to further ensure a balance of power and authority, with no one individual having unfettered powers of decision.

Company Secretaries

The Company Secretaries, advise the Board and report directly to the Chair on corporate governance matters, support the Chair in the effective functioning of the Board and its Committees and facilitate the receipt by the Board of high-quality information in a timely manner. They also advise the Board on compliance and governance matters, helping to make sure that Board procedures and applicable rules and regulations are observed. Annual evaluation of the Group Secretaries based on the above roles will be carried out by the Board.

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

The Board Committees

The Committees for Audit and Risk, Remuneration and Nominations, Investment and Sustainability initiatives were established with delegated and clearly defined powers. The terms of reference for the Committees are reviewed annually, when appropriate. Each Committee's terms of reference can be found on the website.

Board Evaluation

The Board conducts regular Board Effectiveness Evaluation (BEE) on individual Directors's performance and the senior management team. This is to reinforce the Board's commitment towards the highest level of performance by their directors when fulfilling their responsibilities to stakeholders, and the continuous strive for excellence in governance. The BEE Report was tabled at the BNRC meeting on in January 2025. The summary of the report can be found on Board Nomination and Remuneration Committee section of the Annual Report.

The Fit and Proper Assessment

The Board, through the BNRC, assessed the fitness and propriety of the Directors, Company Secretaries, License Holders, Shariah Adviser, the CEO and the Senior Management team, in accordance with the Manager's Fit and Proper Policy on Key Responsible Persons as well as Declaration by Independent Directors on an annual basis.

Continuing Education and Development

Directors play a critical role in guiding the strategy and operations of organisations, therefore, on-going education and development ensures that Directors are kept up-to-date on emerging trends, best practices, and regulatory requirements. Trainings and presentations attended and delivered by the Directors are specified in the Directors profiles on pages 88 to 95.

Competencies and Skill Set

Members of the Board and the Senior Management are expected to possess the relevant knowledge, skills, competencies, functional and management experience, characteristics and mind-set to contribute effectively to the Board, as specified in the Fit and Proper Policy of the Company. Guidelines for the skill set of the Directors is summarised as below:

| AREAS | COMPETENCIES |
|--|---|
| Knowledge and Understanding of the Business/ Industrial Strategies | Experience in planning and developing corporate strategies for growth, assessing business performance, investment and financial decisions Operates or has relevant industry experience in operating businesses Competent and skillfull in financial aspects of running a business including the ability to read, analyse and interpret financial statements |
| Corporate Governance, Risk Management and Internal Controls | Working knowledge on duties and responsibilities of the Board, Board Committees and Directors Hands-on experience in the fields of governance, risks and controls Ability to understand, interpret and effectively apply legislative and regulatory changes Knowledge on legal, regulatory and business requirements in other countries/ regions in which the company operates |

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Managing Conflict of Interest

The Manager's policy requires that directors, officers and employees avoid any conflict between their own interests and the interests of the Group in dealing with suppliers, customers and other third parties, and in the conduct of their personal affairs, including transactions in securities of the Manager, any affiliated or any non-affiliated organisation.

A member of the Board who directly or indirectly has by himself, his spouse or children, any interest in any matter under discussion by the Board shall disclose to the Board the existence of such interest and nature thereof. As such, a disclosure shall be recorded in the minutes of the Board, and after the disclosure:

- (a) the member shall not take part nor be present in any deliberation or decision of the Board;
- (b) the Director shall be disregarded for the purpose of constituting a quorum of the Board relating to the matter; and
- (c) no act or proceedings of the Board shall be invalidated on the ground that any member of the Board has contravened the provisions of this section.

Board Remuneration

The Board acknowledges that MCCG 2021 emphasises that Directors' remuneration, which is well structured, clearly linked to the strategic objectives of a company, and rewards contribution to the long-term success of the company is important in promoting business stability and growth.

The Manager has in place policies and procedures regarding remuneration and aims to set remuneration at level which is sufficient to attract, motivate and retain the Directors needed to achieve the Company's long-term objectives, taking into consideration all relevant factors including the complexity of the Company's business and its performance, the skills and experience of the relevant Director and his or her responsibilities, contribution and commitment to the Company. The remuneration packages are also designed on the basis of the directors' senior management's merit, qualification, and competence while having regard to the company's operating results, individual performance, and comparable market statistics.

As such the BNRC and the Board has recommended and approved a revised Directors' remuneration which takes effect on in January 2025. The new remuneration was introduced taking into consideration the Board's performance, competence and comparable market statistics.

Practice 8.1 of the MCCG 2021 requires a disclosure on directors' remuneration, where "detailed disclosure on a named basis for the remuneration of individual directors and the remuneration breakdown of individual directors includes fees, salary, bonus, benefits-in-kind, and other emoluments".

The Manager explained that the Board's nomination, and appointment remuneration is undertaken by the Manager, a private company in the Johor Corporation Group, and not by the REIT. The appointment, re-appointment, and remuneration of a director of the Company are not subject to the approval by the unitholders of the listed funds. As such in this instance, the required disclosure does not apply to the REIT.

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Senior Management Remuneration

The Manager also adopts the JCorp Group's Employee Salary Scheme as a guiding principle to provide a competitive level of total compensation to attract and retain qualified and competent staff. It is also driven primarily based on performance as specified in its Performance Management Policy.

With regard to application of Practice 8.2 which requires disclosure "on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments", the Board is of the view that such disclosure is not applicable and mandatory because the Manager is not a listed entity; and the senior management's remuneration is paid by the Manager.

Nevertheless, the Board wishes to give assurance that the remuneration of Directors and Senior Management commensurate with their individual performance, taking into consideration of the REIT's performance as it is benchmarked against the market. The remuneration packages of Senior Management are based on experience, expertise, skills and industry benchmarking.

Driving Sustainability

The Board Sustainability Committee (BSC) together with Senior Management takes responsibility for the governance of sustainability in setting the company's sustainability strategies, priorities, and targets. Further, the Board is cognizant of the philosophy promoted by MCCG 2021, effective board leadership and oversight also require the integration of sustainability considerations in corporate strategy, governance and decision-making. As ESG is gaining importance, the BSC has been mandated with oversight functions on ESG including climate change risk. In compliance with the IFRS 1 and 2, the REIT's Sustainability Report has addressed the issues related to sustainability-related financial disclosures and response to climate-related risks and opportunities.

The Manager has established the Sustainability Management Committee (SMC) at the management level, which is led by the CEO and comprises the management team of the Manager, the Property Manager, and its counterparts. The SMC is dedicated to managing sustainability strategically, including the integration of sustainability considerations in the operations.

Further, the advocating sustainability initiatives have been embedded in the performance evaluations of the Board and senior Management in line with Practice 4.4 of the MCCG 2021. The Board also ensures that they stay abreast with and understand the sustainability issues, hence all Directors are required to attend the Mandatory Accreditation Programme II: Leading for Impact for Directors of PLCs by the end of 2025.

Gender Diversity and Inclusion

The Manager is committed to fostering a diverse, equitable, and inclusive environment where every individual feels valued, respected, and empowered to contribute to the organization's success. This policy outlines the commitment to diversity, equity, inclusion, and belonging and the expectations have been set for the Manager. When selecting Directors, the process is based on objective criteria without discrimination on any gender, race, personal, or physical attributes that would hinder a person's ability to perform as Director. All Board appointments are made on merit, in the context of the skills and experience the Board as a whole requires to be effective

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Gender Diversity and Inclusion (Cont'd)

Importance of Female Representation:

- Diversity in Decision-Making: Gender-diverse boards bring varied perspectives and experiences, leading to more robust decision-making and innovation.
- Ethical and Social Responsibility: Companies with diverse boards demonstrate commitment to inclusivity, reflecting societal values and expectations.
- · Talent Utilisation: Increased female participation ensures better use of the talent pool

The commitment to diversity is embedded in our Sustainability Policy that sets out the Manager's values.

With respect to gender, the Manager's Board composition comprises of one female Director, Ms Lailatul Azma Abdullah who was appointed as Independent Non-Executive Director on 16 December 2022. In this respect, the Board targets 30% women directors' participation at the Board and senior management level. The BNRC is actively and progressively identifying female candidates to fill in the position. It is expected that the 30% target will be met by 2027.

As such, with respect to Practice 5.9 of the MCCG, the Manager's Departs from the Practice. The board will continue to scout for women directors to sit on board in the coming years, taking into account diverse perspectives and insights based on the candidate's integrity, independence, diversity in terms of age, gender, cultural background and experience, leadership, and ability to exercise sound judgment.

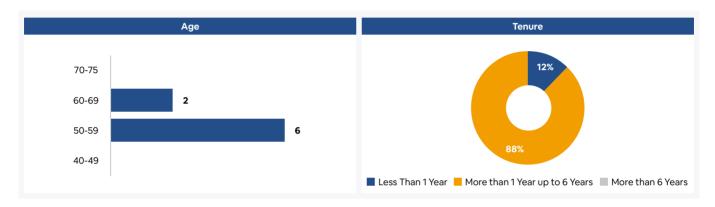
As at 31 December 2024, the Board composition and diversity is depicted below:



PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Gender Diversity and Inclusion (Cont'd)

As at 31 December 2024, the Board composition and diversity is depicted below (Cont'd):



PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

External Audit and Internal Controls

Independence of External Auditors

The External Auditors serve a vital role in safeguarding shareholder interests by enhancing the credibility of the financial statements. They provide independent assurance on the reliability of the financial disclosures presented by the REIT.

The Board Audit and Risk Committee ("BARC") oversees the engagement of the External Auditors on behalf of the Board. In discharging this responsibility, the BARC reviews and evaluates the reappointment, remuneration, and independence of the External Auditors annually, including prior to any reappointment.

The evaluation of the External Auditors is based on the following key criteria:

- Competency, audit quality, and resource capacity;
- Audit planning, process quality, and scope;
- Effectiveness of audit communications;
- Independence and objectivity;
- Appropriateness of non-audit services and associated fees;
- · Written confirmation of independence in accordance with professional and regulatory requirements.

These assessments are supplemented with input from the Head of Finance and form the basis of BARC's recommendation to the Board regarding the appointment of External Auditors.

The BARC holds regular meetings with the External Auditors to review the audit scope and discuss findings. At least twice a year, private sessions are conducted without Management's presence to provide an avenue for open dialogue on any audit-related concerns.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Independence Of External Auditors (Cont'd)

The External Auditors are invited to attend the Annual General Meeting to respond to queries from unitholders regarding the statutory audit and the audited financial statements. The External Auditors have confirmed their independence and compliance with ethical and professional standards.

The BARC concluded that the External Auditors maintained a high standard of audit quality, demonstrated professional competence, and possessed adequate resources to discharge their responsibilities effectively.

Internal Audit Function

The Manager has outsourced its internal audit function to PKF Risk Management Sdn Bhd ("PKF") to ensure independent and objective oversight of the internal control environment.

PKF reports functionally to the BARC and administratively to the Chief Executive Officer and the Corporate Services Department. This reporting structure preserves the independence and integrity of the internal audit function.

The internal audit activities are governed by an Audit Charter, approved by the BARC, and aligned with the International Professional Practices Framework of the Institute of Internal Auditors.

Key responsibilities of PKF include:

- Conducting independent reviews of internal control systems;
- · Identifying and reporting internal control weaknesses or deficiencies;
- · Recommending improvements to enhance control effectiveness;
- Undertaking investigative audits when required.

Audit areas are prioritised based on a risk-based methodology, and high-risk functions are audited annually in accordance with the BARC-approved Internal Audit Plan.

Audit findings, recommendations, and Management responses are presented to the BARC for deliberation. Where appropriate, the BARC directs Management to implement remedial actions.

To uphold audit effectiveness and independence, the BARC is empowered to:

- Meet privately with the Internal Auditor;
- Approve and report on internal audit appointments to the Board;
- · Evaluate the performance of the internal audit function.

The BARC was satisfied with PKF's performance and its ability to effectively discharge its internal audit duties for the financial year under review.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Controls

The Board is ultimately accountable for the REIT's risk management and internal control systems. The BARC is responsible for monitoring the effectiveness of these systems and ensuring that risks are adequately identified, assessed, and managed.

Risk oversight is an integral part of BARC and Board deliberations. The REIT's key risk areas are reviewed quarterly at BARC meetings, including the effectiveness of risk mitigation strategies. The Enterprise Risk Management Committee ("ERMC") supports the BARC in operationalising the risk management framework and tracking mitigation progress.

A summary of principal risks and their respective mitigations is disclosed in the Management Discussion and Analysis (MD&A) section on pages 37 to 39 of the Annual Report.

The BARC also reviews the adequacy of internal controls, guided by regular internal audit reports and Management updates. These reviews ensure that corrective measures are implemented timely, and control enhancements are integrated where needed.

The BARC is satisfied that the Group's risk management and internal control systems are effective and that the Committee has exercised appropriate vigilance in monitoring the integrity of financial reporting processes.

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

Stakeholders Engagement

The Board seeks to engage with all stakeholders to maintain a mutual understanding of objectives between them and the Company and to manage their expectations. Relations with shareholders and potential investors are managed principally by the Executive Directors.

The REIT's business model also relies on developing and maintaining strong relationships with the REIT's unitholders, the Managers shareholders, employees, third party service providers, contractors, suppliers and regulatory authorities.

The Board is conscious of its responsibility towards all stakeholders and believes this is an important consideration for the long-term growth of the business. Stakeholder engagement and feedback is taken seriously throughout the company. As such the Annual General meeting functions as the main platform for all stakeholders to interact and communicate effectively with respect to financial and operation performance, strategic direction of the REIT, and long-term strategies.

The AGM notice was dispatched to shareholders not less than twenty-eight (28) days before the AGM. Shareholders were given ample time to consider the resolutions that will be discussed at the AGM.

Open communication is made with all the Group companies and employees. The Manager places considerable value on open communication and the involvement of employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the REIT and the Manager. This is achieved through formal and informal meetings, information available on the Company's website, and annual and semi-annual town halls held a fixed intervals.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Internal Audit Function (Cont'd)

The Manager also engages with stakeholders, such as engaging in consultations on proposals of new projects ventures. Examples of the engagement initiatives are shown in the table below:

| Stakeholders | Engagement and Initiatives | | | | |
|---|--|---|--|--|--|
| Investment Community (Unitholders, Analysts, Fund Managers) | Statutory announcementAnnual General MeetingRoadshow | Investors and analysts briefingCorporate websiteSocial media | | | |
| Media | Media interviewMedia release and press statements | Corporate websiteSocial media | | | |
| Government, local authorities and regulators | Engagement meetingConsultation papers | Engagement through MRMA Maintain rapport with local authorities | | | |
| Tenants and lessees | Periodic meetingsSurveys and feedbacksRental support programme | Marketing support and promotional activities | | | |
| Suppliers and contractors | Supplier ESG AssessmentsProcurement Committee and Tender interview | Supplier evaluation and audit | | | |
| Employees | Townhalls Employee engagement dialogue Climate Surveys | 360 degrees performance appraisal Flexible work arrangement Upskilling and reskilling programmes | | | |
| Communities | · Customers' surveys | · CSR programme | | | |

The Manager is highly committed to ensuring that relevant and material corporate information is shared with the Fund's unitholders and investing community effectively. The Manager maintains the corporate website, www.alsalamreit.com.my to disseminate up-to-date and historical information and enhance its investor relations practices. The Investor Relations section on the website provides investor-related information such as financial information, announcements released to Bursa Securities, general meetings materials, circulars, and distribution information. Stakeholders will also have access to corporate governance information including but not limited to the Board Charter and Terms of Reference of Board Committees, Whistleblowing Policy, and Anti-Bribery & Corruption Policy, etc.

The Manager has in place the Investor Relations team to facilitate effective communication with unitholders, analysts, fund managers, and media. The email address, name, and contact number of the Manager's designated person are also available on the Fund's website to enable the public to forward queries relating to the Fund to the Manager.

The BARC plays a major role in corporate governance regarding the organisation's direction, control, and accountability. The BARC is set up with the primary objective to assist the Board of Director ("Board") in carrying out its duties and responsibilities in fulfilling its responsibility for oversight with respect to ensuring the integrity of the Company's financial statements, performance of the Company's independent auditors and internal audit function, risk management practices and internal control of the company.

As a representative of the Board and main part of the corporate governance mechanism, the BARC is involved in the organisation's both internal and external audits, internal control, accounting and financial reporting, regulatory compliance, and risk management.

COMPOSITION

In line with the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Securities ("MMLR"), the composition of the BARC is as follows:

The composition of the BARC is as follows:

Members

- Abdullah bin Abu Samah
 Chairman/Independent Non-Executive Director
- Datuk Sr. Akmal bin Ahmad Non-Independent Non-Executive Director
- 3. Lailatul Azma binti Abdullah Independent Non-Executive Director

Secretaries

- 1. Nuraliza binti Abd Rahman
- 2. Rohaya binti Jaafar

The BARC members are appointed by the Board and consist of not less than three members, all of whom shall be non-executive Directors with a majority of them being independent Directors. The Board elects a chairman who is an independent Director and who is not the chairman of the Board. The composition of the BARC shall fulfil the requirements as prescribed in the Listing Requirements.

The Board, via the Board Remuneration and Nomination Committee ("BNRC"), annually reviews the terms of office and performance of the BARC and its members through an effectiveness evaluation exercise. The BNRC assessed the BARC's performance for the financial year ended 31 December 2024 ("FY2024") and was satisfied that the BARC and its members have discharged their functions, duties, and responsibilities in accordance with the BARC's Terms of Reference.

MEETINGS AND ATTENDANCE

Number of Meetings Held and Details of Attendance

The BARC meets at quarterly intervals or such other intervals as the Committee shall decide.

The BARC held five meetings during the FY2024 which were attended by all members.

During the financial year, the details of attendance are as follows:

| | | Date of Meetings | | | | |
|----|------------------------------|--------------------------|-------------|-------------|-------------|-------------|
| No | BARC Members | 23 Jan 2024 (Special) | 14 Feb 2024 | 16 May 2024 | 14 Aug 2024 | 14 Nov 2024 |
| 1 | Abdullah bin Abu Samah | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2 | Datuk Sr. Akmal bin Ahmad | | ✓ | | | ✓ |
| 3 | Lailatul Azma binti Abdullah | ✓ | ✓ | ✓ | ✓ | ✓ |

Terms of Reference

The duties and responsibilities of the BARC are set out in its Terms of Reference, which is accessible in the Corporate Governance section, on the website at www.alsalamreit.com.my.

SUMMARY OF WORK CARRIED OUT DURING THE FINANCIAL YEAR

The BARC shall meet at least four times annually and the Internal Auditor, the Head of Finance and the Head of Compliance and Risk shall attend the meetings. Relevant members of Senior Management shall be invited to attend these meetings to assist to clarify matters raised at the meetings. A majority of independent director present shall form a quorum.

The BARC shall meet with the External Auditors without the executive Board members and Management being present at least twice a year.

Meeting papers were circulated to all the BARC members prior to the meetings by way of electronic means. Minutes of each BARC Meeting was recorded and tabled for confirmation and adoption at the next BARC Meeting and subsequently presented to the Board for approval and notation. The Chairman of the BARC shall report on each meeting to the Board.

The BARC carried out the following work during the FY2024 in the discharge of its functions and duties:

Overseeing Financial Reporting

- (a) At the meeting held on 14 February 2024, the External Auditors presented to the BARC the results of the FY2023 audit conducted on Al-Salām REIT where significant audit matters listed below are discussed:
 - i. Valuation of investment properties;
 - ii. Expected credit losses of trade receivables; and
 - iii. Going concern considerations and compliance with loan covenants.

SUMMARY OF WORK CARRIED OUT DURING THE FINANCIAL YEAR (CONT'D)

Overseeing Financial Reporting (Cont'd)

- (b) Reviewed the audited financial statements of Al-Salām REIT for the financial year ended 31 December 2023 ("FY2023"), which were prepared in accordance with the Trust Deed, the applicable Securities Commission Malaysia ("SC") rules and guidelines, Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards, prior to recommending the same to the Board for approval. The audited financial statements of the REIT for FY2023 were issued and circulated to the Unitholders in line with the prescribed requirements.
- (c) Reviewed at every quarterly meeting held in FY2024, the quarterly financial results for public release to ensure adherence to legal and regulatory reporting requirements before recommending the same to the Board for approval.
- (d) Reviewed and discussed with Management the quarterly management accounts, taking into consideration that the necessary processes and controls are in place in the preparation of the financial reports.
- (e) Reviewed, at each quarterly meeting, the income distributions of the Fund which were made in accordance with the distribution policy, in order to ensure the adequacy of the realised income for each distribution prior to recommending the proposal to the Board.
- (f) Kept abreast on the application of the new accounting standards, i.e. MFRS
- (g) The BARC was satisfied that adequate impact assessment had been carried out by Management and the accounting policies as shown below had been appropriately updated in the financial statements of the Fund for FY2024.

| Description | Effective for annual period beginning on or after |
|---|--|
| Amendments to MFRS 101: Classification of Liabilities as Current or Non Current | 1 January 2024 |
| Amendments to MFRS 16: Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to MFRS 101: Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements | 1 January 2024 |

External Audit

- (a) Reviewed and discussed with External Auditors on 14 November 2024 the audit planning memorandum for 2024 covering the audit objectives and approach, audit plan, key audit areas and relevant technical pronouncements and accounting standards issued by Malaysian Accounting Standard Board ("MASB"), and regulating requirements applicable to the REIT; and the processes and controls in place to ensure effective and efficient financial reporting and disclosures under the financial reporting standards.
- (b) Reviewed and discussed with External Auditors the results of the audit and the audit report in particular, significant accounting matters arising from the external audit and their opinion on the financial statements.

SUMMARY OF WORK CARRIED OUT DURING THE FINANCIAL YEAR (CONT'D)

External Audit (Cont'd)

- (c) Reviewed with External Auditors the memorandum of comments and recommendations arising from their study and evaluation of the system of internal and accounting controls together with Management's response to the findings of the External Auditors and ensured where appropriate, that necessary corrective actions had been taken by Management.
- (d) Evaluated the performance and assessed the suitability, objectivity and independence of the External Auditors during the year in accordance with the policies and procedures in place, vide a set of questionnaires covering the calibre of the external audit firm; quality of processes and performance; skills and expertise including industrial knowledge; independence and objectivity; audit scope and planning; audit fees; and their communications with the BARC. The BARC had received from the External Auditors written confirmation on their independence and which disclosed their policies on independence, safeguards, and procedures to address threats or perceived threats to their independence and objectivity, and that they were in compliance with the independence requirements set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.
- (e) Having satisfied with the performance and the assessment on the External Auditors' suitability, objectivity and independence, recommended to the Board the re-appointment of the External Auditors and their remuneration.
- (f) Reviewed and approved the non-audit fees in respect of services rendered by the External Auditors. The non-audit fees for the FY2024 amounted to RM20,000.
- (g) Met with the External Auditors without executive Board members and Management on 14 November 2024 to discuss matters in relation to their review.
- (h) Reviewed the SORMIC which provided an overview of the state of internal controls prior to the Board's approval for inclusion in the Annual Report. The SORMIC which had been reviewed by the External Auditors is set out on pages 133 to 150 of this Annual Report.

Internal Audit

- (a) Provided input on key areas to be included as part of the annual Internal Audit Plan. Deliberated the risk-based Internal Audit Plan to ensure adequate scope and comprehensive coverage of business activities, prior to recommending to the Board for approval.
- (b) Monitored the progress of the approved Internal Audit Plan, including the status of the planned reviews and approved changes to the Internal Audit Plan due to changes in business and/or risk environment.
- (c) Reviewed and deliberated on internal audit reports, the audit recommendations and adequacy of Management's response to these recommendations. Significant issues were discussed at length with the presence of relevant Management team members to ensure satisfactory and timely remediation actions have been committed by Management to address identified risks.
- (d) Monitored the implementation of corrective action plans agreed by the Management on outstanding audit findings on a quarterly basis to ensure that all actions have been implemented on a timely basis in the related areas.

SUMMARY OF WORK CARRIED OUT DURING THE FINANCIAL YEAR (CONT'D)

Internal Audit (Cont'd)

- (e) Discussed with the Compliance & Risk Department, to provide assurance of the soundness of internal control systems and activities of the REIT and the Manager.
- (f) Reviewed the effectiveness of the internal audit function through evaluation of its performance and competency, and monitoring the sufficiency of resources and costs, to ensure that it has the required expertise and professionalism to discharge its duties.
- (g) Reviewed the SORMIC which provided an overview of the state of internal controls prior to the Board's approval for inclusion in the Annual Report.

The BARC was satisfied that the system of risk management and internal control as described in the Statement on Risk Management and Internal Control, was sound and effective, providing reasonable assurance that the structure and operation of controls were appropriate for the REIT's operations. The BARC also acknowledged that implementation measures were continuously taken to strengthen the system of risk management and internal control so as to safeguard the interests of stakeholders including shareholders' investments, and the REIT's assets.

Risk Management and Internal Control

- (a) Reviewed quarterly top risk profiles which covers Strategic, Finance, Operational and Compliance Risks and ESG related risks especially with respect to environmental risks, deliberated on the significant threats and opportunities, including status and adequacy of mitigation strategies.
- (b) Discussed the improvements to the Enterprise Risk Management framework and process to ensure proactive and holistic risk identification, and monitoring of mitigation actions to reduce risk impact to an acceptable level.
- (c) Evaluated the overall adequacy and effectiveness of internal controls through review of the work performed by both internal and external auditors, other assurance providers and through discussions with Management.
- (d) Ensures appropriate controls are in place in management of the Fund, that the Manager has a well-defined organisational structure with clear lines of responsibility and a comprehensive reporting system and adequate procedures in financial reporting, risk management, internal control and are in place. Further details in respect of risk management and internal controls are set out on pages 133 to 150 (SORMIC of this Annual Report). Details in respect of the principal risks and uncertainties are set out on pages 37 to 39 under Management Discussion and Analysis.
- (e) Reviewed and deliberated on four frameworks relating to compliance and internal controls and recommended to the Board the implementation of the frameworks and policies put forward by the Management.

Compliance

- (a) Monitored and reviewed the status and outcomes of the Quarterly Compliance Report which seek to identify gaps in compliance with regard to applicable laws, regulations, codes, standards, policies and procedures and discussed the adequacy of measures to address such gaps or non-compliance.
- (b) Deliberated on the results of compliance cases and directed Management to implement and/or enhance controls to prevent a recurrence, including conducting education programmes to increase awareness.

SUMMARY OF WORK CARRIED OUT DURING THE FINANCIAL YEAR (CONT'D)

Compliance (Cont'd)

- (c) Received updates on the directorships and shareholdings held by the Directors of the Company and persons connected with them in accordance with Section 221 of the Companies Act, 2016 on a annual basis. These disclosures enabled an assessment of the potential or actual conflicts of interest which may arise in relation to Related Party Transaction ("RPT") or Recurrent Related Party Transaction ("RRPT").
- (d) Monitored the status of internal misconduct cases reported to Board and BARC on a quarterly basis, including ongoing investigations, in accordance with the Code of Conduct and Business Ethics ("CoBE").
- (e) Ensured that the Declaration of Directors' Interests in Securities and disclosures of conflict-of-interest situation(s) in all Board level meetings, are documented and minuted accordingly in the minutes of meeting. The Committee took note that there was no management conflict of interest situations for operational matters (including any transaction, procedure, or course of conduct) as reported by the Chief Executive Officer.

Review of RPT and RRPT of a Revenue or Trading Nature and Conflict of Interest Situations

- (a) Reviewed related party transactions entered into by the REIT and ensured that the transactions undertaken were in the best interest of the REIT/ unitholders, fair, reasonable and on normal commercial terms, and not detrimental to the interest of the minority shareholders and recommended the same for approval of the Board.
- (b) Reviewed the annual Shareholders' Mandate in relation to recurrent related party transactions of a revenue or trading nature for Shareholders' approval to undertake transactions that are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of the REIT with related parties ("RRPTs").
- (c) Ensured that the review procedures were sufficient to ensure that the RRPTs were not more favourable to the related parties than those generally available to the public and were not to the detriment of the minority shareholders and that the Manager had in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes were reviewed on a yearly basis or whenever the need arose.
- (d) Review of RRPT on a quarterly basis. The Management had given assurance to the BARC that RPT and mandate for RRPT were in compliance with the Listing Requirements and policies and procedures.

Other Activities

Reviewed and recommended to the Board, for inclusion in the Annual Report:

- The BARC Report
- . Corporate Governance Overview Statement
- Corporate Governance Report
- Statement on Risk Management and Internal Control

SUMMARY OF MEETINGS IN THE YEAR

| Items discussed | 23 Jan 2024 (Special) | 14 Feb 2024 | 16 May 2024 | 14 Aug 2024 | 14 Nov 2024 |
|---|--------------------------|-------------|-------------|-------------|-------------|
| Financial Reporting | | | | | |
| Full year results (FY2023) | | • | | | |
| Interim results | • | • | • | • | • |
| Consideration of new accounting standards | | • | | | |
| Internal audit | | | | | |
| Internal audit plan | | • | | | |
| Internal audit reports | | • | • | • | • |
| External audit | | | | | |
| External audit plan | | | | | • |
| External audit reports (FY2023) | | • | | | |
| Risk | | | | | |
| Risk Registers | | • | • | • | • |
| RRPT | | | | | |
| Quarterly Review | | • | • | • | • |
| Annual Report | | | | | |
| Review of SORMIC and BARC Report (FY2023) | | • | | | |
| Other Matters | | | | | |
| Internal Control, Regulatory, Compliance Activities / Issues | | • | • | • | • |

The Board Investment Committee ("BIC") plays a pivotal role in evaluating all investment opportunities and to make recommendations to the board with regard thereto. The responsibilities include reviewing, assessing and deciding on the escalation of proposals relating to asset investment (acquisition and disposal), asset management and fund-raising exercises to be undertaken by the REIT to the Board and Trustee for approval.

COMPOSITION

In line with the recommendation of Chapter 6 of the Guidelines on Real Estate Investment Trusts of Securities Commission Malaysia, the composition of the BIC is as follows:

Members

- Shamsul Anuar bin Abdul Majid Chairman/Non-Independent Non-Executive Director
- Abdullah bin Abu Samah Independent Non-Executive Director
- 3. Ng Yan Chuan Non-Independent Non-Executive Director (Resigned w.e.f. 31 December 2024)
- Datuk Hashim bin Wahir Independent Non-Executive Director (Resigned w.e.f. 31 December 2024)
- 5. Lailatul Azma binti Abdullah (Appointed w.e.f. 28 February 2025)
- Datin Ungku Suseelawati binti Ungku Omar (Appointed w.e.f. 28 February 2025)
- Goh Tian Sui (Appointed w.e.f. 28 February 2025)

Secretaries

- 1. Nuraliza Abd binti Rahman
- 2. Rohaya binti Jaafar

The BIC members are appointed by the Board and consist of not less than 3 members, all of whom shall be non-executive directors with a majority of them being independent directors. The Board elects a chairman who is an independent director and who is not the Chairman of the Board. The composition of the BIC shall adhere to the recommendation as per the Chapter 6 of the Guideline on Real Estate Investment Trusts.

The Board, via the Board Nomination and Remuneration Committee ("BNRC"), annually reviews the terms of office and performance of the BIC and its members through an effectiveness evaluation exercise. The BNRC assessed the BIC's performance for FY2024 and was satisfied that the BIC and its members have discharged their functions, duties, and responsibilities in accordance with the BIC's Terms of Reference.

MEETINGS AND ATTENDANCE

Number of Meetings Held and Details of Attendance

The BIC meets at quarterly intervals or such other intervals as the Committee shall decide.

The BIC held four regular meetings during FY2024 which were attended by all members.

During the financial year, the details of attendance are as follows:

| | | Date of Meetings | | | |
|----|--|------------------|-------------|-------------|-------------|
| No | BARC Members | 18 Feb 2024 | 16 May 2024 | 21 Aug 2024 | 18 Nov 2024 |
| 1 | Shamsul Anuar bin Abdul Majid | ✓ | ✓ | ✓ | ✓ |
| 2 | Abdullah bin Abu Samah | ✓ | ✓ | ✓ | ✓ |
| 3 | Ng Yan Chuan (Resigned on 31 December 2024) | ✓ | ✓ | ✓ | ✓ |
| 4 | Datuk Hashim bin Wahir (Resigned on 28 February 2025) | ✓ | ✓ | ✓ | ✓ |

TERMS OF REFERENCE

The BIC is responsible for fulfilling the duties ascribed to it in the BIC Term of Reference ("BIC TOR"), including those specifically delegated to it from time to time by the Board. The duties and responsibilities of the BIC are set out in its Terms of Reference as follows:

Objectives

- (a) Making recommendations to the Board on all acquisitions, investments and disposals;
- (b) Making recommendations to the Board on any financing offers, capital management proposals and additional banking facilities;
- (c) Reporting and recommending to the Board any corporate exercise, including the issuance of new REIT units; and
- (d) Making recommendations to the Board on financial budgets.

Roles and Responsibilities

Subject at all times to the provisions of the Trust Deed, and to any other regulations or resolutions that may be adopted, the BIC is responsible for:

- (a) Reviewing all proposals regarding investments, dispositions, financings and other relevant transactions (strategic transactions)
- (b) To make recommendations on any other matters to the Board;
- (c) To review and monitor approved strategic transactions or other matters;

TERMS OF REFERENCE (CONT'D)

Roles and Responsibilities (Cont'd)

Subject at all times to the provisions of the Trust Deed, and to any other regulations or resolutions that may be adopted, the BIC is responsible for (Cont'd):

- (d) Ensuring that the REIT is managed in accordance with:
 - · its investment objectives;
 - · its Restated Deed;
 - its Prospectus;
 - · the SC Guidelines and other securities laws; and
 - the internal investment restrictions and policies.
- (e) Carrying out other duties as may be determined from time to time by the Board.

MATTERS DISCUSSED BY THE BIC IN THE FY2024

The BIC has undertaken the role of reviewing, recommending and monitoring to the Board pertaining to all proposals including strategic transactions i.e., investments in ensuring that the Fund practises sound capital preservation and safety margin levels, maintains optimally measured risk-reward thresholds, adopts prudent but pragmatic management style and attain adequate earnings potential and competitive advantages as well as growth.

The following are key matters discussed by the BIC during the FY2024:

Investment (Acquisition & Disposal)

The BIC has reviewed proposals of proposed acquisitions of shariah-compliant real estate to ensure these properties have good track record and/or good prospects of future net rental income of reasonable levels which have been shown by studies to be competitive and located within good catchment areas. Properties to be acquired are expected to at least maintain or enhance the earnings of the Fund.

The BIC has reviewed and monitor proposal of divested of properties, namely where the investments have achieved the set targets, or have been assessed as not being able to derive any further value and or when an opportunity to maximize its value arises before the predetermined investment time horizon or other reason that may warrant divestment. The divestment plan also has taken into consideration the transformation in the respective industry.

Asset Management

The BIC has deliberated on proposals for asset enhancement initiatives of current properties that has the potential to further increase its returns and expected to generate accretive returns upon further expansion. The BIC has also reviewed proposals for repositioning of current properties within the Fund's portfolio which do not meet certain criteria set beforehand and may require to be recapitalised to achieve portfolio optimization goals.

Capital Management

The BIC has reviewed funding proposals to ensure each investment made by the Fund shall have a funding structure appropriate to the investment profile. In general, the capital structure of REIT should be financed by a combination of equity, debt and other financing instruments.

MATTERS DISCUSSED BY THE BIC IN THE FY2024 (CONT'D)

Portfolio Monitoring

The BIC also undertook periodic monitoring on all investments including reviewing performance of the investment portfolio to ensure consistency with Fund's objectives and direction and transformation in the respective relevant industries.

SUMMARY OF MEETINGS IN THE YEAR

| Items discussed | 18 Feb 2024 | 16 May 2024 | 21 Aug 2024 | 18 Nov 2024 |
|----------------------|-------------|-------------|-------------|-------------|
| Investment | • | • | • | • |
| Asset Management | • | • | • | • |
| Capital Management | • | • | • | • |
| Portfolio Monitoring | • | • | • | • |

Board Nomination and Remuneration Committee Report

The establishment of the Board Nomination and Remuneration Committee ("BNRC") is mandated for listed issuers under Bursa Malaysia's Main Market Listing Requirements. The terms of reference can be found under Investor Relations section on the Company's website at www.alsalamreit.com.my.

The Malaysian Code on Corporate Governance 2021 ("MCCG 2021") indicates that the Board may establish and delegate part of its powers to one or more other committees, in order to conduct certain tasks and functions expressly delegated to such committees. The committees will examine specific topics chosen by the Board and report on them. Decision-making remains the collective responsibility of the Board and the committee may only make suggestions to the Board.

The main purpose of the BNRC is to assist the Board in carrying out its duties and responsibilities in fulfilling its responsibility for oversight with respect to board composition and performance, directors' performance and remuneration structure that drives behaviour within the company.

Composition of the Board Nomination and Remuneration Committee

In accordance with the MCCG 2021, the Board Nomination and Remuneration Committee is composed of a minimum of three, a majority of whom must be Independent Directors. The Committee shall appoint a Chairman amongst its members who must necessarily be an Independent Director.

The composition of the BNRC is as follows:

Members

- Datuk Hashim bin Wahir
 Chairman/Independent Non-Executive Director
 (Resigned w.e.f. 31 December 2024)
- 2. Abdullah bin Abu Samah Independent Non-Executive Director
- Shamsul Anuar bin Abdul Majid Non-Independent Non-Executive Director

Secretaries

- 1. Nuraliza binti Abd Rahman
- 2. Rohaya binti Jaafar

Meetings Held during FY2024

The BNRC, in accordance with its regulations, meet whenever it is convened by the Board, the Committee itself, or by its Chairman. The Committee shall meet at least two times per annum and at such other times as it sees fit.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the CEO, representative from Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

The Company Secretaries keep Minutes of all BNRC meetings, which are available to all members of the Board.

Board Nomination and Remuneration Committee Report

Meetings Held during FY2024 (Cont'd)

During the financial year, the meetings held are as follows:

| | | Date of Meetings | | | | |
|----|--|------------------|-------------|--------------|---------------------------|-------------|
| No | BNRC Members | 15 Feb 2024 | 15 May 2024 | 31 July 2024 | 17 Sept 2024 (Special) | 18 Nov 2024 |
| 1 | Datuk Hashim bin Wahir (Resigned on 31 December 2024) | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2 | Abdullah bin Abu Samah | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3 | Shamsul Anuar bin Abdul Majid | ✓ | ✓ | ✓ | ✓ | ✓ |

Roles and Responsibilities

Notwithstanding the duties assigned to it by law and other duties which may be assigned thereto by the Board, the Board Nomination and Remuneration Committee shall have the following basic responsibilities:

With respect to Remuneration:

- a) Recommend to the Board the policy for the remuneration of the Company's Directors.
- b) Determine the total individual remuneration package of the CEO/Executive Director, including bonuses, share-based incentive awards, and other elements of their remuneration.
- c) Determine and recommend the Key Performance Indicators and/or performance scorecard for the CEO and the Company.
- d) Ensures compliance with the Remuneration package is competitive and complies with the remuneration Policy that was approved and ratified by the shareholders. The policy is available through the corporate web page of the Company.

With respect to Nominations

- a) Regularly review the structure, size and composition (including the skills, experience, independence, knowledge, and diversity, including gender) of the Board and make recommendations to the Board with regard to any changes that are deemed necessary.
- b) Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

With respect to Appointments to the Board

- a) Assess the qualifications, background knowledge, and experience necessary to sit on the Board, defining, accordingly, the duties and qualifications required of the candidates to fill each vacancy, according to the Fit and Proper Policy of the Company that is available through the corporate web page of the Company.
- b) Consider possible candidates to fill vacancies for the position of director, provided that the BNRC may as well independently search for and consider alternative candidates for such position. Such Directors are, for the avoidance of doubt, to be appointed upon a decision of the Shareholder of the Manager.
- c) Examine or organize, in the manner it deems appropriate, the succession of the Chairman and CEO and, if appropriate, make proposals to the Board for such succession to take place in an orderly and well-planned manner.

1 ABOUT

2 BUSINESS

3 SUSTAINABILITY



Board Nomination and Remuneration Committee Report

Roles and Responsibilities (Cont'd)

Notwithstanding the duties assigned to it by law and other duties which may be assigned thereto by the Board, the Board Nomination and Remuneration Committee shall have the following basic responsibilities (Cont'd):

With respect to Appointments to the Board (Cont'd)

- d) Ensure that due diligence is carried out on the candidate for directorship and CEO to ensure compliance with the regulatory requirements set by the Authorities.
- e) Ensure compliance with Bursa Malaysia's requirement towards 30% female presence on the Board by the year 2027.

With Respect to Induction and Training

The Committee shall ensure that all new directors undertake an appropriate on-boarding Directors Programme and the Mandatory Accreditation Programme (Bursa Malaysia) to ensure that they are fully informed about strategic and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director and consider any training requirements for the Board as a whole.

With Respect to conflicts of interest

The Committee shall:

- a) Before the appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest
- b) Consider and, if appropriate, authorize situational conflicts of interest of directors and potential directors.

With Respect to the Board Evaluation

The Committee shall:

- a) Assist the Chairman of the Board with the implementation of an annual evaluation process.
- b) Review the results of the Board performance evaluation process that relate to the composition of the Board.

Matters Discussed by the BNRC in the FY2024

In 2024, the BNRC, in the performance of its duties in accordance with the scope of responsibilities specified in the BNRC Charter as approved by the Board, convened its 5 meetings to consider the significant matters and report the results to the Board that can be summarized as follows:

- a) Establishment of Key Performance Indicators ("KPIs") of the Company as well as the CEO based on the approved strategic planning;
- b) Review of the Company's organization structure that can support the growth and target of the Fund;
- c) Review of the Board/Board's Committees composition and establishment of the Board Sustainability Committee ("BSC");
- d) Compliance with the requirement in relation to gender diversity (woman director) on the Board;
- e) Review of the performance evaluation on the Board;

Board Nomination and Remuneration Committee Report

Matters Discussed by the BNRC in the FY2024 (Cont'd)

In 2024, the BNRC, in the performance of its duties in accordance with the scope of responsibilities specified in the BNRC Charter as approved by the Board, convened its 5 meetings to consider the significant matters and report the results to the Board that can be summarised as follows (Cont'd):

- f) Succession planning of the company secretary; and
- g) Review of the Company's employees' satisfaction survey.

In this regard, the BNRC has performed its duties independently in accordance with good corporate governance principles and ensuring transparency to build the confidence of shareholders and all stakeholders.

Evaluation of the Functioning and Performance of the Board of Directors and its Committees

It is a standard practice for the Board to distribute an annual questionnaire at the end of each financial year through the Secretariat of the Board which, amongst other sections, includes a self-assessment, with a series of questions that also enable compliance with the various annual reports of the Committee and the Board.

The Board performed the annual questionnaire and the self-assessment for this financial year 2024, in order to analyse the Board's effectiveness and composition and to identify opportunities for improvement to ensure proper compliance with the existing obligations or recommendations in this area.

The questionnaire used a self-assessment approach on subjective and objective information related to the functioning of the Board and its Committees, among others:

- a) Functioning of the Board, with questions related to the Board's effectiveness and internal functioning.
- b) Structure and composition of the Board, comprising questions to obtain the Directors' opinion on the Board's structure and composition, and the capacities, professional profile of its members, and areas of competencies in order to perform their duties on the Board.
- c) Board of Directors Committees, where the Directors are asked to evaluate the performance of the functions of the BARC, the BIC, and the BNRC.
- d) Board of Director's agenda, where Directors are asked about the Board's performance in areas or matters within its scope, such as the current corporate governance model, environmental, social, and corporate policy (ESG), involvement in the design and approval of strategy in financial and investment policies, monitoring of the risk map (in all its areas), dividend policy and capital structure and their participation in decision-making in significant transactions, among other matters.
- e) Chairman of the Board and CEO, where the Directors are asked for their views on the performance of these two positions and fulfilment of responsibilities.
- f) Other areas, with questions relating to the Board's response to the industry crisis and improvement opportunities or aspects to be developed in the future.

The responses are generally positive and supportive, without prejudice to the Chairman and the CEO, taking into consideration going forward some of the suggestions made regarding the functioning of the Board.

Conclusion

During FY2024, there have been no circumstances or situations in the areas of responsibility and competence of the Committee that required its intervention and/or report to the Board. The succession planning of the Board, senior management team as well as gender diversity are the two areas of relevance on which the Committee will continue to work throughout FY2024.

The Board Sustainability Committee ("BSC") was set up primarily to oversee and guide the organization's environmental, social, and governance (ESG) strategies, ensuring they align with the company's long-term business goals and stakeholder expectations.

Key Objectives of a Board-Level Sustainability Committee:

1. Strategic Oversight

- Ensure that sustainability initiatives support the company's mission, vision, and business strategy.
- Monitor and evaluate the long-term sustainability risks and opportunities.

2. Governance & Compliance

- Ensure compliance with local and global sustainability regulations, reporting standards, and ESG frameworks (e.g., GRI, SASB, IFRS 1 and 2).
- · Promote ethical business practices, responsible governance, and corporate social responsibility (CSR).

3. Environmental Stewardship

- Oversee policies and initiatives related to climate change, carbon reduction, renewable energy, and resource
 efficiency.
- · Support the transition to sustainable business practices that reduce the company's environmental impact.

4. Social Responsibility & Stakeholder Engagement

- · Guide policies on diversity, equity, and inclusion (DEI), labor practices, human rights, and community engagement.
- Ensure the organization maintains a positive reputation and relationships with stakeholders, including employees, investors, customers, and regulators.

5. Risk Management

- Identify and assess ESG risks (e.g., climate change risks, supply chain sustainability, regulatory changes) that could impact the business.
- Recommend strategies to mitigate these risks and enhance business resilience.

6. Performance Monitoring & Reporting

- Set and track sustainability key performance indicators (KPIs) and targets.
- · Oversee sustainability disclosures, ESG reporting, and communication with investors and stakeholders.

7. Encourage Innovation & Sustainable Growth

- Advocate for investment in sustainable technologies, circular economy practices, and innovative business models.
- Support research and partnerships that drive long-term sustainability improvements.

By fulfilling these objectives, the BSC contributes to the company by maintaining a strong ESG performance, building long-term value, and contributing positively to society and the environment.

Apart from the BSC, the BARC also deals with sustainability-related issues. The roles that they play are detailed out below:

Oversees the development and implementation of strategies including sustainability strategies. Also oversees the business plans and key initiatives having regard to sustainability considerations, in line with the MCCG and Bursa's Sustainability Reporting Guide. Oversee the risk management framework and policies, which includes keeping abreast with new or emerging trends, as well as reviewing, monitoring and assessing the control effectiveness of the key risks such as sustainability- and climate-related risks. Also oversees the Compliance, Business Continuity Management ("BCM"), and Integrity and governance

functions.

COMPOSITION

The Board Sustainability Committee composition is as shown below:

Members

- Lailatul Azma binti Abdullah
 Chairman/Independent Non-Executive Director
- Datuk Hashim bin Wahir Independent Non-Executive Director (Resigned w.e.f. 31 December 2024)
- Ng Yan Chuan Non-Independent Non-Executive Director (Resigned w.e.f. 31 December 2024)

Secretaries

- 1. Nuraliza binti Abd Rahman
- 2. Rohaya binti Jaafar

The BSC members are appointed by the Board. The Board elects a chairman who is an independent director and who is not the Chairman of the Board.

The Board via the BNRC and the Chairman of the BSC herself, annually reviews the terms of office and performance of the BSC and its members through an effectiveness evaluation exercise. The BNRC assessed the BSC's performance for the FY2024 and was satisfied that the BSC and its members have discharged their functions, duties, and responsibilities under the BSC's Terms of Reference.

MEETINGS AND ATTENDANCE

Number of Meetings Held and Details of Attendance

The BSC shall meet at least four times annually or such other intervals as the Committee shall decide, of which one-third of the attendance of the committee present shall form a quorum.

The BSC held four regular meetings during the FY2024 which were attended by all members.

During the financial year, the details of attendance are as follows:

| | | Date of Meetings | | | |
|----|--|------------------|-------------|-------------|-------------|
| No | BSC Members | 14 Feb 2024 | 15 May 2024 | 20 Aug 2024 | 18 Nov 2024 |
| 1 | Lailatul Azma binti Abdullah | ✓ | ✓ | ✓ | ✓ |
| 3 | Datuk Hashim bin Wahir (Resigned on 31 December 2024) | ✓ | ✓ | ✓ | ✓ |
| 4 | Ng Yan Chuan (Resigned on 31 December 2024) | ✓ | ✓ | ✓ | ✓ |

Terms of Reference

The duties and responsibilities of the BSC are set out in its Terms of Reference, which is accessible in the Corporate Governance section, on the website at www.alsalamreit.com.my.

SUMMARY OF WORK CARRIED OUT DURING THE FINANCIAL YEAR

The BSC conducts a comprehensive materiality analysis every three years, to identify, understand and prioritise the economic, environmental, and social matters that are significant to our business and stakeholders. The materiality assessment approach represents a core component of the sustainability management process as it helps to align business strategies, performance management, and reporting.

The latest comprehensive materiality assessment was conducted in the year under review, her emphasis on environmental risk, impacts and opportunities.

In summary, the BSC has carried out the following work during the FY2024 in the discharge of its functions and duties:

- 1. Discuss the assessment of Common and Sector Specific Material Sustainability Matters as per requirements under the Bursa's Sustainability Reporting Guide and monitor and track the ESG initiatives under the identified categories.
- 2. Review and evaluate ESG-related risk including climate change risks via assessment of Environmental, economic, and social impact by monitoring the use of resources, waste management, and biodiversity impacts (if any) in its acquisition, AEI, expansion and upgrading of existing assets, selection of tenants and vendors, etc.
- 3. Monitors Health and safety including the physical and mental well-being of the employees, part-time employees, and contractors as well as the security of the Company's assets.

SUMMARY OF WORK CARRIED OUT DURING THE FINANCIAL YEAR (CONT'D)

In summary, the BSC has carried out the following work during the FY2024 in the discharge of its functions and duties:

- 4. Review policies including ethnic and gender diversity (as per the Company's policy on diversity and inclusion) at the workplace and Boardroom.
- 5. Supports a healthy working environment by promoting a work-life balance and mental health.
- 6. Ensures ethical business conduct via enforcement of policies such as Code of Business Ethics, Anti-Bribery and Corruption Policy, Whistle-blowing and No-Gift, No Entertainment.
- 7. Ensure that sustainable developments including the use of environmentally responsible materials in the Company's development projects and the incorporation of sustainable practices throughout the lifecycle of a property.
- 8. To monitor and track the ESG initiatives in Supply Chain Management System and processes.
- 9. Evaluate and endorse proposals on ESG initiatives for the Board's approval;
- 10. Reviewed the Sustainability Statement, for inclusion in the Annual Report:

Summary of Matters Discussed by the BSC during the Year under Review

| Items discussed | 14 Feb 2024 | 15 May 2024 | 20 Aug 2024 | 18 Nov 2024 |
|---|-------------|-------------|-------------|-------------|
| Review of Sustainability Policy/Framework | • | • | • | • |
| Status Updates on Materiality Matters | • | • | • | • |
| Strategic Planning: ESG Roadmap and Action Plan | • | • | • | • |
| GBI certification of properties/buildings | • | • | • | • |
| Implementation of the Green Lease Programme | • | • | • | • |
| ESG Compliance with Company Policies and Statutory Requirements | • | • | • | • |
| ESG Training Needs and Competency Enhancements | • | • | • | • |

Highlights

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (LR) of Bursa Malaysia Securities Berhad (Bursa Securities), the Board of Directors of Listed Companies is required to include in their annual report, a statement about the state of risk management and internal control of the listed issuer.

Accordingly, the Board of Directors of the Manager is pleased to provide the following statement that has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers endorsed by Bursa Securities and taking into consideration the recommendations of the MCCG 2021.

This Statement was prepared in compliance with Recommendation 6.1 states that the board should establish a sound framework to manage risk, which among others, also outlines the role of the Board, the CEO, and the CFO in:

- · Determining the company's level of risk tolerance and actively identifying,
- · Assessment and monitoring key business risks to safeguard shareholders' investments and the company's assets;
- · Demonstrating commitment towards to articulating, implementing, and reviewing the company's internal control system;
- · Implementing periodic testing of the effectiveness and efficiency of the internal control procedures
- · Processes must be conducted to ensure that the system is viable and robust; and
- The Board should disclose in the annual report the main features of the company's risk management framework and internal
 control system.

The Board is satisfied that the Manager:

- · Has applied all processes for identifying, evaluating, and managing the significant risks faced by the company in its achievement of objectives and strategies;
- Has reviewed the risk management and internal control system and confirmed that necessary actions have been or are being taken to remedy any significant failings or weaknesses identified from that review;
- · Has undertaken a review of the adequacy and effectiveness of the risk management and internal control system;

The Board confirmed that it has received assurance from the CEO and the CFO that the company's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the company.

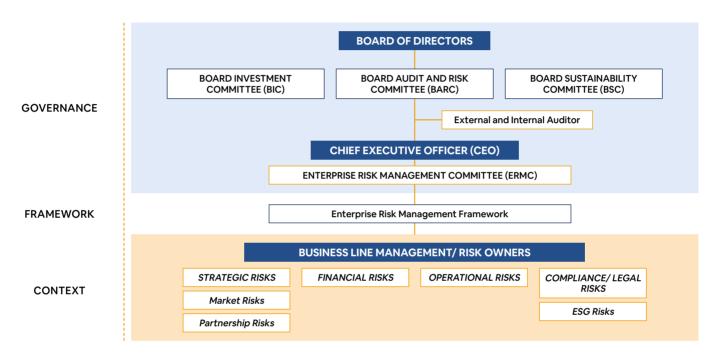
BOARD'S RESPONSIBILITIES

The Board and senior management practice risk management as an integral part of objective setting and optimisation of performance. To achieve a sound system of risk management and internal control, the board and management ensure that the risk management and control framework is embedded into the culture, core processes, and structures of the company. The framework is designed to be responsive to changes in the business environment, focussed on effective risk oversight and setting the tone and culture towards effective risk management and internal control.

The Board's approach towards overseeing the Group's risk management framework and internal control systems is by designing the REIT's risk appetite within the acceptable level of tolerance set by the Board and Management, rather than eliminating totally the risks of failure, in order to achieve the goals and objectives in generating potential returns to unitholders and ensuring a stellar financial performance of the REIT.

THE GOVERNANCE STRUCTURE

The Governance Structure for the Risk Management and Internal Control is depicted below:



The governance structure dictates the segregation of the roles and responsibilities of the Board, BARC, the ERMC and other key personnel which are summarised as below:



THE GOVERNANCE STRUCTURE (CONT'D)

The governance structure dictates the segregation of the roles and responsibilities of the Board, BARC, the ERMC and other key personnel which are summarised as below (Cont'd):



Responsibilities

- Oversees the operationalisation of risk management strategies as well as frameworks and policies.
- Independent reporting to the management and BARC.
- Advisor to Business Line Management/Risk Owners.

Process

Monitors the consistent enforcement of ERM policy, reviews and endorses risk parameters, risk appetite, risk profile, and treatment options and risk action plans.



Responsibilities

- The senior management is primarily responsible for managing process,
- They are also responsible for controlling risks by using business control and compliance frameworks, implementing internal control processes, and adequate control.
- · Manage day-to-day risk inherent in business activities as guided by the established risk strategies, frameworks, and policies.

Process

Identification and assessment of risk, implementation, and monitoring of risk action plans.

The Board and the Board Committees also carries out an annual assessment of risk management and internal control on all significant aspects of risks and internal control of the REIT in its Strategic Planning report, particularly on:

- The nature and extent of significant risks, in the current and upcoming years;
- The company's ability to respond to changes in its business and the external environment;
- · The work of its internal audit and risk management (where applicable) units and other assurance providers;
- · The incidence of significant control failings or weaknesses that were identified at any time and their impact on the company's performance or condition (financial or otherwise);
- · Any events that impacted the achievement of objectives that were not anticipated by management; and
- · The adequacy and effectiveness of the risk management and internal control policies as a whole.

RISK MANAGEMENT

Board Audit and Risk Committee (BARC)

The BARC is a delegated committee of the Board of Directors tasked with providing oversight and strategic direction on the organization's risk management practices. It ensures that key risks are properly identified, managed, and aligned with the organization's objectives, risk appetite, and regulatory obligations. The board as a whole, is committed and responsible for the execution of the delegated role of the BARC primarily related to the outcome of the review and disclosure of key risks and internal control.

RISK MANAGEMENT (CONT'D)

Board Audit and Risk Committee (BARC) (Cont'd)

The main responsibility of the BARC are:

- 1. Oversight of Risk Governance Framework
- · Approves and reviews the Enterprise Risk Management (ERM) framework.
- Ensures risk governance is robust, independent, and embedded into business operations and decision-making.
- · Monitors the effectiveness of the risk culture and promotes accountability at all levels.
- 2. Approval of Risk Appetite & Strategy
- · Reviews and recommends the risk appetite statement (RAS) to the full Board.
- Ensures that risk-taking activities are within agreed thresholds and aligned with the organization's strategic objectives.
- 3. Strategic Risk Oversight
- Reviews and monitors key strategic, financial, operational, compliance, ESG, and reputational risks.
- Advises on emerging risks and macroeconomic or geopolitical trends impacting the business.
- 4. Monitoring Risk Exposures
- Reviews risk reports, dashboards, and Key Risk Indicators (KRIs) provided by management or the risk function.
- Ensures timely identification and escalation of material risks, breaches, or regulatory issues.
- 5. Oversight of Risk Mitigation Plans
- Ensures effective and timely implementation of mitigation actions for high or critical
- · Verifies that internal controls and risk responses are adequate and effective.
- 6. Interface with Other Committees
- Coordinates with the Investment Committee, and Sustainability Committee to ensure risk oversight is integrated and comprehensive.
- Avoids duplication of efforts and ensures that financial and non-financial risks are managed holistically.
- 7. Oversight of Risk Management Function
- Provides direction to and assesses the independence and effectiveness of the Head of Compliance & Risk or equivalent.
- Ensures that the Risk Management function is adequately resourced and supported.
- 8. Crisis & Business Continuity Oversight
- Reviews and monitors the organization's crisis management, disaster recovery, and business continuity plans.
- Ensures preparedness and resilience in the face of disruptive events.
- 9. Regulatory Compliance & Disclosure
- Monitors compliance with applicable laws, regulations, and risk-related reporting requirements (e.g., SC, Bursa, ISSB, GRI).
- Ensures transparent and accurate risk disclosures in annual and sustainability reports.

RISK MANAGEMENT (CONT'D)

Board Audit and Risk Committee (BARC) (Cont'd)

The main responsibility of the BARC are (Cont'd):

10. Annual
Evaluation &
Continuous
Improvement

- · Conducts annual self-assessments of the Committee's performance.
- · Recommends enhancements to the risk governance structure and processes.

The BARC with the Board Investment Committee and the Board Sustainability Committee, after deliberation with the Management also sets the risk appetite parameters revolving around key risk areas: Strategic, Finance, Operations, Compliance, Market, Partnerships, and ESG (Environmental, Social, and Governance) Risks.

The Board Investment Committee (BIC)

The BIC plays a crucial role in overseeing investment activities and ensuring they align with an organization's risk appetite, objectives, and regulatory requirements. When it comes to managing risks, the committee's responsibilities include:

- 1. Defining Investment Risk Parameters
- Establish clear investment criteria (e.g., asset type, location, yield expectations, lease terms).
- Set limits on exposure to high-risk property types or markets (e.g., speculative development, foreign currency risk).
- 2. Evaluating
 Deal-Level Risks
- Assess risks for each potential acquisition or disposal, including market, tenant, environmental, and operational risks.
- · Consider the impact on portfolio performance, gearing levels, and cash flow stability.
- 3. Ensuring
 Regulatory
 and Fiduciary
 Compliance
- Monitor compliance with REIT regulations (e.g., gearing limits, distribution obligations, allowable asset types).
- Review alignment with the REIT's investment mandate and fiduciary duties to unitholders.
- 4. Portfolio
 Diversification
 and
 Concentration
 Risk
- Maintain a diversified portfolio across asset classes (retail, office, industrial, etc.) and geographies.
- Avoid over-concentration in any single asset, tenant, or region that could impact financial resilience.
- 5. Monitoring Portfolio and Market Risk
- Regularly review performance metrics, including occupancy rates, rental yields, and tenant profiles
- Stay informed on market trends and macroeconomic factors (e.g., interest rates, property cycles, inflation).

RISK MANAGEMENT (CONT'D)

The Board Investment Committee (BIC) (Cont'd)

The BIC plays a crucial role in overseeing investment activities and ensuring they align with an organization's risk appetite, objectives, and regulatory requirements. When it comes to managing risks, the committee's responsibilities include (Cont'd):

- 6. Oversight of Asset Management Strategies
- Evaluate value-add opportunities and capex projects with a risk-return lens.
- · Review strategies for underperforming assets, including repositioning or divestment.
- 7. Liquidity & Funding Risk Management
- · Monitor the REIT's debt profile, loan covenants, and refinancing schedules.
- · Ensure prudent leverage and adequate liquidity buffers are maintained.
- 8. Transparent Governance & Reporting
- · Document risk-related discussions and decisions.
- Provide regular risk reports to the Board and Audit & Risk Committee, especially during volatile market conditions.

The Board Sustainability Committee (BSC)

The BSC is responsible for providing strategic direction and oversight on ESG-related matters. It ensures that the organization integrates environmental, social, and governance principles into its business strategy, operations, risk management, and stakeholder engagement.

- 1. ESG Strategy & Integration
- Guide the development and execution of the company's ESG vision, goals, and roadmap.
- Ensure ESG considerations are integrated into corporate strategy, investment decisions, and operations.
- Promote alignment with national and global frameworks (e.g., UN SDGs, TCFD, ISSB, GRI).
- 2. Governance and Oversight
- Provide governance and accountability over ESG matters at board level.
- · Review the adequacy of ESG policies, structures, and performance indicators.
- · Ensure ESG roles and responsibilities are well-defined across the organization.
- 3. Performance Monitoring & Reporting
- · Review and monitor ESG performance, metrics, and key indicators (KPIs, KRIs).
- · Oversee the preparation and assurance of the Sustainability Report.
- Ensure accurate, transparent, and timely disclosure to stakeholders and regulators (e.g., Bursa Malaysia's sustainability reporting requirements).

RISK MANAGEMENT (CONT'D)

The Board Sustainability Committee (Cont'd)

- 4. Regulatory & Stakeholder Compliance
- · Oversee compliance with ESG-related laws, listing requirements, and voluntary codes.
- · Monitor emerging ESG trends, risks, and stakeholder expectations.
- · Guide the company's climate risk, diversity, and human rights commitments.
- 5. Climate Risk & Transition Oversight
- Review the organization's climate-related risk exposure and transition strategies (aligned with TCFD or ISSB).
- · Support the development of net-zero or carbon reduction goals.
- 6. Coordination with Other Committees
- Work alongside Audit & Risk Committee, and Investment Committee to ensure ESG risks and opportunities are integrated across all aspects of governance and operations.
- · Ensure cross-functional collaboration on ESG initiatives.
- 7. Culture, Capacity & Continuous Improvement
- Promote a sustainability-minded culture throughout the organization.
- · Support ESG training, capacity-building, and board education.
- · Periodically review and enhance the ESG strategy and governance approach.

The Enterprise Risk Management Committee (ERMC)

The ERMC supports the BARC in carrying out its oversight role. The ERMC ensures implementation and compliance with the Enterprise Risk Management Frameworks, enterprise risk management programmes, and monitoring of risk mitigation performance. The ERMC also sets the strict direction for risk roles, responsibilities, and risk reporting structures within the organisation.

The ERMC meeting, is chaired by the Chief Executive Officer (CEO) and comprise of respective head of departments and/or Risk Owners.

The ERMC is responsible for overseeing the identification, assessment, mitigation, and monitoring of key risks that could impact an organization's ability to achieve its strategic and operational objectives.

- 1. Risk Governance & Framework Oversight
- Establish and maintain the **enterprise risk management framework**, policies, and procedures.
- · Promote a risk-aware culture across the organization.
- Ensure risk governance aligns with corporate strategy and regulatory expectations.
- 2. Identification & Assessment of Key Risks
- Review reports from risk owners and business units to identify emerging and existing risks.
- · Evaluate strategic, operational, financial, reputational, regulatory, and ESG-related risks.
- Facilitate regular risk identification workshops or surveys.

RISK MANAGEMENT (CONT'D)

The Enterprise Risk Management Committee (Cont'd)

- 3. Risk Appetite & Tolerance Setting
- Recommend and review the organization's risk appetite statement and tolerance limits.
- Ensure risk-taking aligns with the board's expectations and the entity's capacity to absorb risk.
- 4. Risk Mitigation & Control Effectiveness
- Oversee development of risk response strategies, including mitigation plans, controls, and contingency actions.
- Monitor the implementation and effectiveness of internal controls and risk treatment plans.
- 5. Risk Monitoring & Reporting
- Receive regular risk reports and dashboards from the risk management function.
- Track key risk indicators (KRIs) and ensure timely escalation of red flags or breaches.
- Ensure periodic updates to the board and audit committee on the risk profile and mitigation efforts.

The ERMC makes periodic reports to both the BARC risk management issues/ mitigation actions undertaken to keep the BARC apprised and advised of all aspects of the enterprise risk management, and significant risks and risk trends.

Enterprise Risk Management (ERM) Framework

The framework was designed towards a sound system of risk management and internal control which are responsive to changes in the business environment, industrial trends, and the governance eco-system.

Enterprise Risk Management Framework GOVERNANCE Risk **ERM INTEGRATION STUCTURE** Assessment: Identification & Analysis Vision/Mission - Strategic Planning Governance & - Budgeting Compliance - Policy Development - Board/Management Acquisitions/Investment Mitigation Continuous **FRM Policies** And Asset Disposals Action Monitoring **PROCESS ERM Reporting Structure Implementation** - Performance & Frequency Management **ERM Roles & Building And Asset** Responsibilities Management Mitigation - Risk Appetite Parameters - Integrity Action - Digitalisation Monitoring - ESG - Business Continuity Management **ERM EDUCATION** Awareness/ Sharing Session | Continuous Education | Competency | Upskilling

RISK MANAGEMENT (CONT'D)

Enterprise Risk Management (ERM) Framework (Cont'd)

The objectives of ERM Framework are to ensure:

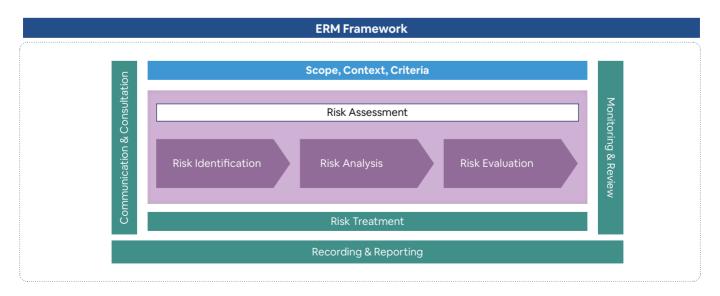
- · a common and consistent approach for the management of risks is adopted within the Manager
- the management of risk contributes to the quality of performance and continuous improvement of the businesses, its operations, and delivery of services and products; and
- · all significant risks are identified, evaluated, managed, and reported in a timely manner.

The above objectives will be achieved via:-

- Periodic reporting to the BARC/ Board on risk management activities and keep the Board apprised and advised of all aspects of ERM and significant individual risks and risk trends;
- Provision of adequate and suitable resources, including tool(s) and manpower to ensure the ERM framework and system
 are operating effectively;
- Provision of adequate education and communication to ensure staff comprehend the requirements, benefits, and their role and responsibilities for risk management; and
- · Maintaining documented risk information (via risk registers and risk action plans) and procedures for the control of risks.

The ERM Framework is communicated, integrated, and cascaded to all levels each plays its role in in managing risks concerning business processes in the areas of Strategic Planning, Budgeting, Policy Development, Acquisitions/ Investment and Asset Disposals, Performance Management, Building and Asset Management, Integrity, ESG and Business Continuity Management.

The diagram below shows the process to be undertaken in preparing a Risk Profile:



RISK MANAGEMENT (CONT'D)

Enterprise Risk Management (ERM) Framework (Cont'd)

The processes involved in the ERM are summarised below:

Risk Identification : Finding, recognising, and describing the risks that could affect the achievement of an organisation's

objectives. During the risk identification process, it is important to identify the risks associated with

not pursuing an opportunity.

Risk Analysis : Risk shall be analysed and assessed to determine the Risk Rating. The risk analysis should start

with determining the root causes/sources of risk, assessing the likelihood and impact to produce a Gross Risk Rating (the risk rated before any preventive/recovery measures are implemented)

Risk Evaluation : Risk evaluation involves the exercise of determining the existing key controls on the identified risk,

defining the existing Control Effectiveness and the likelihood and impact of producing the Residual Risk Rating. All risk profiles will be rated based on 2 parameters: Likelihood (that the risk will occur X

the impact that it has on the business. Ratings of the risks will be tabulated to produce a heat map.

The Risk Action Plan/: The risk Mitigation Plan identifies the parties responsible and the timeline for the plan Mitigation Plan

implementation.

Monitoring Risk Mitigation Performance

: Risk monitoring, review, and reporting shall be performed periodically. The frequency of reporting is

summarised as per table below

Risk Reporting Frequency

| Reporting Party | Reporting To | Frequency of Reporting | Reports to Be Submitted |
|-----------------|--------------|------------------------|--|
| BARC | BOD | Quarterly | "Very High" Risk Profile Status of Mitigation Plan Special Risk Report on need basis |
| ERMC | CEO, BARC | Quarterly | Updated risk profile and Risk RegistersRisk action plan and Status UpdatesSpecial Risk Reports (when required) |
| Risk Owners | ERMC | Monthly | Updated risk profile and Risk Registers Risk action plan and Status Updates (when required) Special Risk Reports (when required) |
| Co-Owners | Risk Owners | Monthly | Updated risk profile and Risk Registers Risk action plan and Status Updates (when required) Special Risk Reports (when required) |

The ERM process evaluation is undertaken by the ERMC every quarterly to assess and evaluate risks that may impede the Group from achieving its strategic and operational objectives, as well as developing action plans to mitigate such risks and to monitor Mitigation Performance.

In ensuring that there is consistency in the methods used in managing risks throughout the organisation, both at the strategic and operational levels risk appetites were pre-determined to ascertain that the risk management efforts are aligned with the REIT's business objectives.

RISK MANAGEMENT (CONT'D)

Enterprise Risk Management (ERM) Framework (Cont'd)

Risk Reporting Frequency (Cont'd)

An expansion of risk appetite parameters and mitigation actions that relates to assets acquisitions/ disposals, joint ventures, business diversification and other corporate exercises deliberated and taken into consideration by the Management and the Board Investment Committee and the Board when recommending and approving the proposals.

While Management team members are accountable for risk management in their particular portfolios, responsibility for good risk management rests with every staff member.

Risk Owners are required to identify and effectively manage risk related to their core departmental activities. This is done to achieve an appropriate balance between realizing opportunities for gains while minimizing losses to the REIT.

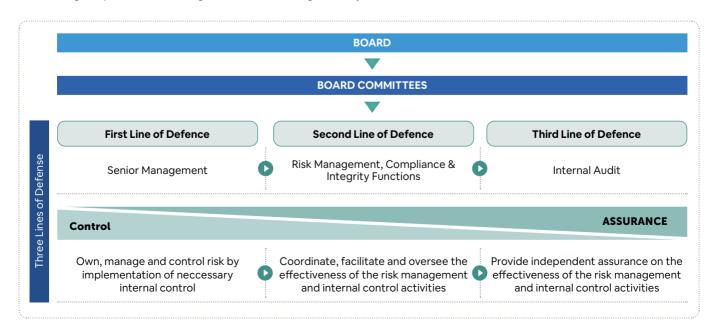
INTERNAL CONTROL SYSTEMS

For ERM to be effective, it must be embedded throughout an organisation, since risk influences and aligns strategy and performance at all levels.

The Board and Management are committed to maintaining an effective internal control environment by continuously enhancing the design of internal control systems to ensure that they are relevant and effective to promote operational agility while ensuring corporate governance and compliance with regulatory guidelines. The internal control policy is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- · Effectiveness and efficiency of operations
- · Reliability of financial reporting
- · Compliance with applicable laws and regulations

The Managers' practice of strong internal control is guided by the model of "Three Lines of Defence" as shown below:



INTERNAL CONTROL SYSTEMS (CONT'D)

1st Level of Defence: Business Line Management

- The Senior Management, who are also Head of Departments and members of the ERMC forms the 1st line of defence, primarily responsible for managing processes.
- They are also responsible for controlling risks by using business control and compliance frameworks, implementing internal control processes, and adequate control

2nd Level of Defence: Risk Management

- Responsible for setting ERM Frameworks
- Independent reporting to management and BARC
- Advisor to 1st line

3rd Level of Defence: Internal Audit

- Assurance about design and effectiveness
- Reporting to Management and BARC
- Advisory role to improve process

Key Features of Internal Control

The key elements and/or features of the internal control system established for maintaining strong corporate governance are as follows:

(a) Organisation Structure and Reporting Lines

The organisation structure and delegation of responsibilities are communicated across all levels, from the Board to the project/risk owners in the organisation which set out, amongst others, authorisation levels, segregation of duties and other risk and control procedures.

The Board and Board Committees are supported operationally by the Management Committee headed by the CEO. The Management Committee meeting (MCM) convenes on a fortnightly basis to discuss on strategic business plans, ongoing operational matters and the REIT's financial performance hence has oversight of the REIT's operations and maintenance of effective control. In addition, ad-hoc meetings to discuss the progress of high-risk corporate projects and exercises. In the absence of the CEO, the Management Committee meetings are chaired by the Chief Operating Officer as an Acting Chairman.

(b) Internal Audit

To ensure an independent and objective assurance of the adequacy and effectiveness of the internal control system, the Manager outsources the internal audit function of the REIT to an independent professional consulting firm, Messrs. PKF Risk Management Sdn Bhd ("PKF"). PKF adopts the International Professional Practices Framework ("IPPF") in carrying out internal audit assignments by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes.

The team from PKF is led by Dr. Wong Ka Fee, the Director of Risk and Governance Advisory. He possessed doctoral degree in Behavioural Finance and Master of Science in Management Consultancy. Dr. Wong Ka Fee has over 15 years of experience in a wide range of governance advisory, risk and internal audit work. The Internal Audit Team (IAT) at PKF consists of 8 permanent internal audit personnel staff who are qualified in the areas of internal audit and assurance. All the internal PKF audit personnel involved are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

INTERNAL CONTROL SYSTEMS (CONT'D)

Key Features of Internal Control (Cont'd)

The key elements and/or features of the internal control system established for maintaining strong corporate governance are as follows (Cont'd):

(b) Internal Audit (Cont'd)

Audit reviews and engagements are carried out based on a risk-based annual internal audit plan approved by the BARC. PKF executes the audit engagements with regard to risk exposures, compliance with policies and procedures, relevant laws and regulations, and against best practices. PKF then provides the BARC with periodic reports, highlighting observations, recommendations and action plans to improve the organisation's internal control system. In addition, special reviews and scope extensions were also undertaken as required by the BARC and management.

(c) The Standard Operating Procedures

The Standard Operating Procedures with specified roles and responsibilities in the reporting structure incorporate the elements of checks and balances which are aligned to the business and compliance requirements.

(d) Policies & Frameworks

Documented policies and procedures are also in place subject to review every now and then to ensure that it maintains their effectiveness to support the REIT's business activities.

The Manager has revised the following policies and frameworks in the year under review:

- Established an Outsourcing Policy proposed by the Management and tabled & approved by the Board of Directors on 14 August 2024.
- Established a Green Procurement Guidelines proposed by the Management and tabled & approved by the Board of Directors on 18 September 2024.
- Established a Mental Health Management Procedure which was proposed by the Management and tabled & approved by the Board Sustainability Committee on 20 August 2024.
- Anti-Bribery & Corruption Manual: The management reviewed the manual and tabled & approved by the Board
 of Directors on 24 May 2024.
- No Gift & Entertainment Policy: The policy was reviewed by the Management and tabled & approved by the Board of Directors on 24 May 2024.
- Claim Management Procedure: The procedure was reviewed & revised by the management effective 1 July 2024.

(e) Digitalisation

ICT Policy & Compliance

The Manager adheres to Johor Corporation Group policy and adopts the JCorp digitalisation and IT strategy, approach and digital maturity roadmap. The Internal ICT audit and system are monitored and reviewed yearly to ensure compliance and standard operating policy and procedures

INTERNAL CONTROL SYSTEMS (CONT'D)

Key Features of Internal Control (Cont'd)

The key elements and/or features of the internal control system established for maintaining strong corporate governance are as follows (Cont'd):

(e) Digitalisation (Cont'd)

Business Continuity Management & Disaster Recovery Plan

The testing on data recovery are monitored and presented by the appointed outsourced service provider at the Management Committee Meeting and the BARC. Risk-related issues, if any would be escalated to the Board and the regulatory bodies immediately.

Cybersecurity & Awareness.

As part of prevention activity, the JCorp Group has conducted an overall assessment, i.e. penetration test, on the ICT systems (hardware and software) and from the results with recommendations, measures have taken place to proactively monitor, prevent, contain and recover from vulnerabilities. Password management also was implemented effectively and is part of the requirement in our ICT policy to maintain security and the report was confirmed by the CEO in 2024. ICT awareness campaign was also implemented through education and announcements, to make business users cautious about hackers and current cyberthreat.

(f) Monitoring of Operational Performance and Financial Targets

Strategic Planning and Mid-year Review

The Strategic Planning and Mid-year Review are prepared by the Manager on an annual basis and tabled to a special Board meeting for approval. Analysis and reporting of variances against budget are presented to the Board and the Trustee quarterly, which form part of the monitoring mechanism and mitigation of any risk/ fallback from the financial targets.

Financial Monitoring, Reporting and Reviewing

Quarterly and annual financial statements containing key financial results as well as operational performance results of the REIT are prepared and reported to the BARC and the Board. Mandatory announcements on key corporate exercises and financial results were made on time in the year under review.

At the Management level, monthly coordination meetings on finance matters including credit collection and financial statements are diligently conducted to monitor, mitigate and carry out appropriate actions taken.

Engagement with the Stakeholders

Quarterly meetings with the Trustee are carried out to discuss the operational and financial performance of the REIT and the properties. During the year under review, two (2) meetings with the Trustee were carried out on 19 June 2024 & 17 October 2024.

Timely company briefings with analysts are conducted to apprise the shareholders, stakeholders, and general public of the REIT's performance while promoting transparency and open discussion. During the year under review, four company briefings were carried out on the following dates: 27 February, 31 May, 30 August and 29 November 2024.

INTERNAL CONTROL SYSTEMS (CONT'D)

Key Features of Internal Control (Cont'd)

The key elements and/or features of the internal control system established for maintaining strong corporate governance are as follows (Cont'd):

(g) Human Capital and Talent Management

Governance & Reporting Structure

The HR Department reports every quarter to the REID Group Chief Human Development Officer, who holds a strategic function in ensuring that human capital and talent management plans are aligned with the Business. The Real Estate Infrastructure Division (REID) Group is responsible for the formulation, implementation, monitoring, and review of the overall human resources strategy. The scope covers from entire employee life cycle from Talent Acquisition, Performance Management, Talent Development and drives Organisational change in building organisational capabilities.

Reward & Recognition

Establishing a clear system on how to measure employees' performance is key in sustaining a business model based on a "exponential growth agenda". The company uses a Key Performance Indicator ("KPI") system as part of the Performance Management System ("PMS") which starts with an Annual Planning cycle. The KPI System embeds the culture of accountability with KPIs scoring distributed across individuals / functions and organisation's achievement.

The 360 degrees performance appraisal are currently in practice to provides each employee the opportunity to give performance feedback on his or her supervisor's or manager' and peers.

Succession Planning

Leadership Development is a key priority and the company follows a strategic framework that feeds into the Succession Planning process. Succession Planning is done for key roles and it's a partnership discussion between the JLG Group Human Resource, the Board Numeration and Nomination Committee, the CEO, and the Head of Departments.

To ensure competency among the successors, a fit and proper policy is enforced as a guide for directors, director candidates, Shariah Adviser(s), CEO/ Principal Officers, and CMSRL holders as well as future leaders at the organisation.

Employee Safety & Health

The Human Resource Unit is in charge of the Safety & Health issues at the operating level to address and ensure compliance with Occupational Safety and Health policies and procedures, with a goal to facilitate the provision of a safe and healthy working environment for all employees and other related parties in compliance with the requirements of the Occupational Safety and Health Act 1994. The manager has established a mental health policy & procedure in providing a structural approach for identifying, supporting, and managing mental health issues among employees in the workplace. Mental health awareness training also was conducted on the 30 of May 2024 to trigger the employee's awareness regarding their mental health.

The Manager undertakes adequate insurance coverage on both its employees and assets to ensure both are sufficiently insured against any losses arising from various perils faced in the Manager's/ REIT's operations.

INTERNAL CONTROL SYSTEMS (CONT'D)

Key Features of Internal Control (Cont'd)

The key elements and/or features of the internal control system established for maintaining strong corporate governance are as follows (Cont'd):

(h) Outsourcing Functions to Third-Party Service Providers

The Manager entered into a few outsourcing arrangements that involved entrusting specific tasks, functions, or processes to external partners or third-party service providers. The objectives of these arrangements are to leverage the benefit from the partner's expertise, infrastructure, and economies of scale to improve cost efficiency to enable the organisation to focus more on core operations.

To mitigate the risks that these arrangements have on the company's performance, the Manager has set up the following controls:

Fit & Proper

- Developed an outsourcing policy in 2024 to govern and guide various departments of the Manager while
 outsourcing any functions at the department level. The policy is intended for establishing a prudent practice
 on management of risks arising out of outsourcing with a view to preventing adverse systemic impact and to
 protect the interest of the Manager and the REITs.
- Ensure that the service providers are professionally qualified in carrying out the services
- Carry out due diligence exercises which include background checks on the service providers, which may include background checks on the person or entity, a document verification process, or conducting interviews with the person to be appointed to undertake the key role in providing the services.
- Undertake an ESG compliance assessment on the potential service providers to ensure that there are no environmental risks in the service providers' activities
- Require the service provider to sign a vendor Integrity Pledge to ensure compliance to policies relating to Anti-Bribery & Anti-Corruption, No-Gift, No Entertainment and Whistleblowing Policy. This is a part and parcel to combat bribery and corruption in an organization.
- Ensure that the service providers comply with other governance requirements such as undertaking data privacy protection as part of the contract terms. This aligns with the REIT's pledge to enforce its Personal Data Protection (PDP) Policy in providing assurance to its data owners tenants, directors, and employees that their personal data will be safeguarded and protected by the REIT. In addition, the company also requires service providers to take cognizant of the Anti-Money Laundering and Anti-Terrorism Financing Policy and all applicable laws to commensurate with the nature of the Company's businesses and activities.

INTERNAL CONTROL SYSTEMS (CONT'D)

Key Features of Internal Control (Cont'd)

The key elements and/or features of the internal control system established for maintaining strong corporate governance are as follows (Cont'd):

(h) Outsourcing Functions to Third-Party Service Providers (Cont'd)

To mitigate the risks that these arrangements have on the company's performance, the Manager has set up the following controls (Cont'd):

Quality Assurance and Managing Performance

- Conduct an annual performance assessment on the service providers and tabling the result to the Management Committee and the Board
- In addition, the senior management team conducts regular discussions with property, maintenance, and service
 managers to discuss issues for improvement and to promote better understanding to facilitate cognizance in
 decision-making capability. During the year under review, one (1) meeting with the Maintenance Manager were
 carried out on 5 September 2024.

BOARD COMMENTARY AND OPINION

For the financial year under review, the Board has received written assurance that the REIT's enterprise risk management and internal control systems, in all material aspects, are operating adequately and effectively. There were no material control failures or adverse compliance events that directly resulted in any material loss to the Group.

Taking into consideration the information and assurance given the Board is satisfied that the enterprise risk management and internal control systems in place for the year under review and up to the date of approval of this Statement are sound and effective to safeguard the interest of all shareholders, the REIT's assets, and other stakeholders.

The following oversight mechanisms and information have been compiled for the Board's oversight processes:-

- Periodic review of financial information covering financial performance and quarterly financial results;
- BARC's oversight of risk management framework, changes in risk magnitudes, and status of management implementation of risk mitigation plan;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- BARC's review and consultation with Management on the integrity of the financial results and audited financial statements;
- audit findings and reports on the review of systems of internal control provided by the internal auditors and the status of Management's implementation of the audit recommendations; and
- Management's assurance that the JLG Group's risk management and internal control systems, including systems for compliance with applicable laws, regulations, rules directives, and guidelines have been operated adequately, effectively, and with integrity, in all material respects.

The Board will continue to monitor all major risks affecting the Group take necessary measures to mitigate them and continue to enhance the adequacy and effectiveness of the risk management and internal control systems of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control ("Statement") in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report.

They have reported to the Boards that nothing has come to their attention that causes them to believe the Statement intended to be included in the Annual Report is not prepared, in all material respects, following the disclosures required by Paragraphs 41 and 42 of Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers nor is the Statement factually inaccurate.

This Statement is made in accordance with the resolution of the Board of Directors on 6 March 2025.

Additional Compliance Information

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Securities Commission's Guidelines on Listed Real Estate Investment Trusts

Sanctions or Penalties

There was no public sanction or penalty imposed on the Manager.

Status of Utilisation Proceeds Raised from Corporate Proposal

There was no issuance of units during FY2024.

Audit and Non-Audit Fees

For information, please refer to pages 181 and 117.

Disclosure of Recurrent Related Party Transactions

At an Annual General Meeting held on 25 April 2024, the Company obtained a mandate from its shareholders ("Shareholders' Mandate") for recurrent related party transactions ("RRPTs") of a revenue or trading nature.

In compliance with Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), such Shareholders' Mandate is subject to annual renewal and the disclosure in the Annual Report of RRPTs conducted pursuant to the mandate during the financial year ended 31 December 2024 where the aggregate value of such RRPTs is equal to or more than RM1 million or 1% of the relevant percentage ratio for such transactions, whichever is the higher.

Set out below are the relevant RRPTs for which Shareholders' Mandate had been obtained together with a breakdown of the aggregate value of the RRPTs which had been conducted pursuant to the Shareholders Mandate and had met the prescribed threshold.

| Transacting Party | Nature of transaction | Nature of Relationship | Value incurred from 29 Feb 2024 (LPD) to 31 Dec 2024 (RM'000) | The aggregate value of transactions during the financial year (RM'000) |
|----------------------|---|--|---|--|
| JCorp Group | Registrar and secretarial expenses | JCorp is a major unitholder of Al-Salām. The Manager is also indirectly wholly-owned by JCorp. The Interested Directors (save for Dato' Haji Mohd Redza Shah bin Abdul Wahid) are deemed interested by virtue of them being the Directors of the Manager and being part of the Board and/or senior management of JCorp Group. | 146 | 146 |
| | Rental income for renting of office lots at Menara KOMTAR and KOMTAR JBCC | | 3,273 | 4,037 |
| | Building management and maintenance related costs at Menara KOMTAR, KOMTAR JBCC and @MART KEMPAS. | | 2,180 | 2,616 |
| | Technical advisory in relation to project management | | - | - |

Additional Compliance Information

Disclosure of Recurrent Related Party Transactions (Cont'd)

| Transacting Party | Nature of transaction | Nature of Relationship | Value incurred from 29 Feb 2024 (LPD) to 31 Dec 2024 (RM'000) | The aggregate value of transactions during the financial year (RM'000) |
|--|---|--|---|--|
| DASB Property Management Sdn Bhd ("DASBPMSB") (formerly known as Synergy Mall Management Sdn Bhd ("SMMSB")) | Property services fee which include, inter-alia, building management and maintenance and lease and tenancy administration | DASBPMSB is a 82.67% owned subsidiary of DASB, the holding company of the Manager. DASB is a wholly-owned subsidiary of JCorp. DASB and JCorp are also the major unitholders of Al-Salām. The Manager is also indirectly wholly-owned by JCorp. The Interested Directors (save for Dato' Haji Mohd Redza Shah bin Abdul Wahid) are deemed interested by virtue of them being the Directors of the Manager and being part of the Board and/or senior management of JCorp Group. Datuk Sr. Akmal bin Ahmad is the Director of the Manager, Director of DASB and also part of the senior management of JCorp Group. | 3,347 | 3,910 |
| KPJ Group | Rental income for renting of college building at Bandar Dato' Onn, Johor | JCorp has a total of 43.38% direct and indirect interest in KPJ. KPJ (through JCorp) and JCorp are also the major unitholders of Al-Salām. The Manager is also indirectly wholly-owned by JCorp. The Interested Directors (save for Dato' Haji Mohd Redza Shah bin Abdul Wahid) are deemed interested by virtue of them being the Directors of the Manager and being part of the Board and/or senior management of JCorp Group. Dato' Haji Mohd Redza Shah bin Abdul Wahid and Shamsul Anuar bin Abdul Majid are the Directors of the Manager and also Directors of KPJ. | 1,918 | 2,301 |
| QSR Group | Rental income from renting of KFC and Pizza Hut outlets and non- restaurant properties | QSR is a 56.00% owned company of JCorp. The Manager is also indirectly wholly-owned by JCorp. The Interested Directors (save for Dato' Haji Mohd Redza Shah bin Abdul Wahid) are deemed interested by virtue of them being the Directors of the Manager and being part of the Board and/or senior management of JCorp Group. Shamsul Anuar bin Abdul Majid is the Director of QSR and also Director of the Manager. | 15,913 | 19,098 |
| Aggregate Valu | e of Transactions | | 26,778 | 32,108 |

Shariah Adviser's Report

TO THE UNITHOLDERS OF AL-SALĀM REAL ESTATE INVESTMENT TRUST

We have acted as the Shariah Adviser of Al-Salām Real Estate Investment Trust (the "Fund"). Our responsibility is to ensure that the procedures and processes employed by JLG REIT Managers Sdn Bhd (formerly known as Damansara REIT Managers Sdn Berhad) (the "Manager") are in compliance with Shariah principles.

In our opinion, based on our review of the documents and information made available to us, the Manager has operated and managed the Fund in accordance the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 31 December 2024.

In addition, we also confirm that:

- 1. The investment portfolio of the Fund is Shariah-compliant, which comprises:
 - (a) Rental income from investment properties which complied with the Securities Commission Malaysia's Guidelines on Islamic Capital Market Products and Services. The percentage ratio of Shariah non-compliant rental for the financial year ended 31 December 2024 is 3.0364% which is less than the permissible 20% threshold; and
 - (b) Cash placement and liquid assets, which are placed in Shariah-compliant investments and/or instruments.
- 2. There was no acquisition of property that is Shariah non-compliant during the financial year.

Our review does not include Shariah confirmation on the audited financial statements of the Fund where we noted that some conventional terminologies were used in the financial statements.

For and on behalf of the Shariah Adviser **IBFIM**

IRMA NAMIRA MISSNAN

Registered Shariah Officer 30 April 2025

Trustee's Report

To the unit holders of AL-SALAM REAL ESTATE INVESTMENT TRUST ("Fund"),

We have acted as Trustee of the Fund for the financial year ended 31 December 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, JLG REIT MANAGERS SDN BHD (formerly known as DAMANSARA REIT MANAGERS SDN BERHAD) has managed the Fund in accordance with the following:

- (a) Limitations imposed on the investment powers of the management company and the trustee under the deed, Guidelines on Real Estate Investment Trusts, the Capital Markets and Services Act, and other applicable laws; and
- (b) Valuation/pricing is carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distribution of returns by the Fund is relevant and reflects the investment objective of the Fund.

Yours faithfully

AMANAHRAYA TRUSTEES BERHAD

ZAINUDDIN BIN SUHAIMI

Chief Executive Officer

Kuala Lumpur, Malaysia 30 April 2025