

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5269
COMPANY NAME : AL-SALĀM REAL ESTATE INVESTMENT TRUST
FINANCIAL YEAR : 31 DECEMBER 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors of Al-Salām REIT (“Board”) is responsible for the strategic leadership and overall governance of Al-Salām REIT (“Al-Salām”) as well as in setting and achieving sustainable long-term growth in total asset value and maximizing financial returns to the unitholders of Al-Salām (“Unitholders”).</p> <p>With its balanced Board composition comprising experienced and effective Independent Non-Executive Directors and Non-Independent Executive Directors, the Board plays a pivotal role in the stewardship of the Group and ultimately enhances Unitholders’ value.</p> <p><u>Board Charter</u></p> <p>The Board Charter established a formal schedule of matters and the types of information required for the Board’s attention and deliberation at Board meetings. The Board Charter was updated on 31/12/2025.</p> <p><u>Board’s Duties and Responsibilities</u></p> <p>The roles and responsibilities of the Board are clearly defined in the Board Charter, which is published on Al-Salām’s website at www.alsalamreit.com.my/investors.php.</p> <p><u>Board Committees</u></p> <p>The Board is supported by the following Board Committees in fulfilling its duties and responsibilities. While these Committees play a vital role, the Board retains ultimate accountability for Al-Salām performances and core values:</p> <p>The Board Committees comprise the Board Audit and Risk Committee (“BARC”), Board Nomination and Remuneration Committee (“BNRC”), Board Investment Committee (“BIC”) and Board Sustainability Committee (“BSC”). Each Committees operates under clearly defined written terms of reference (“TOR”) as approved by the Board. These TORs are publicly accessible on Al-Salām’s website at www.alsalamreit.com.my.</p>

	<p><u>Board Meetings</u></p> <p>A total of 9 Board meetings (including Special Board meetings) were held during the financial year under review, on 20 February 2025, 6 March 2025, 30 April 2025, 26 May 2025, 12 June 2025, 26 August 2025, 4 September 2025, 27 October 2025 and 27 November 2025.</p>
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Explanation for departure :	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :	
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Timeframe :		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is currently led by Datuk Hashim bin Wahir, who serves as the Independent Non-Executive Chairman. Datuk Hashim was appointed to the Board on 24 January 2022. The separation of the roles of Chairman and Management reinforces the Board's independence and ensures an appropriate balance of authority, accountability, and oversight.</p> <p>The Chairman in general is responsible for providing effective leadership to the Board and ensuring that the Board operates efficiently and in accordance with its governance framework.</p> <p>Key responsibilities of the Chairman are clearly defined in the Board Charter, which is published on Al-Salām's website at www.alsalamreit.com.my/investors.php.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is Datuk Hashim bin Wahir, an Independent Non-Executive Director whilst the Chief Executive Officer ("CEO") is Zulhilmy bin Kamaruddin.</p> <p>The roles of the Chairman and the CEO are separate and clearly defined in the Board Charter, which is published on Al-Salām's website at www.alsalamreit.com.my/investors.php.</p> <p>Both the Chairman and the CEO effectively discharged their respective duties and responsibilities during the financial year under review, contributing to the overall governance and performance of Al-Salām.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<p><i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i></p>	
Application	: Applied
Explanation on application of the practice	: <p>The Chairman of the Board, Datuk Hashim bin Wahir is not a member of either the Board Audit and Risk Committee ("BARC") or Board Nomination and Remuneration Committee ("BNRC"). He does not attend or participate in any meetings of the BARC or BNRC, whether by invitation or in any other capacity, thereby preserving the independence and objectivity of these Committees.</p> <p>This practice has been embedded explicitly in the Board Charter, which is published on Al-Salām's website at https://www.alsalamreit.com.my/investors.php.</p>
Explanation for departure	:
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure	:
Timeframe	:

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries, namely Nuraliza binti A. Rahman and Rohaya binti Jaafar (retired w.e.f. 31 August 2025) are members of relevant professional bodies recognized under the Companies Act 2016.</p> <p>The Company Secretaries act as a central source of information and advice to the Board and its Board Committees, providing guidance on compliance with corporate governance, laws, regulations, and internal procedures. Directors have full and unrestricted access to their professional services to effectively discharge their duties. To maintain their technical knowledge and skills, the Company Secretaries are regularly updated on developments in corporate and securities law, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and governance practices through workshops, conferences and training programs.</p> <p>The role of the Company Secretaries is clearly outlined in the Board Charter, which is published on Al-Salām's website at www.alsalamreit.com.my/investors.php.</p> <p>In addition to the Company Secretaries, the Board is supported by a Compliance Officer. This officer ensures adherence to the Trust Deed constituting Al Salam, Bursa Malaysia Listing Requirements, and all applicable Securities Commission Malaysia guidelines and laws.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied	
Explanation on application of the practice	:	<p>Directors receive agenda and meeting materials, which are complete and accurate within the time set out in the Board Charter. All the Board meetings are scheduled and convened in accordance with the terms set out in the Board Charter.</p> <p>Terms regarding Board meetings can be found in the Board Charter, which is published on Al-Salām’s website at www.alsalamreit.com.my/investors.php.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Board Charter which is available on the Al-Salām's website at www.alsalamreit.com.my/investors.php</p> <p>The Board Charter serves as a comprehensive framework that defines the responsibilities and authorities of the Board, Board Committees, individual Directors and Management, ensuring clarity and the upholding of effective governance in all matters conducted on behalf of Al-Salām.</p> <p>The Board remains informed about significant matters deliberated by each Board Committees through updates presented to the Board. Summaries of Committee meetings and any circular resolutions passed are presented to the Board for review and notation. The Board Charter and the terms of reference (TORs) of the Board Committees are reviewed and updated periodically to ensure continued relevance, effectiveness and alignment with applicable legislative and governance requirements.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>In promoting good business conduct and maintaining a healthy corporate culture within the organization the Board establishes a Code of Conduct and Ethics ("the Code of Conduct") for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.</p> <p>Some of the policies are available at www.alsalamreit.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established and adopted policies to promote good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. These include the Anti-Bribery and Anti-Corruption Policy and the Whistle Blowing Policy, which are published at www.alsalamreit.com.my.</p> <p>The policies are applicable to all Directors and employees within the organization, and compliance is mandatory. The policies provide clear guidance on expected standards of conduct and outline accessible channels for stakeholders to report concerns relating to unethical conduct, misconduct, fraud or breaches of laws and internal policies. The Board encourages all stakeholders to raise concerns in good faith and ensures that reports are treated confidentially, with appropriate safeguards in place to protect whistleblowers against retaliation.</p> <p>To facilitate effective reporting, the Manager has established a dedicated reporting channel via a specific email address at jlgrm.integrity@jlandgroup.com.my for the submission of integrity-related concerns.</p> <p>The Board, through the relevant Board committee, oversees the implementation and effectiveness of the internal control framework, including policies and processes relating to ethical conduct and whistleblowing. The Board ensures that these policies are reviewed periodically and updated, where necessary, to remain effective, relevant and aligned with regulatory requirements and best practices.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Intended Outcome

Timeframe :		
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The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board considers sustainability considerations when exercising its duties, including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors has established the Board Sustainability Committee (“BSC”) to support the Board in providing effective leadership and oversight over the Group’s sustainability agenda, including material sustainability and climate-related matters. The BSC enables focused and in-depth deliberations at Board level to ensure that sustainability considerations are integrated into the Al-Salām’s strategic direction, business planning and key decision-making processes.</p> <p>The BSC assists the Board in overseeing material Environmental, Social and Governance (“ESG”) matters across the Group’s business strategies, operations and risk management framework, with a view to supporting the creation of sustainable long-term value for the Al-Salām and its stakeholders.</p> <p>The BSC was chaired by Lailatul Azma binti Abdullah, an Independent Non-Executive Director, who has completed the Mandatory Accreditation Programme Part II: Leading for Impact (LIP). Other members of the BSC are Datuk Hashim bin Wahir (Independent Non-Executive Director) and Ng Yan Chuan (Non-Independent Non-Executive Director). Collectively, the members bring relevant experience and knowledge in sustainability and the commercial real estate sector, enabling effective oversight and informed deliberations on sustainability matters.</p> <p>With effect from 28 August 2025, the composition of the Board Sustainability Committee (“BSC”) was refreshed. The BSC is chaired by Madam Ong Li Lee, an Independent Director. Other members of the BSC are Mr Goh Tian Suan (Independent Director) and Abdul Aziz Abdul Rasheed (Non-Independent Director). Collectively, the members bring an appropriate mix of independence, experience and expertise, enabling effective oversight and informed deliberations on sustainability and climate-related matters relevant to the commercial real estate sector.</p> <p>To support the BSC in discharging its responsibilities, senior management has established a Sustainability Management Committee (“SMC”), which is chaired by the Chief Executive Officer and comprises members of the management team and relevant operational stakeholders, including the appointed Property</p>

	<p>Managers.</p> <p>The SMC is responsible for implementing the Board-approved sustainability strategies, driving sustainability and climate-related initiatives across business operations, and monitoring ESG-related risks and performance.</p> <p>Matters deliberated at the SMC level, including key ESG initiatives, sustainability risks and progress updates, are escalated to the BSC for review and guidance. This structured governance framework promotes clear accountability, consistency in sustainability practices and effective integration of sustainability considerations into the Al-Salām’s overall strategy and operations.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Fund’s sustainability strategies, priorities and targets, considering material ESG risks and opportunities, are developed by Management and reviewed by the Board Sustainability Committee (“BSC”) before being tabled to the Board for deliberation and final approval. These sustainability strategies and targets are integrated into the Company’s strategic planning process, ensuring alignment between sustainability considerations and the Fund’s long-term business objectives.</p> <p>The BSC monitors the implementation and performance of the approved sustainability strategies and targets, with progress updates, key issues and target achievement reported on a quarterly basis at BSC meetings. A summary of these deliberations, including material developments and areas requiring Board attention, is subsequently presented to the Board for notation and guidance.</p> <p>To promote transparency and accountability, the Al-Salām’s Sustainability Statement is made available to external stakeholders through publication on the Company’s website and in the Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>Sustainability-related risks and opportunities, including climate-related risks, are considered holistically by the Board Sustainability Committee (“BSC”) and the Board Audit and Risk Committee (“BARC”). The Board has established clear linkages between the two Board committees to ensure an integrated and coordinated approach in the identification, assessment, review and monitoring of sustainability and climate-related risks within the Group’s enterprise risk management and internal control framework.</p> <p>Through this structured governance arrangement, the BSC focuses on the strategic implications of sustainability and climate-related risks and opportunities, while the BARC provides oversight over the adequacy and effectiveness of risk management processes, internal controls and assurance mechanisms. This includes oversight of environmental, social and governance risks, with particular emphasis on climate-related risks, fraud and corruption risks, and other governance-related risks that may impact the Group’s long-term value creation and resilience.</p> <p>The Board’s oversight of sustainability and climate-related risks is aligned with the principles and disclosure requirements of the IFRS Sustainability Disclosure Standards, including IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). Sustainability and climate-related risks and opportunities are integrated into the Group’s risk assessment processes, and the effectiveness of related controls and mitigation measures is reviewed on an ongoing basis by the relevant Board committees.</p> <p>This integrated governance and risk oversight framework enables the Board to assess the adequacy and effectiveness of controls over sustainability and climate-related risks and supports informed decision-making in safeguarding the Group’s long-term sustainability, financial performance and resilience.</p>
Explanation for departure	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>Material sustainability issues are deliberated at Management level through the Sustainability Management Committee, which oversees the implementation of the Group's sustainability and ESG initiatives. The outcomes of these meetings, including the status of ongoing ESG initiatives, key challenges, material risks and emerging opportunities, are escalated to the Board Sustainability Committee ("BSC") and subsequently to the Board for oversight and guidance.</p> <p>To strengthen accountability and performance management, Environmental, Social and Governance ("ESG") Objectives and Key Results ("OKRs") are established and approved in alignment with the Group's sustainability strategies and targets. The achievement of these ESG OKRs forms part of the performance evaluation of the Board and senior management, thereby reinforcing ownership, accountability and alignment between sustainability objectives, leadership performance and long-term value creation.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to managing sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Applied
Explanation on adoption of the practice	: <p>The Corporate Services (“CS”) Department serves as a central coordination point to facilitate the implementation of the Group’s sustainability strategies. The CS Department coordinates the collation of sustainability-related information, monitors approved targets and tracks progress across Al-Salām and the Manager level.</p> <p>Sustainability and climate-related matters, including ESG risks and initiatives, are reported by Management to both the Enterprise Risk Management Committee (“ERMC”) and the Sustainability Management Committee (“SMC”). This structured reporting ensures that sustainability initiatives are implemented in a consistent manner and that ESG risks are identified, monitored and managed effectively within the Group’s risk management framework.</p> <p>The SMC is also responsible for providing assurance over the accuracy, completeness and reliability of sustainability data collected and reported, including ensuring compliance with applicable Bursa Malaysia sustainability disclosure requirements prior to escalation to the Board Sustainability Committee and the Board.</p> <p>The ESG framework and sustainability-related policies are formulated and aligned at the Real Estate & Infrastructure Division (“REID”) level and subsequently cascaded to investee companies to ensure consistency in sustainability governance and practices. To support effective implementation and alignment at investee company level, the REID has engaged an external consultant to provide guidance and support in aligning sustainability strategies, initiatives and reporting practices across the Group.</p>

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board composition is reviewed periodically by the BNRC to ensure compliance to the regulatory requirements and the Malaysian Code on Corporate Governance.</p> <p>The Board Charter sufficiently outlines matters in relation to the appointment and re-appointment of directors as well as on matters pertaining to tenure, Board and Director evaluation assessment, annual re-election, qualification, vacation of office and removal of directors to ensure satisfactory compliance with the regulatory requirements.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>In compliance with the requirement whereby the Board must comprise majority independent directors, as of 31 December 2025, the Board consists of 9 Directors comprising of -</p> <ul style="list-style-type: none"> • One (1) Independent Non-Executive Chairman • Four (4) Independent Non-Executive Directors • Four (4) Non-Independent Non-Executive Directors 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	None of the independent directors have exceeded a cumulative term limit of nine (9) years.	
		The date of appointment of each of the Directors as of 31 December 2025, is as follows:	
		Name	Year of Appointment
		Datuk Hashim bin Wahir	24/01/2022
		Abdullah bin Abu Samah	10/03/2021
		Datuk Sr Akmal Bin Ahmad	21/01/2021
		Dato' Mohamed Ridha bin Dato' Hj Abd Kadir	22/08/2024
		Goh Tian Sui	21/01/2025
		Datin Ungku Suseelawati binti Ungku Omar	21/01/2025
		Ong Li Lee	04/08/2025
		Shamsul Anuar bin Abdul Majid	24/08/2020
		Abdul Aziz bin Abdul Rasheed	04/08/2025
		Lailatul Azma binti Abdullah	16/12/2022
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step-Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director for nine years.</i>	
Application	: Applied
Explanation on adoption of the practice	: The limit of tenure has been incorporated in the Board Charter. The Board Charter states that: (a) the tenure of all directors is two (2) years, after which the directors may be re-elected, subject to the Board Nomination and Remuneration policy. The tenure of an Independent Non-Executive Director will comply with the requirements of the Malaysian Code on Corporate Governance. (b) if the Board intends to retain an Independent Non-Executive Director beyond nine (9) years, it shall justify and seek annual unitholders approval through a two-tier voting process. Tier 1: Only the Large Shareholder(s) of the Company votes Tier 2: Unitholders other than Large Shareholder(s) votes

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board values boardroom diversity in skills, experience, age, cultural background, and gender. This can be proved through the selection process, assessment and appointment of two (2) new Directors. The selection and appointment of Madam Ong Li Lee and En Abdul Aziz Abdul Rasheed to the Board were undertaken through a structured evaluation process by the Nomination and Remuneration Committee. The assessment was based on their professional experience, qualifications, industry knowledge and the competencies required by the Board. Both candidates were also subjected to a fit and proper assessment to ensure that they possess the integrity, competence, experience and commitment necessary to effectively discharge their duties as Directors.</p> <p>Aiming at improving the Board's effectiveness, the organization has also conducted the Board and Director evaluation assessment to assess the effectiveness of the Board, the Board Committees and the contribution of each individual Directors.</p> <p>Then evaluation covers the Board's composition, skills mix, experience, communication, roles and responsibilities, effectiveness as well as conduct.</p> <p>Summary of the Board and Director Evaluation Assessment</p> <ul style="list-style-type: none">• Fit and Proper Assessment• Integrity and Reputation Check• Competency and Experience Assessment• Independence Assessment (for Independent Director)• Conflict of Interest Assessment• Time Commitment Assessment• Financial Soundness / Bankruptcy Check• Regulatory and Sanctions Screening• Board Skills Matrix Assessment <p>During the financial year under review, all Directors demonstrated their commitment to their roles, as reflected in their meeting attendance records presented in the table below:</p>

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

NO	DIRECTOR	DATE OF MEETINGS								
		20 FEB 2025 (SPECIAL)	6 MAR 2025	30 APR 2025 (SPECIAL)	26 MAY 2025	12 JUN 2025 (SPECIAL)	26 AUG 2025	4 SEP 2025 (SPECIAL)	27 OCT 2025 (SPECIAL)	27 NOV 2025
1	DATUK HASHIM BIN WAHIR	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	ABDULLAH BIN ABU SAMAH	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	DATUK Sr AKMAL BIN AHMAD	✓	✓	✓	✓	✓	✓	✓	X	✓
4	SHAMSUL ANUAR BIN ABDUL MAJID (Resigned w.e.f. 31 March 2026)	✓	✓	✓	X	✓	✓	✓	✓	✓
5	DATO' HAJI MOHAMMED RIDHA BIN DATO' HAJI ABD KADIR (Resigned w.e.f. 31 March 2026)	X	X	X	X	X	X	X	X	✓
6	GOH TIAN SUI	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	DATIN UNGKU SUSEELAWATI BINTI UNGKU OMAR	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	LAILATUL AZMA BINTI ABDULLAH	✓	✓	✓	✓	✓	(Resigned w.e.f. 4 August 2025)			
9	ONG LI LEE	(Appointed w.e.f. 4 August 2025)					✓	✓	✓	✓
10	ABDUL AZIZ BIN ABDUL RASHEED	(Appointed w.e.f. 4 August 2025)					✓	✓	X	✓

Explanation for departure :		

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointments of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The BNRC ensures that a robust and transparent process is in place for the nomination and appointment of new Directors. The selection process is guided by the Board Charter, regulatory requirements and guidelines and the Board policies such as the Fit and Proper Policy.</p> <p>In addition to recommendations from existing Board members and management, potential candidates may also be recruited through independent search firms or organizations to ensure a diverse and well-qualified talent pool.</p> <p>All nominees on the Board are first considered and evaluated by the BNRC, considering the mix of skills, competencies, experience, diversity in terms of age, gender, cultural background, experience, leadership, ability to exercise sound judgement and other qualities required. The BNRC will then recommend their findings for consideration and approval by the Board.</p> <p>A proposed Director also must satisfy the test of independence of an independent director as defined under Paragraph 1.01 and Practice Note 13 of the MMLR and must have the ability to act in the best interests of the Group, considering the candidate's character, integrity and professionalism.</p> <p>The BNRC evaluates the nominees' ability to discharge their duties and responsibilities and will conduct a formal engagement with the nominees before recommending their appointment as Directors to the Board for approval.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board always ensures that the unitholders have the information they require to make an informed decision on the appointment and reappointment of its directors, in accordance with the requirements outline in the Board Charter and in compliance with the SC Guidelines and Bursa Malaysia Listing Requirements governing REITs.</p> <p>As part of the Manager’s commitment to accountability and transparency towards Unitholders and in compliance with the Listing Requirements, disclosure regarding any interests, positions or relationships that could potentially influence, or be perceived to influence, the Directors’ independent judgement was made in Al-Salām’s IAR 2025.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	<p>The BNRC is chaired by Abdullah bin Abu Samah, an Independent Non-Executive Directors, who has succeeded Datuk Hashim bin Wahir with effect from 4 August 2025. His profile is detailed in the Directors' profile in the Al-Salām's IAR 2025.</p> <p>According to the BNRC's terms of reference, the BNRC must consist of at least 3 Independent Directors, The Committee shall appoint a Chairman amongst its members who must necessarily be an Independent Director.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:	As of 31 December 2025, the percentage of women Directors of the total Board of the Manager, is as follows:	
		Gender	
		Male	Female
		No of Directors	7
		Percentage %	77.78
		2	22.22
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the recommendations under the Malaysian Code on Corporate Governance ("MCCG") relating to board diversity and recognises the importance of Diversity, Equity and Inclusion ("DEI") in strengthening Board effectiveness, quality of deliberations and decision-making.</p> <p>In line with MCCG Practice 5.10, the Manager has adopted a DEI Policy, which sets out the Company's commitment to promoting diversity across multiple dimensions, including but not limited to gender, skills, experience, background and perspectives, at the Board and senior management levels. The DEI Policy is published at www.alsalamreit.com.my. Additionally, gender diversity within the Board and Senior Management is disclosed under the Corporate Governance Overview Statement in the Al-Salām's IAR 2025.</p> <p>The Board remains committed to enhancing diversity and inclusion and will continue to actively identify, develop and consider suitably qualified and diverse candidates for Board and senior management appointment, considering the competencies and experience required to support the organization's strategic plan. The Board aims to achieve full alignment with the recommended practices by 2027.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Stakeholders can form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out, its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: The BNRC carries out an annual board effectiveness evaluation (“BEE”) and the performance of the Board Committees against a set of criteria that encompasses a diverse set of skills and experience in the fields of, amongst others, accounting, business and management, marketing, risk management, information technology and finance. The evaluation process was conducted internally and facilitated by the Company Secretaries. As part of the BEE process, questionnaires were sent to the Directors, and the results were reported to the BNRC. The summary of the evaluation outcome is shared with the Board for constructive discussion whereby BNRC’s recommendations for continuous improvement of the Board effectiveness were deliberated and considered by all the Directors. The follow-up action will be taken to ensure continuous improvement on the effectiveness of the Board.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent on the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which considers the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that to attract, retain and motivate Directors and senior Management of good calibre to drive and pursue the long-term objectives of the Fund, it is important to have a fair and competitive remuneration package that commensurate with their experiences, skills, responsibilities, performances, contributions as well as benchmarking against the remuneration practices and trends by other similar players in the market.</p> <p>The BNRC reviews and recommends to the Board the framework of remuneration policy and package for the Directors and the senior Management personnel which will be reviewed every three years. It should be noted that such remuneration is paid by the Company and not by the Fund. The remuneration policy takes into account the demands, complexities and performance of the Company as well as skills-set and relevant experiences required.</p> <p>For Independent Directors, the Board ensures that the remuneration does not conflict with their obligation to bring objectivity and independent judgment on matters discussed at the Board meetings.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deal with its authority, and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The BNRC comprises two (2) Independent Non-Executive Directors, which oversees the policy's implementation to support the recruitment, motivation, and retention of Directors and Senior Management. The BNRC's roles and responsibilities can be found in the BNRC terms of reference published at www.alsalamreit.com.my
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	<p>The current disclosure is not on a named basis but based on the designation of the Directors.</p> <p>The Board ensures that the remuneration policy considers the demands, complexities and performance of the Company as well as skills-set and relevant experiences required. For Independent Directors, the Board ensures that the remuneration does not conflict with their obligation to bring objectivity and independent judgment on matters discussed at the Board meetings.</p> <p>The directors' remuneration is paid by the Manager and not by the listed funds. The appointment and reappointment of a director of the Company are not subject to the approval by the unitholders of the listed funds. However, being the manager of the listed funds, the Company is governed under the Securities Commission's rules, guidelines and licensing requirements where the appointment of a director is subject to the SC's approval. All the required details of a person to be appointed as a director of the Company will be submitted to the SC for scrutinization and approval.</p> <p>As such, disclosure of the above Practice is not made in this report.</p>

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:	Given the competitive nature of the REIT sector, the Board emphasizes maintaining the confidentiality of senior management remuneration, including salaries, bonuses, benefits and other emoluments, as a key factor in talent management and retention. Accordingly, the Board believes that disclosing such details would not be in the best interests of the organization.	
Explanation for departure	:	The Board has decided not to disclose the senior management's remuneration.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:	Others	Others

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	As explained under Practice 8.2 above.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied												
Explanation on application of the practice	:	<p>The BARC is chaired by En Abdullah bin Abu Samah, the Independent Non-Executive Director, who is not the Board Chairman. His detailed biodata is reflected in the Directors' Profile section of the Al-Salām's IAR 2025. In compliance with Practice 1.4 of the MCGG 2021, the BARC, during the financial year under review, comprised 3 members, all of whom are combination of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.</p> <p>The members of the BARC are listed as follows:</p> <table border="1"><thead><tr><th>No</th><th>Director/Designation</th><th>Membership</th></tr></thead><tbody><tr><td>1</td><td>Abdullah Bin Abu Samah</td><td>Chairman</td></tr><tr><td>2</td><td>Datuk Sr Akmal Bin Ahmad</td><td>Member</td></tr><tr><td>3</td><td>Ong Li Lee</td><td>Member</td></tr></tbody></table> <p>The detailed report of the BARC is set out in the Al-Salām's IAR 2025.</p>	No	Director/Designation	Membership	1	Abdullah Bin Abu Samah	Chairman	2	Datuk Sr Akmal Bin Ahmad	Member	3	Ong Li Lee	Member
No	Director/Designation	Membership												
1	Abdullah Bin Abu Samah	Chairman												
2	Datuk Sr Akmal Bin Ahmad	Member												
3	Ong Li Lee	Member												
Explanation for departure	:													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
Measure	:													
Timeframe	:													

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The terms of reference of the BARC stipulate that a former partner of the external audit firm must observe a minimum cooling-off period of 3 years before being eligible for appointment to the BARC.</p> <p>Since the incorporation of the Manager on 15 March 2005, none of the members of the BARC have been former key audit partners of External Auditors, nor do they hold any financial interest in the External Auditors.</p> <p>The BARC's terms of reference are available on reference published at www.alsalamreit.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The BARC annually assesses the suitability, objectivity, and independence of the external auditors. The method involved a recommendation process from Johor Corporation, the ultimate holding company of the Manager. The evaluation process involving the track record and prior performance of the external auditors in the following areas:</p> <ul style="list-style-type: none"> ▪ The competency, audit quality, and resource capacity of the external auditor in relation to the audit. ▪ Quality of the audit process, scope and planning ▪ Effectiveness of the audit communications ▪ Auditors' independence and objectivity ▪ The nature and extent of the non-audit services rendered and appropriateness of the level of fees. ▪ Written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. <p>The results of these assessments formed the basis of the BARC's appointment of external auditors. The assessment considers the feedback from the Finance Director of the Manager, focusing on a range of factors that are considered relevant to audit quality.</p> <p>The BARC was satisfied with the scope of audit work, adequacy of audit resources and quality of audit services rendered as well as the leadership of the audit engagement partner and fieldwork leaders. Potential issues were brought to Management's attention in sufficient time for them to be addressed without delaying the audit process.</p> <p>The BARC recommended to the Trustee the re-mentioned appointment of EY as the external auditors for FY2025 and was approved by the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Applied													
Explanation on adoption of the practice	:	<p>The BARC members comprise of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.</p> <p>The composition of the BARC is as follows:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Director/Designation</th> <th>Membership</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Abdullah bin Abu Samah</td> <td>Chairman (Independent Non-Executive Director)</td> </tr> <tr> <td>2</td> <td>Datuk Sr Akmal bin Ahmad</td> <td>Member (Non-Independent Non-Executive Director)</td> </tr> <tr> <td>3</td> <td>Ong Li Lee (replacing Lailatul Azma binti Abdullah effective 4 August 2025)</td> <td>Member (Independent Non-Executive Director)</td> </tr> </tbody> </table>		No	Director/Designation	Membership	1	Abdullah bin Abu Samah	Chairman (Independent Non-Executive Director)	2	Datuk Sr Akmal bin Ahmad	Member (Non-Independent Non-Executive Director)	3	Ong Li Lee (replacing Lailatul Azma binti Abdullah effective 4 August 2025)	Member (Independent Non-Executive Director)
No	Director/Designation	Membership													
1	Abdullah bin Abu Samah	Chairman (Independent Non-Executive Director)													
2	Datuk Sr Akmal bin Ahmad	Member (Non-Independent Non-Executive Director)													
3	Ong Li Lee (replacing Lailatul Azma binti Abdullah effective 4 August 2025)	Member (Independent Non-Executive Director)													

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	: Applied
Explanation on application of the practice	<p>The BARC members comprise two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director with expertise in accounting, finance, audit and corporate governance.</p> <p>The BARC is chaired by an experienced Chairman, Abdullah bin Abu Samah who is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.</p> <p>The BARC includes members such as Datuk Sr Akmal bin Ahmad, a qualified quantity surveyor with extensive experience in property industry, Madam Ong Li Lee, who succeeded Puan Lailatul Azma binti Abdullah, and brought diverse experience in governance, regulatory, and corporate sectors.</p> <p>All members are financially literate, ensuring robust oversight of Al-Salām's financial and governance practices.</p> <p>In FY2025, the BARC effectively discharged its duties, including reviewing quarterly financial reports, monitoring related party transactions, assessing internal and external audit findings, and ensuring compliance with regulatory and accounting standards. They evaluated and recommended key corporate governance reports and maintained vigilance in detecting irregularities in financial statements.</p> <p>Members actively participated in continuous professional development, attending workshops and seminars to remain updated on regulatory and industry changes.</p> <p>The BARC's detailed activities and performance are documented in the Al-Salām's IAR 2025. During the financial year under review various workshops, webinars, conferences, seminars and courses organized by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast of the relevant changes in law, regulations, risk management and business environment. The expenses of such events attended by the Directors are borne by the Manager.</p>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations.

The company’s financial statement is a reliable source of information.

	<p>Please refer to the Board of Directors section of the Manager on Al-Salām website at www.alsalamreit.com.my for the details of the continuing education programs attended by the BARC members for FY2025.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	: Applied
Explanation on application of the practice	<p>The Board affirms its overall responsibility for establishing the Group's system of internal controls and risk management framework as well as reviewing its adequacy, integrity, and effectiveness. The Board has put in place a sound governance structure, risk management framework, and internal control system to ensure effective oversight of the principal risks and controls.</p> <p>The Corporate Services Department undertakes the Compliance, Internal Control and Risk Management Department to provide a holistic and enterprise-wide view of the risk and compliance for the Manager and the fund.</p> <p>The risk management and internal control coordinate the interface of these two functions with those of the Real Estate & Infrastructure Division of Johor Corporation.</p> <p>The Group has consistently reviewed and upgraded its Enterprise-Wide Risk Management ("ERM") framework for managing risks associated with its business and operations. The ERM Committee which convenes quarterly supports the BARC and the Board by setting and overseeing the Risk Management Framework and regularly assessing such Risk Management Framework to ascertain its adequacy and effectiveness.</p> <p>While the Board and the BARC provide oversight, ownership of risks resides with Management. Each principal risk is assigned to a designated Risk Owner at senior management level, who is accountable for the identification, assessment, implementation and monitoring of mitigation measures. Risk Owners are supported by Risk Coordinators within their respective functions.</p> <p>Sustainability and ESG-related risks are integrated into the Company's ERM framework. While strategic oversight resides with the Board Sustainability Committee, Management accountability for ESG risk management is coordinated through the Sustainability Management Committee (SMC), with functional Risk Owners responsible for implementing mitigation measures within their respective operations.</p> <p>The SMC is the sustainability focal point within Management to coordinate ESG risk management, reporting and escalation to the BSC and the BARC.</p>

	<p>In summary, the principal risks faced by the Group during the financial year include, among others:</p> <ul style="list-style-type: none"> • Tenant concentration and credit risk. • Regulatory and compliance risk. • Operational and asset management risk. • Sustainability and climate-related risks; and • Cybersecurity and data protection risk. <p>These risks are monitored and managed within the Board-approved risk appetite.</p> <p>The Board and the BARC also consider changes in the risk profile, including emerging risks and movements in residual risk ratings, and assess their potential impact on the Group's strategic priorities, capital allocation and sustainability objectives, as part of their ongoing oversight</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	: Applied
Explanation on application of the practice	<p>The Board has established and organization structure with clearly defined lines of accountability and responsibility to support the ideal control environment.</p> <p>The ERM Committee reviews and recommends to the BARC any changes in the policy, framework, standards and procedures, and their implementation where applicable for ARC's deliberation.</p> <p>The BARC reviews the adequacy and effectiveness of the risk management framework and makes recommendations, if any. Any issues raised and actions taken by Management to address these issues were deliberated in the BARC meetings and the minutes of the meetings were then presented to the Board.</p> <p>The BARC also evaluates the effectiveness of ERM Committee and the process of assessing and managing the REIT's Principal risks. The ERM Committee also reviews and evaluates the risk identification (on quarterly basis/ or when necessary), risk exposures and management of the mitigation plans of the risks identified.</p> <p>The Board-approved risk appetite provides the boundaries within which Management operates. The ERM Committee monitors risk exposures against these thresholds on a quarterly basis, and deviations are reported to the BARC for review and guidance</p> <p>Risks are escalated in accordance with defined escalation thresholds. Risks assessed as Tier 1 / High or Extreme are escalated to the Board via the BARC for deliberation and direction. Tier 2 risks are monitored at Management level and escalated to Senior Management where necessary. Any breach of the Board-approved risk appetite is reported immediately to the BARC and the Board together with proposed remedial actions.</p>
Explanation for departure	:
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	: Applied
Explanation on adoption of the practice	<p>The Board discharges its responsibility for risk oversight primarily through the BARC, which comprises most Independent Non-Executive Directors, thereby ensuring objectivity and independent judgement in overseeing the Group's risk management framework and policies.</p> <p>The BARC is supported by the Enterprise Risk Management Committee (ERM Committee), which convenes on a quarterly basis, or more frequently as circumstances warrant. The ERM Committee serves as Management's risk governance platform and plays a critical role in operationalising the Board-approved risk management framework.</p> <p>The primary purposes of the ERM Committee are to:</p> <ul style="list-style-type: none">a) assist the BARC in fulfilling its oversight responsibilities over the Manager's and the Fund's Enterprise Risk Management (ERM) Policy, Framework and processes, including the identification, assessment and monitoring of key strategic, financial, operational and compliance risks; andb) identify potential events that may adversely affect the Al-Salām and systematically manage such risks within the Board-approved risk appetite, thereby providing reasonable assurance on the achievement of the Group's objectives. <p>The ERM Committee comprises the senior management team of the Manager and is chaired by the Chief Executive Officer. Members of the ERM Committee are collectively accountable for the effective implementation of the ERM framework and for ensuring that risks are managed within the established risk appetite and tolerance limits.</p> <p>In carrying out its mandate, the ERM Committee is responsible for, among others:</p> <ul style="list-style-type: none">(a) coordinating the development, enhancement and implementation of risk management policies, procedures and initiatives to ensure the continued effectiveness of the ERM framework.(b) reviewing and deliberating risk reports, including changes in risk exposures and residual risk ratings, and recommending appropriate mitigation strategies for implementation.

Intended Outcome

	<p>(c) monitoring the progress and effectiveness of mitigation measures and action plans, and providing regular updates to the BARC on the Group's residual risk profile and ERM initiatives; and</p> <p>(d) reviewing, assessing and recommending to the BARC enhancements to risk management strategies, policies and risk tolerance limits, considering changes in the operating environment and the Group's strategic direction.</p>
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Companies have an effective governance, risk management and internal control framework and stakeholders can assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	: Applied
Explanation on application of the practice	<p>The Manager has entered an outsourcing arrangement with PKF Risk Management Sdn Bhd (“PKF”) to perform the internal audit function. The ARC is responsible for overseeing the internal audit function and ensuring that it operates independently and effectively.</p> <p>PKF independently and objectively reviews the adequacy and effectiveness of the Group’s system of internal controls, governance processes and risk management practices, with a primary focus on high-risk areas identified through a risk-based internal audit approach. In accordance with the BARC-approved Internal Audit Plan, all high-risk activities within each auditable area are subject to audit annually.</p> <p>PKF provides the BARC with independent assurance and advisory support, including identifying control weaknesses or deficiencies and recommending appropriate remedial actions to Management. Where necessary, PKF also undertakes special reviews and investigative audits at the request of the BARC.</p> <p>The internal audit function reports functionally and directly to the BARC, thereby preserving its independence from Management and day-to-day operations. PKF’s authority, scope and responsibilities are governed by an Internal Audit Charter approved by the BARC and are aligned with the International Professional Practices Framework issued by the Institute of Internal Auditors.</p> <p>Audit findings and recommendations arising from internal audit engagements are discussed with Management and subsequently tabled to the BARC for review and deliberation. Key control issues, significant risks and audit recommendations, together with Management’s responses and action plans, are scrutinised by the BARC to ensure timely and effective remediation.</p> <p>Through this process, the BARC can discharge its oversight responsibilities by monitoring the adequacy and effectiveness of internal controls and ensuring that appropriate corrective actions are implemented. Where necessary, the BARC directs Management to strengthen internal control measures based on PKF’s recommendations.</p> <p>In addition, the BARC is empowered under its Terms of Reference to:</p> <ol style="list-style-type: none"> a) convene meetings with the Internal Auditor without the presence of Management, whenever deemed necessary. b) approve and subsequently inform the Board on the appointment of the Internal Auditor; and c) review and assess the performance, independence and

	<p>effectiveness of the Internal Auditor.</p> <p>Based on the work performed during the financial year and the reports presented, the BARC is satisfied that PKF has functioned effectively and independently in discharging its duties in accordance with the approved 2024 Internal Audit Plan.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence.
- the number of resources in the internal audit department.
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognized framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Group is outsourced to an independent professional consulting firm, Messrs. PKF Risk Management Sdn Bhd (“PKF”). The internal audit engagement is led by Dr. Wong Ka Fee, Director of Risk and Governance Advisory, who possesses a doctoral degree in Behavioural Finance and a Master of Science in Management Consultancy, and has over 15 years of experience in governance advisory, risk management and internal audit assignments.</p> <p>The internal audit team deployed by PKF comprises 10 permanent internal audit personnel with appropriate qualifications, skills and experience in internal audit and assurance. The ARC is satisfied that the internal audit function is adequately resourced and competent to discharge its responsibilities effectively.</p> <p>To safeguard independence and objectivity, all PKF internal audit personnel involved in the engagement are free from any relationships or conflicts of interest that could impair their professional judgement. PKF requires its personnel to complete annual independence declarations, and all personnel assigned to the engagement are required to acknowledge the Employee Professional Conduct and Ethics Declaration on an assignment basis.</p> <p>The internal audit function is carried out in accordance with a recognised internal auditing framework, namely the International Professional Practices Framework (“IPPF”) issued by the Institute of Internal Auditors, which provides the foundation for the professional practice of internal auditing and ensures consistency, quality and integrity in the execution of internal audit activities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Intended Outcome

Measure :		
Timeframe :		

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	: Applied
Explanation on application of the practice	<p>The Board recognizes that meaningful stakeholder engagement is fundamental to transparency, accountability, and the integrity of Al-Salām's corporate reporting. The Board ensures that stakeholder engagement is conducted through a structured and governance-aligned framework that supports informed decision-making and sustainable value creation.</p> <p>The Board approved the Stakeholder Engagement Policy on 4 December 2025, which provides a systematic approach for identifying, prioritizing, engaging, and monitoring stakeholders. Stakeholders are assessed to understand their level of involvement, influence, and potential impact on the REIT's strategic objectives and obligations. Engagement strategies are tailored according to stakeholder significance, ensuring focused and effective communication. Key insights and feedback gathered through these engagements are escalated to Management and, where relevant, reported to the Board to inform strategic considerations and oversight.</p> <p>Al-Salām REIT is committed to structured and regular engagement with its stakeholders, recognizing that meaningful communication underpins transparency, accountability, and long-term value creation. The REIT's website at www.alsalamreit.com.my serves as the primary platform for investor relations, corporate governance, and sustainability disclosures. Since 2025, all analyst presentations and corporate materials have been uploaded to the website, providing stakeholders with convenient access to accurate and timely information on the REIT's strategy, performance, risk management, and sustainability initiatives.</p> <p>During 2025, Al-Salām REIT conducted four analyst briefings, three site visits, and one ESG-focused engagement. These sessions were supported by timely reporting and disclosures, including quarterly and annual financial results and analyst presentations. Engagement activities are guided by governance and sustainability principles, ensuring interactions are meaningful and aligned with the REIT's long-term objectives. Feedback from these sessions is used to continuously improve reporting, communications, and sustainability initiatives.</p>

	<p>Additional communication channels, including press releases and social media such as LinkedIn, provide timely updates and complement formal reporting. This broadens access to information and keeps stakeholders informed of key developments.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Applied
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board recognises the importance of integrated reporting as a strategic evolution in how Al-Salam REIT communicates value creation. The Board has endorsed the transition from a traditional Annual Report to an Integrated Annual Report, incorporating the Sustainability Report as a key component, reflecting the REIT's commitment to best practices in transparency, governance, and long-term sustainability.</p> <p>Although Al-Salām REIT falls under the second phase of Malaysia's National Sustainability Reporting Framework (NSRF), the REIT has taken proactive steps to begin this migration ahead of schedule, with full adoption planned for the 2026 financial year. This approach ensures that reporting provides a clear and cohesive view of the REIT's strategy, performance, sustainability initiatives, risk management, and governance practices.</p> <p>By integrating financial, non-financial, and sustainability information, the REIT enables stakeholders to gain a holistic understanding of how these elements interact to drive sustainable outcomes and support long-term value creation. This transition also strengthens internal processes and data quality, laying a solid foundation for continuous enhancement of both integrated and sustainability reporting.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The Fund's 10th AGM was held on 25 June 2025, with the notice issued on 27 May 2025, providing more than twenty-eight (28) days' notice. The notice was published on the Al-Salām and Bursa Securities websites as well in widely circulated newspaper in both Bahasa Melayu and English, ensuring accessibility to all Unitholders.</p> <p>The extended notice period allowed Unitholders sufficient time to consider the resolutions to be tabled and to make necessary arrangement to attend and participate in the AGM either in person or through a proxy/corporate representative.</p> <p>Each proposed resolution under the special business was accompanied by an explanatory statement, providing Unitholders with a clear understanding of the matters involved and enabling them to make informed decisions when exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful responses to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>Save for one (1) Director (whose absence is with permission), all other Directors of the Company were present at the 10th AGM held on 25 June 2025 to engage Unitholders.</p> <p>The Chairpersons of BARC, BNRC, BIC and Board Sustainability Committee were available to address any queries or clarifications, if any. Besides, the Trustee, the Management Team, external auditors and the advisers attended to respond to any questions or concerns raised by unitholders.</p> <p>The Chairman of the 10th AGM also extended an invitation to Unitholders, encouraging them to the resolutions presented, prior to initiating the voting phase. Following the clarifications offered to queries from the Unitholders, the meeting transitioned into the voting process.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>Al-Salām has conducted its 10th AGM on a fully physical meeting on 25 June 2025. The venue of the meeting was strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be at the main venue.</p> <p>The voting of all resolutions set out in the notice of the Meetings was conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. Al-Salām has appointed Mega Corporate Services Sdn Bhd as Poll Administrator to conduct the poll by way of electronic voting and Sharepolls Sdn Bhd as Independent Scrutineers to verify the poll results.</p> <p>In the Group, the Manager's information security system has been placed under the purview of JLG IT Department. JLG IT Department adopted JCorp's Data Governance Framework, Policies and Procedures which outline how businesses within JCorp Group should manage the availability, usability, integrity, sharing and security of data.</p> <p>The Policies have been established to ensure that there is consistency in the way data is handled within JCorp Group as well as to reduce the risk of data misuse.</p> <p>JLG IT Department manages cybersecurity challenges through a stringent series of codes, policies and security controls. Unitholders' data is protected from intrusions and unauthorized access. The Manager's employees are subjected to the strictest standards of privacy and confidentiality.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting, and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions, and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Board ensures that effective mechanisms are in place to engage Unitholders. At the 10th Annual General Meeting held on 25 June 2025, most Directors attended in person, and the Chairman provided ample opportunities for Unitholders to raise questions regarding the Fund's affairs and performance. Questions were submitted both digitally via QR code and verbally during the meeting, and all were addressed by the Board and senior management.</p> <p>Unitholders were also able to submit additional questions to the Investor Relations team following the AGM. The minutes, together with the complete list of questions and answers, were published on the Fund's website, ensuring transparency and continuous access to information.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) supports meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support, among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation for adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions, and the questions are responded to. Further, a listed issuer should also provide brief reasons for the choice of the meeting platform.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	Al-Salām has conducted its 10 th AGM on a fully physical meeting on 25 June 2025.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of 10 th AGM (including all questions raised at the AGM and the answers thereto (if any)) is available on Al-Salām's website at www.alsalamreit.com.my not later than thirty (30) business days after the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	: