

## AL-ĀQAR HEALTHCARE REAL ESTATE INVESTMENT TRUST INVESTMENT COMMITTEE TERM OF REFERENCE

### 1. GENERAL

The Investment Committee is responsible for fulfilling the duties ascribed to it in this Investment Committee Term of Reference (“Investment Committee TOR”), including those specifically delegated to it from time to time by the Board of Directors (“BOD”).

In the event that any provision of this Investment Committee TOR, as amended from time to time, conflicts with or contravenes any provision of the Trust Deed in accordance with the SC guideline, such provision of the Trust Deed will govern and nothing herein shall be construed as giving the members of the Investment Committee any powers or authority in addition to, or greater than, the power and authority established by the Trust Deed.

### 2. MEMBERS

The members will be selected by the BOD on the recommendation of the Nomination and Remuneration Committee (“NRC”) comprising :

- at least 3 individual members;
- at least 2 independent members, while maintaining a minimum ratio of at least one-third independent members at all times; and
- at least 2 members are Muslims

A member of the investment committee should not hold office as:

- member of an investment committee of a REIT managed and
- administered by another management company;
- director of another management company;
- Shariah adviser for the same REIT; or
- an officer of the fund manager for the REIT.

The persons appointed should—

- be of good repute and character;
- observe high standards of integrity and fair dealing in carrying out their duties and responsibilities;
- act with due skill, care, and diligence in carrying out their duties and responsibilities;
- take reasonable care to ensure that they carry out their duties and functions in accordance with these Guidelines; and
- possess the necessary qualifications, expertise, and experience, particularly in the respective fields to perform their duties and responsibilities in a fit and proper manner.

The persons should not have been involved in any unethical or inappropriate practice. Among others, the persons could be subject to a disqualification in any of the following events:

- A petition filed under bankruptcy laws or the persons have been declared bankrupt;
- A criminal proceeding for the conviction for the fraud, dishonesty or any other offence punishable with imprisonment of one year or more, anywhere in the world;
- Any inquiry or investigation carried out by any government or statutory authority or body, in which an adverse finding was found; and
- Any unethical practice and activity which would render the persons unfit to perform an oversight function.

It is the responsibility of the management company to assess the ability of the person to carry out the duties and responsibilities required of him. In the case of an establishment of a new management company, such responsibility lies with the holding company or promoter and its board of directors.

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Where any person becomes subject to any disqualification or becomes otherwise unfit to hold office, the management company must ensure that the person vacates the position immediately.

Where an individual is appointed as a member for more than one committee of REITs operated and managed by the same management company, he must act separately and independently for each of the fund he is appointed for.

### **3. DUTIES**

An investment committee should ensure that the REIT is managed in accordance with :

- the REIT's investment objective;
- the deed;
- the prospectus;
- the securities laws and these Guidelines;
- the internal investment restrictions and policies; and
- acceptable and efficacious investment management practices within the real estate investment industry.

An investment committee's roles and responsibilities include the following:

- Select appropriate strategies to achieve the proper performance of the REIT in accordance with the investment policies;
- Ensure that the strategies selected are properly and efficiently implemented by the management company or the fund manager, if any; and
- Actively monitor, measure and evaluate the performance of the management company or the fund manager, if any.

## 4. REPORTING

The Investment Committee will regularly report to the BOD on all significant matters it has addressed or reviewed with respect to such matters that are within its responsibilities, together with any associated recommendations or authorizations made.

## 5. INVESTMENT COMMITTEE MEETINGS

### (a) Scheduling

- The Investment Committee will meet as often as it determines is necessary to fulfill its responsibilities, but in any event, will meet not less than 4 times per calendar year.
- A meeting of the Investment Committee may be called by the Chair of the Investment Committee, the Chairman of the BOD, the Chief Executive Officer, the Chief Financial Officer or any Investment Committee member.
- Meetings may be held by way of conference call, virtual or in person. If in person, meetings will be held at a location determined by the Chair of Investment Committee.
- Notice shall be given in accordance with the provisions of the Trust Deed applicable for meetings of committee members

### (b) Agenda

- The Chair of the Investment Committee will establish the agenda for each meeting. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting
- REIT Manager to table the current performance of investment portfolio as an agenda at every meeting.
- For any agenda in regards to investment or divestment proposal(s), to include active risk management input as part of the process

### (c) Distribution of Information

- The Chair of the Investment Committee will distribute or cause to be distributed an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

### (d) Attendance and Participation

- Each member is expected to attend all meetings.
- A member who is unable to attend a meeting in person may participate by telephone or virtual teleconference.
- The Chairman of the BOD sits as an ex-officio member of the Investment Committee; however he officially replaces an Investment Committee member in the event of a member absence from an Investment Committee meeting.

### (e) Quorum

- 2 members will constitute a quorum for any meeting of the Investment Committee; and
- At least one of the member present is a Muslim.

(f) Voting, Approval and Other Procedures

- Voting and approval procedures for meetings of the Investment Committee will be governed in the same manner applicable as prescribed by the Trust Deed.
- If not prescribed by the Trust Deed, voting and approval procedures will be determined by the Chair of the Investment Committee or by way of a resolution of the Investment Committee, or by way of email correspondence with resolutions to be executed in a timely manner thereafter.

(g) Absence of Chair of the Investment Committee

- In the absence of Chair of the Investment Committee at a meeting of the Investment Committee, the members in attendance must select one of them to act as Chair of that meeting.

(h) Secretary

- The Investment Committee may appoint one of its members or any other person to act as Secretary.

(i) Minutes of Meetings

- A person designated by the Chair of the Investment Committee at each meeting will keep minutes of the proceedings of the Investment Committee and the Chair will cause the Secretary to circulate copies of the minutes to each member on a timely basis.

## 6. CHAIR

- Chairman for the investment committee shall be appointed by the NRC and preferably to be an independent director
- If, in any year, the NRC does not appoint a Chair of the Investment Committee, the incumbent Chair of the Investment Committee will continue in office until a successor is appointed.

## 7. REMOVAL AND VACANCIES

- Any member may be removed and replaced at any time by the BOD.
- The BOD will fill vacancies on the Investment Committee by appointment from among members of the BOD.
- If a vacancy exists on the Investment Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

## 8. ASSESSMENT

- The NRC will review the Investment Committee as it deems necessary to assess the effectiveness of the Investment Committee in fulfilling its responsibilities and

duties as set out in this Investment Committee TOR and in a manner consistent with the mandate adopted by the BOD.

## **9. REVIEW AND DISCLOSURE**

- The Investment Committee will review this TOR as it deems necessary and submit it to the NRC together with any proposed amendments.
- The NRC will review the TOR and submit it to the BOD for approval with such further proposed amendments, as it deems necessary and appropriate.

## **10. ACCESS TO OUTSIDE ADVISORS AND RECORDS**

- The Investment Committee may retain any outside advisor at the expense of the Trust subject that the BOD having the authority to determine any such advisor's fees and other retention terms.
- The Investment Committee, and any outside advisors retained by it, will have access to all records and information relating to the Trust and its subsidiaries and all their respective officers, employees and agents, which it deems relevant to the performance of its duties.