

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5123  
**COMPANY NAME** : SENTRAL REIT  
**FINANCIAL YEAR** : December 31, 2021

### **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 PERSUANT 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors (the “Board”) of the asset managers, Sentral REIT Management Sdn Bhd (“SRM” or the “Manager”) for Sentral REIT (“SENTRAL” or the “REIT”) assumes the role of collective leadership whilst safeguarding the best interests of SENTRAL’s Unitholders (“Unitholders”). As prudent fiduciaries, the Board and the Management of SRM are committed in carrying out their duties with due diligence, utmost care and skill. The Board endeavours to observe the highest standards of corporate governance that are based on the tenets of accountability, transparency and objectivity.</p> <p>The Board undertakes the primary role of promoting SENTRAL’s long term business health and prosperity as a Real Estate Investment Trust. In realising these long-term goals, the Board provides leadership in shaping the strategic direction of SENTRAL. During the financial year under review, the Board has met to discuss on recommendations for investment strategies, business plan, annual budget, sustainable disposal and acquisitions, COVID-19 recovery plan and financial performance. The Board also seeks to ensure that SRM exercises conscientious supervision on the service providers including the property manager, Zaharin Nexcap Property Management Sdn Bhd (collectively referred as “Property Manager”) that performs the day-to-day property management functions for SENTRAL’s properties pursuant to the property management agreement signed for each property.</p> <p>The Chief Executive Officer (“CEO”) oversees the day-to-day operations of the Manager and SENTRAL within the parameters established under the delegation of authority which set authorisation limits to approve or make recommendations on significant acquisitions, investments, capital expenditure and the operating budget. The CEO reports directly to the Board, and in order to measure and monitor the performance of Management towards achieving the strategic objectives of SENTRAL, the Board has established a predetermined set of Key Performance Indicators (“KPIs”).</p> <p>In order to inculcate good values and ethical standards, the Board has established a Code of Business Ethics. The Code of Business Ethics serves as an internal frame of reference for employees in the conduct of their daily activities as well as an external statement of corporate values and commitment. In ensuring that obligations towards the</p>

	<p>Unitholders are understood and met, the Board has also established agreed-upon disclosure and transparency standards.</p> <p>The Board bears the responsibility of promoting the long-term sustainability and profitability of SENTRAL by managing assets and liabilities of SENTRAL and capitalising them into long-term sustainable distributions of income and competitive investment returns for Unitholders. In identifying, monitoring and managing risks, an effective risk management and internal control framework has been put in place to ensure that the interests of Unitholders remain sacrosanct at all times.</p> <p>SENTRAL, through its Sustainability Statement, has reinforced its commitment to sustainability by articulating the integration of financial and non-financial reporting elements in its activities. The Board is cognisant that the formation of a healthy corporate governance culture also hinges on the sound management of economic, environmental, social risks and opportunities. Recognising that corporate governance is organic in nature and aspirational in implementation, the Board has on its own volition produced this Corporate Governance Report for SENTRAL albeit it being a non-mandatory requirement for REITs.</p> <p>The Board believes that timely and effective communication with Unitholders is critical in preserving SENTRAL's longevity. To this end, Unitholders are engaged via a multiple platforms including SENTRAL's website, annual report and corporate announcements with the information content being curated in a regular, effective, and forthcoming manner. During the year, SENTRAL had also conducted virtual investor conferences in tandem with the announcement of quarterly results.</p> <p>The Board operates under a Board Charter which establishes a formal schedule of matters and outline the types of information required for the Board's attention and deliberation at the Board's meetings. The Board Charter is available on SENTRAL's website at <a href="https://sentralreit.com/investor-relation/corporate-governance">https://sentralreit.com/investor-relation/corporate-governance</a> (Policy Disclosures/Board Charter)</p>	
<b>Explanation for departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>		
<b>Timeframe</b>		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is currently led by Tan Sri Saw Choo Boon, who is a Non-Independent, Non-Executive Chairman. Tan Sri Saw was appointed to the Board on 22 January 2016.</p> <p>The Chairman is responsible for ensuring the smooth functioning and outworking of the Board. As outlined in the Board Charter, the responsibilities of the Chairman are inter alia as follows:</p> <ul style="list-style-type: none"> <li>• Ensure that the Board functions effectively, cohesively and independently of Management;</li> <li>• Provide governance leadership in matters requiring corporate justice and integrity;</li> <li>• Lead the Board, including presiding over Board meetings, SENTRAL Unitholders' meeting and directing Board discussions to effectively utilise the time available to address the critical issues surrounding SENTRAL;</li> <li>• Promote constructive and respectful relationship between Board Members and Management; and</li> <li>• Ensure that there is an effective communication between the Manager and Unitholders and other relevant stakeholders.</li> </ul> <p>The roles and responsibilities of the Chairman are encapsulated in the Board Charter which is available on SENTRAL's website at <a href="https://sentralreit.com/investor-relations/corporate-governance">https://sentralreit.com/investor-relations/corporate-governance</a> (Policy Disclosures/Board Charter).</p>
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of Chairman and CEO are held by two different individuals. During the financial year, the office of Chairman was occupied by Tan Sri Saw Choo Boon whilst the CEO position was held by Yong Su-Lin.</p> <p>Towards the tail of the financial year under review (i.e. 1 December 2021), Yong Su-Lin has tendered her resignation as the CEO of SRM. At material time, the Board is in the midst of finalising the successor for Yong Su-Lin.</p> <p>The Board is cognisant that a clear demarcation of roles provides for a balance of power and allows the Board to be more effective and independent in its oversight over Management. The separation of powers acts as a safeguard, preventing any single individual from wielding unconstrained influence and dominating proceedings.</p> <p>The Chairman leads the Board in its collective oversight of SRM and SENTRAL whilst the CEO focuses on the operational execution of the strategic directions set by the Board and day-to-day management of businesses and activities of SRM and SENTRAL.</p> <p>The demarcation of roles and responsibilities of the Chairman and the CEO is codified in the Board Charter which is available on SENTRAL's website at <a href="https://sentralreit.com/investor-relations/corporate-governance">https://sentralreit.com/investor-relations/corporate-governance</a> (Policy Disclosures/Board Charter).</p>
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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

*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'.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman, Tan Sri Saw Choo Boon is presently not a member of either of the two Board Committees, namely the Audit &amp; Risk Committee ("ARC") and the Nomination &amp; Remuneration ("NRC") Committee.</p> <p>The application of this practice signifies the Board's commitment to safeguard against the risk of self-review and impairment of objectivity in the deliberations of the respective Board Committees. The non-participation of the Chairman in the Board Committees also ensures there are adequate levels of check and balance in the deliberations conducted and recommendations put forth by the Board Committees. The Chairman of the Board is also not present as an invitee in any of the Board Committee meetings.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In carrying out its duties, the Board and Board Committees are supported by two (2) qualified and competent Company Secretaries namely, Mohamed Noor Rahim bin Yahaya (MAICSA 0866820) and Ho Ngan Chui (MAICSA 7014785).</p> <p>The Company Secretaries are members of the Malaysian Institute of Chartered Secretaries &amp; Administrators ("MAICSA").</p> <p>As stipulated in the Board Charter, the Company Secretaries support the Board by acting as a corporate governance advisor. As counsels to the Board, the Company Secretaries become the central source of information and advice on matters relating to laws, rules, procedures, regulations and corporate governance. The nature of the role has evolved from merely advising on administrative matters to one of a multifarious nature as described by the "FAME" moniker below:</p> <ul style="list-style-type: none"><li>• <b>Facilitate</b> – Facilitating Board governance process, board evaluation and succession planning</li><li>• <b>Advisory</b> – Corporate governance advisory role to the board, senior management team, shareholders and other stakeholder team</li><li>• <b>Monitor</b> – Monitoring statutory information and documentation</li><li>• <b>Enhance</b> – Enhancing corporate governance policies and processes</li></ul> <p>The Company Secretaries have attended relevant training and professional development programmes during the financial year ended 31 December 2021 to keep themselves abreast of the latest developments in the corporate governance sphere.</p> <p>In tandem with their roles as the focal point of contact of the Board, they have been accorded with appropriate authority to enable them to effectively discharge their duties and directly report to the Chairman of the Board. The appointment or removal of Company Secretaries is the prerogative of the Board as a whole. The duties and responsibilities of the Company Secretaries are further elucidated in the Board Charter which is available on SENTRAL's website at <a href="https://sentralreit.com/investor-relatons/corporate-governance">https://sentralreit.com/investor-relatons/corporate-governance</a> (Policy Disclosures/Board Charter).</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is cognisant that accurate and timely dissemination of information is of paramount importance to facilitate informed decision-making during Board deliberations and meetings.</p> <p>The Company Secretaries, together with Management ensure that notice of Board and Board Committee meetings, meeting agendas and supporting papers are circulated in advance so that Directors can engage in meaningful discussions during the meetings.</p> <p>In addition, SRM places heightened emphasis on monitoring changes to regulations and legislative promulgations. In instances where these salient changes have a significant impact to SENTRAL and its investment operations, the Board is immediately apprised either in special conventions, Board meetings or advanced circulation of meeting materials.</p> <p>Relevant supporting Board papers include applicable regulatory materials, any significant acquisitions and disposals as well as financial reports. In preparing the Board papers, Management is mindful in ensuring that they are presented in a succinct and lucid manner to allow the Directors to decipher the underlying information easily.</p> <p>In order to ensure that the Board is well-informed of meeting proceedings, the minutes of the meetings are documented by the Company Secretaries and circulated to the Board members in a timely manner following the conclusion of the meeting. The minutes of meetings reflect inter alia the key deliberations and decisions, rationale for each decision made, as well as any significant concerns or dissenting views expressed during the meetings.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised a Board Charter, which is reviewed periodically and made available on SENTRAL's website. The Board Charter serves as the primary reference document that forms the basis of the governance architecture and practices of the Board.</p> <p>The periodic reviews that the Board Charter undergoes is intended to reflect the Board's present-day objectives, organisational nuances and benchmarked best practices. The Board Charter was last reviewed and amended on 13 August 2020.</p> <p>The Board Charter encompasses a wide range of stipulations and covers, amongst others, the following areas:</p> <ul style="list-style-type: none"> <li>• Board roles and responsibilities, composition requirements, and performance and independence concerns;</li> <li>• Matters reserved for the Board;</li> <li>• Roles and responsibilities of the Company Secretaries;</li> <li>• Confidentially and Disclosure of Interest policies;</li> <li>• Investor Relations and Communication with Unitholders; and</li> <li>• Ethics and Conduct.</li> </ul> <p>The Board Charter is available on SENTRAL's website at <a href="https://sentralreit.com/investor-relations/corporate-governance">https://sentralreit.com/investor-relations/corporate-governance</a> (Policy Disclosures/Board Charter).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed in incorporating ethical behaviour within the multiple facets of SENTRAL's operations. To this end, the Board has established a Code of Business Ethics which aims to engender a healthy corporate culture and drive ethical conduct. The Code of Business Ethics serves as the primary reference and guide for all Directors and employees on their daily activities and business conduct.</p> <p>SRM disseminates the Code of Business Ethics to all Directors and employees upon their appointment/employment and is part of the employee's Terms and Conditions of Service. In order to reinforce the principles put forth by the Code, the Board Charter subjects all Directors to observe the highest ethical standards. This is premised on the need to maintain good business practices as well as protect the reputation of SENTRAL.</p> <p>The Code of Business Ethics covers a wide range of practices which include the following subject matters:</p> <ul style="list-style-type: none"><li>• Workplace safety;</li><li>• Protection of confidential information;</li><li>• Relationship with customers and colleagues;</li><li>• Conflicts of interest;</li><li>• Policy on giving and receiving gifts;</li><li>• Unlawful payments; and</li><li>• Contribution to political parties.</li></ul> <p>In order to augment the Code of Business Ethics, every employee is required to commit to the Corruption-Free Pledge by the Malaysian Anti-Corruption Commission. The pledge calls upon employees to not conduct corrupt practices such as money laundering or bribery and foster a healthy working environment that is free from the perils of corruption and abuse of power.</p> <p>In view of SENTRAL's unequivocal stance against corruption and the enforcement of the corporate liability provision vide Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board of SRM approved a formalised Anti-Bribery and Corruption Policy for SENTRAL with effect from 1 June 2020.</p> <p>Another supplement to the Code of Business Ethics is the establishment of the Policy on Giving and Receiving Gifts. The Policy on Giving and</p>

	<p>Receiving Gifts prohibits all directors and employees, whether directly or indirectly, receiving or providing any gifts, kickbacks or guarantees, in any form, that may compromise their judgment and decision making.</p> <p>These policies complement each other and are in place to create a clean, corruption-free corporate environment which is imperative to minimise reputational and operational risks as well as to uphold the values set out in the Code of Business Ethics.</p> <p>The Code of Business Ethics and Anti-Bribery and Corruption Policy are published on SENTRAL's website at <a href="https://sentralreit.com/investor-relations/corporate-governance">https://sentralreit.com/investor-relations/corporate-governance</a> (Policy Disclosures/Code of Business Ethics) and (Policy Disclosures/Anti-Bribery and Corruption Policy).</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised a Whistleblowing Policy that encourages stakeholders to report in a bona fide manner on any known improper, fraudulent or dishonest practices. The Whistleblowing Policy provides a direct channel of escalation for the complainant with clearly designated recipients for whistleblowing reports, including the Chairman and CEO. Confidentiality is strictly preserved so that any stakeholders can report concerns without the fear of reprisal. Investigations into whistleblowing allegations are also with due regard for independence and good faith</p> <p>Whistleblowers can report any improper conduct to the Chairman or the CEO, as appropriate, at the registered office address: Level 35, Menara NU2, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia or via email to <a href="mailto:whistleblowing@sentralreit.com">whistleblowing@sentralreit.com</a>.</p> <p>Updates on whistleblowing cases, if any, are reported to the Audit &amp; Risk Committee as well as the Board. In line with paragraph 15.29(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Whistleblowing Policy is available on SENTRAL's website at <a href="https://sentralreit.com/investor-relations-corporate-governance">https://sentralreit.com/investor-relations-corporate-governance</a> (Policy Disclosures/Whistleblowing Policy)</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

#### Practice 4.1

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 takes into account 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>SENTRAL as an organisation is fully committed towards instituting a robust, wide-ranging and germane sustainability framework to cover all aspects of operations.</p> <p>The Board, together with Management form the essential pillars of SENTRAL's sustainability governance architecture. Specifically, the Board's remit covers the following areas:</p> <ul style="list-style-type: none"><li>• Assume the ultimate responsibility in approving sustainability strategy;</li><li>• Ensure business strategy considers sustainability;</li><li>• Evaluate overall sustainability risks and opportunities;</li><li>• Validate materiality assessment;</li><li>• Approve policies on sustainability matters; and</li><li>• Approve sustainability reporting disclosures.</li></ul> <p>Meanwhile, the remit of SRM's Management covers the following areas:</p> <ul style="list-style-type: none"><li>• Develop sustainability strategy and reports initiatives and performance to the Board;</li><li>• Provide leadership over implementation of sustainability agenda;</li><li>• Oversee stakeholder engagements; and</li><li>• Approve targets and disclosures on sustainability matters.</li></ul> <p>Lastly, SRM's Sustainability Working Committee which consists of personnel covering all facets of operations, namely Investor Relations, Legal, Asset Management, Leasing, Finance and Investment have the following scope of responsibility:</p> <ul style="list-style-type: none"><li>• Oversee and monitor the execution of SENTRAL's sustainability strategies;</li><li>• Monitor Economic, Environmental and Social ("EES") risks associated with the business operations and properties;</li><li>• Conduct stakeholder engagements and materiality assessment;</li><li>• Ensure processes and controls are in place within its departments; and</li><li>• Report on sustainability performance and sets management targets.</li></ul> <p>With this multilevel architecture in place, SRM ensures a robust standard of governance of sustainability in the company including the setting of sustainability strategies, priorities and targets.</p>

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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is cognisant of the fact that SENTRAL's internal and external stakeholders should receive an unfiltered and complete view of the REIT's sustainability strategies, priorities, targets and overall performance. This information should be comprehensive and include information on which stakeholders would be able to assess SENTRAL's sustainability risks as well as opportunities which calls for a "substance over form" approach.</p> <p>As with preceding years, SENTRAL has produced a Sustainability Statement that forms part of the Annual Report, pursuant to the Global Reporting Initiative (GRI) Standards: Core Option, Main Market Listing Requirements and the accompanying Sustainability Reporting Guide as well as Toolkits by Bursa Malaysia Securities Berhad. The report aims to provide stakeholders with a tangible appreciation of the economic, environmental and social determinants that are being embedded within SENTRAL's operations.</p> <p>Whilst SENTRAL currently does not obtain external assurance specific on its Sustainability Statement, regular audits and/or verifications are conducted by external parties on its operating sites, various policies, processes, and programmes as mentioned in the Sustainability Statement. In addition, in the preparation of this Statement, the Sustainability reporting team has undertaken a validation process to verify the accuracy and integrity of the data reported. Moving forward, SENTRAL aims to seek independent assurance on selected key sustainability indicators.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board keeps itself apprised with concomitant and pertinent sustainability developments by way of formal training, presentation of updates, structured reading and discussions.</p> <p>During the financial year under review, the Board members on their volition attended webinars covering a wide range of sustainability topics, including on the subject matter of climate change.</p> <p>In addition, Management and the Company Secretaries apprised the Board on the latest sustainability developments through presentations and key considerations are also embedded in the proposals and papers escalated for the Board's attention.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In its conduct of Board Effectiveness Evaluation exercise, the questionnaires deployed to assess the Board through a self and peer evaluation provided coverage on the following sustainability-related areas:</p> <ul style="list-style-type: none"> <li>• experience in developing, reviewing and re-charting corporate strategies for growth and business sustainability; and</li> <li>• able to draw linkages between performance with developments in the economic, environment and social sphere.</li> </ul> <p>As for Senior Management, a weighted proportion of the key performance indicators are pegged to sustainability KPIs with a nexus to executive compensation packages. The sustainability performance metrics or key performance indicators contain a balance of short term and long-term dimensions and they are benchmarked against industry norms to ensure comparability and consistency.</p> <p>The sustainability KPIs linked to executive compensation packages include metrics surrounding carbon footprint, water management and waste management.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board with the assistance of the NRC, has codified the need for periodic review and refreshing of the Board so as to ensure that the composition is in line with the best interests of the Company and better practices of corporate governance.</p> <p>Succession planning of Directors is actively on the radar and agenda of the NRC and Board. In fact, the NRC has in place robust succession planning that takes into consideration the overall aggregate tenure of the Board and individual Directors' tenure.</p> <p>As stated in the Terms of Reference of the NRC, the following are key considerations when appointing or making any recommendation on the annual re-election of Directors;</p> <ul style="list-style-type: none"> <li>• Directors' performance;</li> <li>• knowledge;</li> <li>• skills; and</li> <li>• experience.</li> </ul> <p>The detailed Terms of Reference of the NRC is available on SENTRAL's website at <a href="https://sentralreit.com/investor-relations/corporate-governance/Policy-Disclosures/Terms-of-Reference-of-The-Nomination-&amp;Remuneration-Committee">https://sentralreit.com/investor-relations/corporate-governance/Policy-Disclosures/Terms-of-Reference-of-The-Nomination-&amp;Remuneration-Committee</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>In 2021, the Board constitutes a total of eight (8) members of which three (3) members are Independent Directors while the remaining five (5) are Non-Independent Non-Executive Directors in line with promulgations covering composition in Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The high concentration of Non-Independent Non-Executive Directors is necessarily occasioned by the need for representation across SRM's three shareholders.</p> <p>The Board acknowledges that having at least half Independent Directors on the Board would support objective and independent deliberation, review and decision-making. It would also, in theory, be able to foster more effective oversight of management.</p> <p>To this end, the Board, with the assistance of the NRC, shall continue to dedicate resources to scour the market for suitably qualified Independent Directors, who fulfil the required attributes and appreciate the innumerable nuances of SENTRAL's operating landscape.</p> <p>Currently, the Board comprises exclusively of Non-Executive Directors. Non-Executive Directors are external to the day-to-day operational duties of SRM, making them disposed to an archetype that is inherently independent of Management. By virtue of having all Non-Executive Directors on the Board, a facilitative environment is created for policy making at the Board-level as well as ensuring effective oversight of Management.</p> <p>To add a layer of further reinforcement, the clear demarcation of responsibilities between the Board and Management also allows key operational and investment decisions by Management to be challenged and questioned by the Board in a rigorous manner. The Board believes that the current configuration allows for adequate checks and balances, safeguarding against disruptive power plays and divisive factionalism within the boardroom.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	: SRM intends to adopt incremental measures to establish a larger number of Independent Directors on the Board. In making these changes, the Board does not intend to undertake changes that may compromise the business imperative. The Board will ensure priority be given to the best interests of SENTRAL's long-term value accretion.  To this end, the Board alongside the NRC, is committed to enlist more Independent Directors that have a vast range of commercial experience in various fields, including but not limited to the property, fund management and corporate banking domains.  The Board expects tangible progress to be made to this end in the financial year ending 31 December 2022 with the Board, through the NRC actively sourcing suitable Independent Directors for nomination.	
<b>Timeframe</b>	: Within 3 years	

**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.

<b>Application</b>	:	Not applicable - Step Up 5.4 adopted	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

*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 beyond nine years.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>As the Independent Directors are responsible to provide an objective review in their active oversight role, the Board has meted out measures to avert instances that affect the independence of Independent Directors. To this end, the nine-year tenure limit of SRM's Independent Directors is codified in its Board Charter as a formalised and non-negotiable policy stipulation.</p> <p>Other measures include regular reviews and assessment on the independence of the Directors and by remunerating them fairly with due consideration given to their extent of time commitment and responsibilities within SRM.</p> <p>During the financial year ended 31 December 2021, no Independent Director has served on the Board for more than nine years from the date of his/her appointment.</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**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, alongside the NRC undertake an annual review to assess the Board composition with the aim of configuring a diverse board set up that is effective and competent in discharging its duties and responsibilities.</p> <p>Appointments of Directors and Senior Management are carried out via a formal, rigorous and transparent process that is underpinned by meritocracy whilst taking into account considerations on the fronts of skills, experience, background and gender in line with advancing SENTRAL's strategic direction.</p> <p>Currently, the Board comprises members with a diverse yet pertinent professional backgrounds that include experience in oil and gas, architecture, property development, real estate, economics and finance. The age dispersion of the Board reflects an encouraging mix of experience with the range being 40 to 76 years old.</p> <p>In terms of cultural composition, the Board reflects the multiracial society of the community that SENTRAL operates in. Overall, the diverse boardroom set up serves to enrich the Board deliberations with varying perspectives and fresh ideas whilst averting 'blind spots', 'group think' and insularity of opinions.</p> <p>The appointment of Senior Management is equally based on an objective set of criteria and merit, with close attention being accorded to diversity in skill sets. Currently, the Management team of SRM possess vast experience and niche skill sets in asset, finance, property lease and investment management.</p> <p>Furthermore, the Board is confident that all current Directors are able to devote the required time commitments as Directors of SRM. All Directors hold minimal cross-directorships that do not disparately compromise their ability to meet the necessary time commitments.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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 appointment 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is responsible for recommending suitable directorship candidatures to the Board. In undertaking this responsibility, recommendations and direct referrals typically form the primary means for sourcing of candidates and during the financial year under review, sources have also been varied to also encompass independent registries, namely, 30% Club. The Board is on a good stead to leverage independent registries given that selected Directors are members of professional associations which hold custodianship of independent registries.</p> <p>The search is premised on identifying candidates who are of high-calibre and at the same time have a sound understanding of SENTRAL's business and its associated intricacies.</p> <p>Candidates are thoroughly assessed based on core competencies and attributes such as character, competency, experience, integrity, time commitment as expressly outlined in paragraph 2.2A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>In fact, during the financial year SRM had developed a scorecard to be used in evaluating potential candidates for nomination to SRM's Board. The scorecard is organised to cover the following criteria:</p> <ul style="list-style-type: none"> <li>• strategic thinking;</li> <li>• knowledge and experience;</li> <li>• leadership roles held;</li> <li>• conflict of interest;</li> <li>• reputation within the market; and</li> <li>• time commitment.</li> </ul>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board is cognisant that the appointment and re-appointment of Directors is a critical aspect of corporate governance, which has a direct impact over the stewardship of organisations. In recommending the re-appointment of Directors, the Board provides SRM's shareholders with an informed assessment of the concerned individuals. An extract of the results from the individual Directors' report card as gathered from the Board effectiveness evaluation exercise is socialised to SRM's shareholders. An assessment of conflict of interest of incumbent Directors is also conducted in relation to the re-appointment of Directors.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is chaired by Datuk Kamalul Arifin bin Othman, an Independent Director.</p> <p>The Board is cognisant that an effective nomination and evaluation process of Directors is fundamental in establishing a high-performing Board. To this end, the responsibility reposed on Datuk Kamalul Arifin bin Othman in chairing the Nomination Committee represents the commitment of the Board to ensure objectivity is infused into the deliberations of the Nomination Committee</p> <p>As stipulated in the Terms of Reference, the Chairman of the NRC should be an Independent Director as appointed by the Board. The independence of the Committee Chairman allows proceedings to be framed and mediated through an objective lens.</p> <p>The Chairman of the NRC also provides leadership and oversight over Directors' succession planning, election/re-election and the annual Board evaluation. The independence of the Chairman is highly significant in this context considering that the Chairman of the NRC leads matters relating to the evaluation and succession of the Board Chairman, CEO and other key Senior Management personnel.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>At present, the Board has two (2) female Directors, namely, Dato' Dr Low Moi Ing and Frances Po Yih Ming. In arithmetic terms, this amounts to 25% (two females out of the total eight Directors), thus, representing a marginal shortfall from the stipulated 30% target.</p> <p>The Board is cognisant of the principle behind this practice, that is to leverage on the business case for board diversity within the domain of gender diversity. The Board recognises that this diversity acts as a source for fresh perspectives which ultimately benefits the overall deliberations taking place in the boardroom.</p> <p>To this end, the Board views the incorporation of more female Directors within SRM's Board as a long-term goal to which incremental steps shall be taken to ensure it is adopted within the reasonable timeframe stipulated.</p> <p>As stipulated in the MCCG under Practice 5.9, the Board is encouraged to review gender diversity at a Senior Management-level. To this end, SRM performs strongly as the Senior Management team is predominantly comprised of females. Crucial positions such as the CEO, General Manager for Investment and Asset Management, General Manager for Investment and Investor Relations, Senior Manager and Manager for Lease Administration and Manager for Legal are all held by female personnel.</p> <p>The Board leverages on the extensive female talent at the Senior Management-level by incorporating viewpoints from these personnel into informing Board-level deliberations and decision-making.</p> <p>Furthermore, the high percentage of women at the Senior Management-level doubles as a promising talent pipeline for internal recruitment of future directors, in line with the guidance provided by the MCCG.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board is supportive of gender diversity in the Board composition as recommended by the MCCG and is actively endeavouring to identify and assess suitably qualified female candidates for nomination to the Board.
<b>Timeframe</b>	:	Within 3 years

**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.

<b>Application</b>	:	Departure		
<b>Explanation on application of the practice</b>	:			
<b>Explanation for departure</b>	:	<p>At present, SRM does not have a formalised policy on gender diversity in place at the Board or Senior Management-level. As highlighted under Practice 5.9, the Board currently has 25% female representation.</p> <p>The Board acknowledges the importance of gender diversity and recognise the multifarious benefits it can bring. It is the aim of the Board to have an appropriate level of diversity in the boardroom as well as amongst Senior Management to reflect the diverse nature of the SENTRAL's operations and support the achievement of its strategic objectives.</p> <p>The key personnel of the Senior Management team of SRM are well-staffed with high-calibre and experienced female personnel. The presence of a female CEO further highlights the gender diversity at the Senior Management level.</p> <p>The Board is of the view that, in line with a "substance over form" approach, SRM is already reaping the multifarious benefits that come with diversity in gender. This is because the views of the extensive female representation at the Senior Management level ultimately have their opinions, findings and strategies escalated to the Board. This then forms the basis of Board-level deliberation and decision-making.</p> <p>On top of that, the abundant female talent pool present at the Senior Management-level may translate into an equally promising pipeline for internal recruitment of future directors.</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
<b>Measure</b>	:	<p>Notwithstanding the above, the Board is aware of the added benefits of having further female representation at the Board-level as a codified policy stipulation.</p> <p>SRM will work towards crafting this policy to pursue female representation on the Board as and when the need arises. In spite of this, the primary focus is to select the most suitable candidate.</p>		
<b>Timeframe</b>	:	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Within 3 years</td> <td style="width: 50%;"></td> </tr> </table>	Within 3 years	
Within 3 years				



### Intended Outcome

Stakeholders are able to 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.

*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.*

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	The Board carries out the Board Effectiveness Evaluation exercise periodically. As a testament to its commitment to higher order practice promulgations, the Board periodic engages an external consultant to facilitate the exercise despite SENTRAL not falling under the ambit of a Large Company. The last instance of such an externally facilitated exercise that took place was in 2020 through the engagement of KPMG Management & Risk Consulting Sdn Bhd.  The Board is committed to gleaning meaningful insights from such exercises and will undertake a formal and objective evaluation to determine the effectiveness of the Board, its Committees and each individual Director periodically.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board is cognisant of the fact that remuneration plays an important part in attracting, retaining and motivating high calibre and talented Directors and Senior Management personnel. The Board is also aware that remuneration should also be structured in tandem with the nature and complexities of SENTRAL's business.</p> <p>To this end, in 2021, the Board had engaged KPMG Management &amp; Risk Consulting Sdn Bhd to conduct a remuneration benchmarking exercise for its Non-Executive Directors and facilitate the formulation of a Remuneration Policy and Procedures for Directors and Senior Management document.</p> <p>Due to the Board's commitment to ensuring suitability of the Remuneration Policy and Procedures facilitated by KPMG Management &amp; Risk Consulting Sdn Bhd, the Board is in the midst of reviewing the said framework in consideration of SRM's nuances and better governance practices within the marketplace. Hence, the Remuneration Policy and Procedures was not confirmed by the Board during the financial year 2021.</p> <p>Notwithstanding the above, the NRC has devised the long-held, Company-wide annual incentive scheme for the Management team and other employees. Their remuneration packages are structured to link rewards to corporate and individual performance covering financial and non-financial dimensions including sustainability aspects. In order to attract the best talent and reward high achievers, the framework is anchored on four (4) overarching performance indicators which includes the following:</p> <ul style="list-style-type: none"><li>• merit increment;</li><li>• merit bonus;</li><li>• acquisition/divestment incentives; and</li><li>• special corporate exercise incentives.</li></ul>

	<p>As for individual Directors, remuneration is premised on the number of Board committees they occupy as well as level of experience and responsibilities in the Board. In relation to Independent Directors, their remuneration packages are structured in a manner such that their independence and objectivity are not impaired. All in all, the Company's approach to remuneration is designed in such a way that they support the strategies, long term vision as well as financial and non-financial health (including sustainability considerations)</p> <p>The remuneration policy stipulations outlined above are encapsulated in the Terms of Reference of the NRC available on SENTRAL's website at <a href="https://sentralreit.com/investor-relations/corporate-governance">https://sentralreit.com/investor-relations/corporate-governance</a> (Policy Disclosures/Terms of Reference of the Nomination &amp; Remuneration Committee).</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><b>Measure</b></p>	<p>:</p>	<p>The Board recognises the need for a formal set of remuneration policies and procedures which adequately covers the bases relevant to the Company whilst also incorporating periodic reviews to ensure that it is constantly aligned to better governance practices.</p> <p>With this in mind, the Board shall endeavour to deliberate and ultimately, approve a formal remuneration policy and procedure document in a timely manner whilst not compromising on the need for robust review and exhaustive deliberation to ensure SRM's best interests are protected.</p>
<p><b>Timeframe</b></p>	<p>:</p>	<p>Within 1 year</p>

**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 deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has consolidated the Nomination Committee and Remuneration Committee into one committee known collectively as the Nomination &amp; Remuneration Committee. At present, the NRC comprises exclusively of Independent Non-Executive Directors. The Board believes this empowers the NRC with the essential element of detached impartiality to ensure effectiveness in deliberations and decision-making.</p> <p>The Board concurs with this governance architecture as it is cognisant that nomination and remuneration matters are often intertwined. Hence, it is value adding to leverage the potential for efficient synergy and to avoid duplication of duties by consolidating the two functions into a single committee.</p> <p>Forthrightly put, establishing two stand-alone Board Committees for nomination and remuneration matters respectively would be a counterproductive exercise resulting in a "mirror board committee". To this end, the Board believes that the prevailing architecture is appropriate and reflective of SRM's nuances.</p> <p>Furthermore, the members of the NRC possess the requisite expertise, experience and skills to oversee nomination and remuneration matters on an aggregate basis.</p> <p>As encapsulated in the Terms of Reference, the NRC is given express authority to consult external advisors on any matters in the performance of their duties. In this regard, the NRC Members, in performing their fiduciary duties are able to consult external advisors to gain expert advice in reviewing and determining the robustness of SENTRAL's remuneration framework.</p> <p>The Terms of Reference clearly outlines the scope of responsibility of the NRC and is available on SENTRAL's website at <a href="https://sentralreit.com/investor-relations/corporate-governance(Policy%20Disclosures/Terms%20of%20Reference%20of%20the%20Nomination%20&amp;%20Remuneration%20Committee">https://sentralreit.com/investor-relations/corporate-governance(Policy Disclosures/Terms of Reference of the Nomination &amp; Remuneration Committee</a>.</p>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The detailed disclosure for the remuneration of SRM's Directors are disclosed as follows:

No	Name	Directorate	Company ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Saw Choo Boon	Non-Executive Non-Independent Director	75,000	15,000	-	-	-	-	90,000
2	Dato' Dr. Low Moi Ing, J.P.	Non-Executive Non-Independent Director	45,000	15,000	-	-	-	-	60,000
3	Dato' Michael Ong Leng Chun	Non-Executive Non-Independent Director	45,000	15,000	-	-	-	-	60,000
4	Kwan Joon Hoe (Note 1)	Non-Executive Non-Independent Director	45,000	15,000	-	-	-	-	60,000
5	Ann Wan Tee (Note 1)	Non-Executive Non-Independent Director	45,000	15,000	-	-	-	-	60,000
6	Datuk Dr. Roslan Bin A.Ghaffar	Independent Director	75,000	39,000	-	-	-	-	114,000
7	Datuk Kamalul Arifin Bin Othman	Independent Director	70,000	39,000	-	-	-	-	109,000
8	Frances Po Yih Ming	Independent Director	65,000	39,000	-	-	-	-	104,000

*Note: 50% fees to these Directors are payable to MRCB Land Sdn Bhd and 50% are payable to the Directors.*

### 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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>At this particular juncture, the Board is of the opinion that the disclosure of the top five Senior Management personnel's identity and their remuneration packages would be detrimental to the best interests of SRM due to competitive considerations.</p> <p>Specifically, the Board is aware of and intends to protect against talent poaching of its highly effective and tenured Senior Management personnel. To add a veneer of clarity, talent poaching is relatively prevalent in the industry and hence, the disclosure of remuneration packages may inadvertently compromise competitiveness under the guise of transparency.</p> <p>The Board, through the NRC employs a rigorous and wide-ranging process to ensure that the remuneration of Senior Management is commensurate with the performance of SENTRAL, with due consideration given to attracting, retaining and motivating Senior Management to drive SRM's business strategy successfully, promoting sustainable, long-term value accretion.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	<p>The Board shall consider disclosing the remuneration of SRM's top five Senior Management personnel when it is confident that the risks of talent poaching have been alleviated to an acceptable level that is, when disclosures of this nature become the norm amongst industry players.</p> <p>Henceforth, in tandem with market readiness, SRM will provide detailed disclosure of the top five Senior Management personnel's remuneration in the future as part of heightened transparency efforts.</p>	
<b>Timeframe</b>	:	Others	5 years



**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the ARC is Datuk Dr Roslan bin A. Ghaffar whilst the Chairman of the Board is Tan Sri Saw Choo Boon.</p> <p>Datuk Dr. Roslan has over 30 years of experience in the areas of economics, finance and investment. He was the Head of Economics Department of Universiti Putra Malaysia ("UPM") from 1985 to 2001. While with UPM, he provided consultancy services to World Bank, Asian Development Bank, Winrock International and the Economic Planning Unit of the Prime Minister's Department.</p> <p>In 1994, Datuk Dr. Roslan was appointed as Director of Investment and Economic Research Department, Employees Provident Fund ("EPF"). He was promoted to the position of Senior Director in 1996 and later, held the position of Deputy Chief Executive Officer of EPF until his retirement in 2007.</p> <p>Given his sound financial understanding and experience, Datuk Dr. Roslan is equipped with relevant technical knowledge to assume the role of Chairman of the ARC.</p> <p>The Terms of Reference of the ARC (which includes the duties of the Board Committee Chairman) is reviewed periodically and is available on SENTRAL's website at <a href="https://sentralreit.com/investor-relations/corporate-governance">https://sentralreit.com/investor-relations/corporate-governance</a> (Policy Disclosures/Terms of Reference of the Audit Committee).</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is cognisant that a cooling-off period serves as an essential safeguard to the sanctity of the annual audit process by averting potential independence threats which may arise when a former partner of the external audit firm and/or its affiliates is in a position to exert significant influence over the audit and preparation of financial statements.</p> <p>In 2021, none of the current members of the Board or ARC are former partners of the external audit firm and/or its affiliates within the last three (3) years.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 9.3**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As codified within the Terms of Reference, the ARC is responsible to assess the capabilities, independence and suitability of the external auditor and make the subsequent recommendations on the appointment, audit fee and re-appointment or termination of the external auditor.</p> <p>The annual assessment of the external auditor is carried out with reference to the objectivity, expertise, resources and effectiveness of external auditor. During the financial year under review, the ARC has continuously monitored and assessed the suitability, objectivity, independence and performance of the external auditor, namely Ernst &amp; Young. For the audit of the financial year under review, Ernst &amp; Young has also provided the ARC with a written assurance to confirm that its personnel were and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The ARC has also taken into consideration the extent of non-audit services by the external auditor and undertook a review to ascertain that the provision of such services will not prejudice the independence and objectivity of the external auditor. In further imbuing the objectivity of the external auditor, the ARC has conducted private sessions with the external auditor, without the presence of Management during the financial year to allow the external auditor to escalate any issues that they have identified.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Adopted																		
<b>Explanation on adoption of the practice</b>	:	<p>The ARC comprises exclusively of Independent Non-Executive Directors, comprising of the following members:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Name</th> <th>Role in the ARC</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Datuk Dr Roslan bin A. Ghaffar</td> <td>Chairman</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>2.</td> <td>Datuk Kamalul Arifin bin Othman</td> <td>Member</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>3.</td> <td>Frances Po Yih Ming</td> <td>Member</td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The Board is cognisant that independence is the cornerstone of the ARC's effectiveness. This forms the basis to the ARC's Terms of Reference expressly codifying that all Committee members must be Independent Directors.</p>			No.	Name	Role in the ARC	Designation	1.	Datuk Dr Roslan bin A. Ghaffar	Chairman	Independent Non-Executive Director	2.	Datuk Kamalul Arifin bin Othman	Member	Independent Non-Executive Director	3.	Frances Po Yih Ming	Member	Independent Non-Executive Director
No.	Name	Role in the ARC	Designation																	
1.	Datuk Dr Roslan bin A. Ghaffar	Chairman	Independent Non-Executive Director																	
2.	Datuk Kamalul Arifin bin Othman	Member	Independent Non-Executive Director																	
3.	Frances Po Yih Ming	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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The ARC comprises of the following members:</p> <ul style="list-style-type: none"><li>• Datuk Dr. Roslan bin A. Ghaffar;</li><li>• Datuk Kamalul Arifin bin Othman; and</li><li>• Frances Po Yih Ming.</li></ul> <p>All three (3) members hail from a diverse set of academic background and corporate experience. The range of expertise and experience spans across real estate, actuarial science, finance, economics, accounting and taxation. The diverse skill sets possessed by the ARC members allow matters that reside under the Committee's purview to be tackled in a multidimensional and all-encompassing manner.</p> <p>The Chairman, Datuk Dr. Roslan bin A. Ghaffar possesses over 30 years of experience in the areas of economics, finance and investment. Given his tenured experience and sound financial understanding, the Board believes Dr. Roslan is equipped with the requisite technical knowledge to assume the role of Chairman of the ARC.</p> <p>Datuk Kamalul Arifin bin Othman, member of the ARC has over 30 years of experience in the real estate sector. The Board believes that Datuk Kamalul Arifin's experience brings the necessary relevance to Committee deliberations whereby discussions are guided by the many nuances of SENTRAL's operating environment.</p> <p>Frances Po Yih Ming, member of the ARC is a Chartered Accountant who spent more than 36 years specialising in tax and she was a tax partner of PricewaterhouseCoopers Malaysia until her retirement in July 2019. Frances Po Yih Ming's presence in the ARC fulfils paragraph 15.09(1)(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which calls for at least one (1) member of the ARC to be a member of a professional accountancy body.</p> <p>The ARC members possess the essential financial literacy and are capable of reading, analysing and interpreting financial statements. During the year under review, the ARC members have also demonstrated vigilance and professional scepticism to challenge Management's assertions of SENTRAL's financials.</p>

	The ARC members have consistently participated in training programmes, conferences and seminars which cover, inter alia, matters of real estate, corporate governance and leadership, and risk management so as to keep themselves abreast of pertinent developments.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The review of the adequacy and effectiveness of the risk management and internal control framework is under the purview of the Board. To this end, the Board with the assistance of the ARC performs periodic reviews and closely monitors the robustness of the risk management and internal control framework. At every quarter, changes to any risks, particularly major and severe risks are deliberated by the ARC with a view of reviewing the corresponding action plans.</p> <p>The risk management framework is grounded on an Operation Manual and Delegation of Authority that provides structural guidance in managing and assessing risks which include the acquisition of property, financial and operational reporting, continuing listing and compliance obligations. The Operation Manual is subjected to periodic reviews. In order to manage significant risks arising from property investment decisions, the Board has strictly required for the submission of each major investment proposal to be accompanied with detailed risk assessment, sensitivity analysis and Management's proposed risk mitigation or control strategies.</p> <p>In relation to related party transactions, internal control procedures have been put in place in accordance with the Securities Commission's REIT Guidelines, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Trust Deed. A comprehensive review of all related party transactions is incorporated into SENTRAL's annual internal audit plan. Detailed disclosure on SENTRAL's risk management and internal control framework is narrated in the Statement on Risk Management and Internal Control, as contained within the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has disclosed the features and processes of its risk management and internal control framework in the Statement on Risk Management and Internal Control. The Statement has outlined, amongst others, the varying risk management and internal control elements, conflicts of interest policy, the internal audit function and the operational risk management structure that is guided by the Operation Manual and Delegation of Authority.</p> <p>The said Statement has been reviewed by the external auditor and is disclosed in SENTRAL's Annual Report.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

**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 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has engaged an external third party, BDO Governance Advisory Sdn Bhd to carry out its internal audit function. The services of BDO Governance Advisory Sdn Bhd were engaged with a view of assessing the adequacy and effectiveness of internal controls and risk management processes. The internal audit function reports directly and functionally to the ARC. The internal audit function has direct access to the Board through the Chairman of the ARC.</p> <p>The ARC annually reviews and approves the Internal Audit Plan for the financial year whilst ensuring that BDO Governance Advisory Sdn Bhd is accorded with appropriate standing and authority to discharge its duties effectively. The ARC also regularly reviews the reports and recommendations raised by the internal auditors, with a view of ensuring that remedial action plans are outlined to address internal audit findings.</p> <p>The ARC has approved an appropriate internal audit fee to ensure that resources and professionalism of the function are not compromised.</p> <p>The roles and responsibilities of the ARC pertaining to the oversight of internal audit function are encapsulated within the ARC Terms of Reference, which is available on SENTRAL's website at <a href="https:sentralreit.com/investors-relations/corporate-governance">https:sentralreit.com/investors-relations/corporate-governance</a> (Policy Disclosures/Terms of Reference of the Audit Committee).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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 recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The details of the internal audit function and processes deployed are disclosed in the Statement of Risk Management and Internal Control of the Annual Report.</p> <p>In 2021, the internal audit function was outsourced to an external consultant namely, BDO Governance Advisory Sdn Bhd. The objectives of the review covered the following areas:</p> <ul style="list-style-type: none"> <li>• to assess the adequacy and test the integrity of the system of internal controls;</li> <li>• to assess compliance with policies and procedures, and recommended best practices; and</li> <li>• to identify any potential areas for improvement in the effectiveness and efficiency of the processes (if any).</li> </ul> <p>Meanwhile the scope of the review conducted covered the following areas:</p> <ul style="list-style-type: none"> <li>• an internal control review on tenancy management to collection of rentals; and</li> <li>• a review of related party transactions for the financial year to ensure compliance with established internal policies and procedures as well as applicable provisions of the Securities Commission's REIT Guidelines relating to related party transactions.</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 12.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that maintaining regular, seamless, and forthcoming engagement with its stakeholders is vital for informed decision making. Hence, the Board seeks to ensure that SENTRAL's stakeholders are cognisant, in a timely manner, on any key developments that pertain to SENTRAL's business operations.</p> <p>To this end, the Board ensures that SENTRAL's website as one of the primary modes of communication with stakeholders, is regularly updated. The website includes information which are of interest to stakeholders including:</p> <ul style="list-style-type: none"> <li>• archives of property descriptions;</li> <li>• operational details;</li> <li>• annual reports;</li> <li>• the Board Charter;</li> <li>• corporate announcements; and</li> <li>• relevant news clippings.</li> </ul> <p>Recognising that an overwhelming proportion of SENTRAL's units are held by institutional investors, SRM has placed special emphasis on conducting regular meetings with local and foreign fund managers and investment analysts.</p> <p>Notwithstanding the above, SRM is committed to facilitate continuous information dissemination to all stakeholders, keeping all parties updated with the latest developments in the REIT industry through various forms of engagement.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the AGM as a platform for Unitholders to engage with both the Board and Management in a productive dialogue, as well as a mode of communication to provide constructive feedback on the overall performance of SENTRAL.</p> <p>The Board endeavours to provide Unitholders with sufficient time to consider the resolutions that will be discussed and decided upon during the AGM. In this context, the Board provided notice of its forthcoming AGM to shareholders within a reasonable time frame, at least 28 days before the AGM. The notice of the AGM outlines the resolutions to be tabled during the said meeting.</p> <p>It is envisaged that the additional buffer time would enable the shareholders to make an informed decision in exercising their voting rights. This would also allow shareholders to make the necessary arrangements to attend and participate in person or through proxies.</p> <p>In 2021, the notice of the ninth (9<sup>th</sup>) AGM was issued on 26 February 2021, which was 40 days before the AGM, held on 7 April 2021 demonstrating the commitment of the Board in ensuring Unitholders have adequate time to consider the resolutions put forth.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board recognises its obligation to engage Unitholders and provide meaningful responses to the questions raised during the general meetings.</p> <p>In demonstrating this commitment to Unitholders, all Directors were present either at the physical broadcast venue or via video conferencing at the ninth (9<sup>th</sup>) AGM held on 7 April 2021. The Chairmen of the respective Board Committees were present to facilitate discussions and address any questions Unitholders may have on matters that fall under the purview of the Committees. In addition, the external auditors were also present to address any queries relating to the audit of the financial statements.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>On 7 April 2021, SENTRAL conducted its ninth (9<sup>th</sup>) AGM in a virtual manner through live streaming from the broadcast venue at KL Sentral room, Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur. The Chairman, CEO, Company Secretary, external auditors and independent scrutineers were present at the broadcast venue while all other Directors attended the AGM via video conferencing.</p> <p>The notice for the AGM was provided 40 days in advance to enable Unitholders to make adequate preparation. Unitholders were able to log on and participate remotely as well as pose queries online via the technology platform provided by the poll administrators, Boardroom Share Registrars Sdn Bhd. All resolutions tabled during AGM are voted by poll and the results and procedures were validated by Boardroom Corporate Services Sdn Bhd, an independent scrutineer.</p> <p>Feedback gathered during the AGM were evaluated and considered for further action by the Board and Senior Management. Minutes of the previous AGM were made available on the corporate website of SENTRAL within 30 days upon conclusion of the said proceedings (Minutes of 9th AGM).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>SRM seeks to foster mutually reinforcing relationship with SENTRAL's Unitholders as underpinned by the principle of transparency. To this end, SRM through the guidance of the Chairman encourages a culture of openness, allowing for descriptive questions from Unitholders to be addressed appropriately by SRM. In other words, SRM does not filter out seemingly tough questions as the Board is cognisant that Unitholders have the right to have their questions appropriately addressed.</p> <p>For the ninth (9<sup>th</sup>) AGM held on 7 April 2021, Unitholders were given an option to submit questions in advance. During the AGM, Unitholders were able to log on and participate remotely as well as pose questions online via the technology platform provided by Boardroom Share Registrars Sdn Bhd. At the AGM, SRM addressed a total of eleven (11) questions on various matters covering, among others, the following topics:</p> <ul style="list-style-type: none"><li>• rationale on the change of name of MRCB-Quill REIT to Sentral REIT;</li><li>• Utilisation of proceeds received from the disposal of Quill Building 5;</li><li>• Rebates/discount offered by SENTRAL to its tenants in FY2020 due to Covid-19 pandemic;</li><li>• leasing and occupancy rates for buildings under SENTRAL;</li><li>• sustainability efforts;</li><li>• valuation for buildings under SENTRAL;</li><li>• capital management;</li><li>• SENTRAL's financials performance, income distribution and net asset value (NAV) for FY2020; and</li><li>• No gift policy for the 9<sup>th</sup> AGM and convening of physical AGM in future.</li></ul>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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) support 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.

*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. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>On 7 April 2021, SENTRAL conducted its ninth (9<sup>th</sup>) AGM through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facility from the Broadcast Venue at KL Sentral Room, Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur.</p> <p>Unitholders or their proxies were advised/informed to attend, post questions via real time submission of typed texts and vote via the technology platform provided by Boardroom Shares Registrar Sdn Bhd.</p> <p>The questions received from Unitholders were shown live during the virtual AGM in their native form to further promote transparency. During the general meetings, the Board endeavoured to address all questions posed by Unitholders.</p> <p>In line with better practices and to allay concerns that questions may be selectively avoided and responded in a virtual general meeting environment, SENTRAL may in the future consider appointing an external moderator for virtual general meeting to improve and enhance the transparency of the question and answer ("Q&amp;A") session.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of SENTRAL's ninth (9 <sup>th</sup> ) AGM held on 7 April 2021 were circulated to Unitholders exactly 30 days after the AGM, ie. on 7 May 2021.  The minutes is accessible on SENTRAL's website at <a href="https://sentralreit/invetor-relations/corporate-governance">https://sentralreit/invetor-relations/corporate-governance</a> (Shareholders Meeting/Minutes of 9th AGM). This represents the Board's awareness of the importance of the timely release of the minutes of general meeting for the perusal of Unitholders.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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.*

Not Applicable.
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