



# ALPHA REIT MANAGERS SDN BHD

## Board Charter

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Alpha REIT Managers Sdn Bhd.

Revisions of the Board Charter, approved by the Board of Alpha REIT Managers Sdn Bhd:

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1.	INTRODUCTION
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	Definition	<i>Inserted pursuant to Board resolution on 16 November 2018.</i>
	Unless otherwise stated, the following applies:	
	<b>"Alpha REIT"</b> means Alpha Real Estate Investment Trust.	
	<b>"Bursa Securities"</b> means Bursa Malaysia Securities Berhad.	
	<b>"Board"</b> means the Board of Directors of the Company.	
	<b>"CA"</b> means the Companies Act 2016 and includes such amendments thereof.	
	<b>"CEO"</b> means the Chief Executive Officer of the Company.	
	<b>"Charter"</b> means this Board Charter and Corporate Governance Statement of the Company.	
	<b>"CMSA"</b> means the Capital Markets and Services Act 2007 and includes such amendments thereof.	
	<b>"Company"</b> means Alpha REIT Managers Sdn Bhd.	
	<b>"Deed"</b> means the trust deed of Alpha REIT dated 29 June 2017 executed between the Trustee and the Company as the manager of Alpha REIT and registered with the SC on 30 June 2017.	
	<b>"EXCO"</b> means Executive Committee, a standing committee of the Board.	
	<b>"ERM"</b> means Enterprise Risk Management.	
	<b>"Key Officers"</b> means key management personnel of the Company including but not limited to the Chief Financial Officer, Chief of Legal and Regulatory Affairs, Company Secretary and Chief Risk and Compliance Officer.	<i>Amended pursuant to Board resolution on 10 August 2018.</i>
	<b>"Management"</b> means the senior management of the Company.	
	<b>"MCCG"</b> means the Malaysian Code on Corporate Governance published by the SC that is currently in effect and shall include such amendment and revision by the SC from time to time.	
	<b>"MMLR"</b> means the Main Market Listing Requirements of Bursa Securities.	
	<b>"SC"</b> means the Securities Commission of Malaysia.	

	<b>"Trustee"</b> means RHB Trustees Berhad, being the trustee appointed for Alpha REIT.	
	<b>"Unitholder(s)"</b> means the unitholder(s) of Alpha REIT.	

	<b>Interpretation</b>	<i>Inserted pursuant to Board resolution on 16 November 2018.</i>
	<p>In this Board Charter, unless the context otherwise requires:-</p> <ol style="list-style-type: none"> <li>words denoting the singular number include the plural number and vice-versa;</li> <li>words denoting the masculine gender shall include the feminine and neuter genders and vice-versa;</li> <li>words denoting natural persons include bodies corporate and unincorporated; and</li> <li>references to any legislation or to any provision of legislation shall include any modification or re-enactment of that legislation or any legislative provision substituted for, and all regulations and statutory instruments issued under such legislation or provision and where references are to any rules or regulations, they shall include any such rules and regulations as amended, modified, consolidated or replaced, from time to time.</li> </ol>	<i>Inserted pursuant to Board resolution on 16 November 2018.</i>



1.1	Alpha REIT Managers Sdn Bhd as the Manager of Alpha Real Estate Investment Trust	
	Alpha REIT is a real estate investment trust constituted by the Deed.	
	The Company was appointed pursuant to the approval of the SC and in accordance with the terms of the Deed as the external manager of Alpha REIT.	
	The Company in turn appoints experienced and well qualified individuals to manage and run its day-to-day operations. All Directors and employees of the Company are remunerated by the Company as the manager of Alpha REIT and not Alpha REIT.	
	The tenure of the Company as the manager of Alpha REIT can be terminated or that the manager can be removed through a special resolution passed by a majority consisting of not less than three-fourths of the Unitholder(s) present and voting at a meeting of Unitholder(s) duly convened and held in accordance with the provisions of the Deed.	
	Please see <b>Attachment A</b> which spells out the main duties and responsibilities of the Company as the manager of Alpha REIT.	
	The Trustee, being the other party to the Deed, acts as the trustee of Alpha REIT for the Unitholder(s) and the custodian for all the assets of Alpha REIT. Its powers, duties and obligations are set out principally in the Deed.	
1.2	The Board Charter	
	This Charter has been adopted by the Board to assist the Board and its committees in the exercise of their powers, duties and responsibilities.	
	The principles and policies set out in this Charter are in addition and are complimentary to the requirements regarding the Board and Board members contained in laws, regulations, guidelines and requirements relevant and applicable to the Company, the Board and the Board members, the Constitution of the Company and the terms of reference of the Board's committees.	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
	The Board will review this Charter at least annually or as and when appropriate. Any modifications to or replacements of this Charter must be approved by the Board.	
1.3	Corporate Governance	
	Strong corporate governance has always been the priority of the Company. The Company recognises that an effective corporate governance culture is critical to the performance and consequently, to the success of Alpha REIT.	

	The Company is committed to high standards of corporate governance and transparency in the management of Alpha REIT and operates in the spirit of the MCCG, wherever applicable, in discharging its responsibilities as the manager of Alpha REIT and in dealings with the shareholder(s), the Unitholder(s) of Alpha REIT as well as other stakeholders.	
	The Company's main corporate governance practices and policies encompass proactive measures adopted by the Company to best safeguard the interests of the shareholder(s), stakeholders and the Unitholder(s) by avoiding situations of conflict and potential conflicts of interest, including prioritising the interests of the Unitholder(s) over the Manager's and ensuring that applicable laws and regulations are complied with.	
	The practices and policies are designed to ensure that applicable securities laws and regulations, the SC's Guidelines on Real Estate Investment Trusts as well as SC's Guidelines on Islamic Real Estate Investment Trusts, the MMLR, where applicable and the MCCG are complied with, where applicable, and that the Company's obligations as the manager of Alpha REIT as described in the Deed are properly and efficiently carried out.	
<b>2.</b>	<b>ROLE AND POWERS OF THE BOARD OF DIRECTORS OF THE COMPANY</b>	
	The Board is charged with the collective responsibility in leading and directing for the long-term success of the Company and the delivery of sustainable value to its shareholder(s), stakeholders and the Unitholder(s). In this context, it sets the values and standards for the Company to ensure that its obligations to its shareholder(s), stakeholders and Unitholder(s) are understood and met, and it directs, supervises and monitors the management of the business and affairs of the Company to ensure that the Company's primary responsibility for matters relating to strategic planning, corporate governance, business operations, asset management, risk management and internal controls, financial performance and business development are carried out or implemented for the benefit of its shareholder(s), stakeholders as well as the Unitholder(s), in accordance with the laws and regulations, the SC's Guidelines on Real Estate Investment Trusts and Guidelines on Islamic Real Estate Investment Trusts, the MMLR, the MCCG, where applicable, as well as its Constitution and the Deed.	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
	In the discharge of its fiduciary and leadership duties, the Directors must at all times, exercise his/her powers for a proper purpose and act in good faith, with due care and diligence and in the best interest of the Company as well as Alpha REIT. The Board plays a critical role in setting the appropriate tone at the top, providing thought leadership, championing good governance, adopting sound social policies and ethical practices and consider sustainability through environmentally responsible practices throughout the Company. At the same	

		time, the Board endeavours to maximize returns to shareholder(s) of the Company, stakeholders and Unitholder(s) of Alpha REIT.	
	<b>2.1</b>	<b>General Duties and Responsibilities of the Directors</b>	
		The basic responsibility of the Directors is to exercise their business judgment for a proper purpose and in good faith, in the best interests of the Company and the Unitholder(s). In discharging that obligation, Directors should be entitled to rely on the honesty and integrity of the Company's Management and its advisors and auditors.	
		In the discharge of its duties and responsibilities, the Board discusses matters of strategic importance to the Company, which include the following:	
		(a) business and operating strategies;	
		(b) new or changes to existing the business plans;	
		(c) new investments or divestments;	
		(d) mergers and acquisitions;	
		(e) borrowings, debt securities, redemption and/or refinancing;	
		(f) expansion or entry into new markets, geographies or regions;	
		(g) corporate restructuring or reorganisation;	
		(h) set-up of new subsidiaries;	
		(i) partnerships or strategic alliances; and	
		(j) acquisitions or disposal of significant assets.	
		In furtherance of its responsibilities, the Board will, among others:	
		(a) oversee the Management;	
		(b) review, evaluate and/or approve:	
		(i) that the Company acquires Shariah-compliant assets;	
		(ii) that the Company is using the appropriate Takaful coverage;	
		(iii) the Islamic Capital structure for the Company;	
		(iv) on a regular basis, the long-range plans for the Company;	
		(v) the Company's budget and forecasts;	
		(vi) major resource allocations and capital investments;	
		(vii) the financial and operating results of the Company;	
		(viii) the Company's corporate objectives and policies relating to social responsibility;	
		(ix) the overall corporate organizational structure, the assignment of senior management responsibilities and plans for Management's resources, development and succession;	

		(x) the compensation strategy as it relates to the Management of the Company;	
		(xi) the appointment and removal of the CEO, and determining the terms and conditions of his/her appointment, including the remuneration package;	
		(xii) the appointment and removal of the company secretary;	
		(xiii) the appointment of the external auditor and such other auditor(s) as may be required or necessary;	
		(xiv) the appointment of the Board's committees; and	
		(xv) the levels of authority to be given to the CEO in relation to operational expenditures, capital expenditures, contracts and the operation of banking and credit facilities, and authorising any further delegations of those authorities by the CEO to other senior employees of the Company;	
		(c) adopt, implement and monitor the compliance with corporate governance best practices and the Company's Code of Conduct;	
		(d) review and assess the effectiveness of the Company's policies and practices with respect to internal compliance and control, risk assessment and risk management;	
		(e) review and assess the compliances to with the Deed and the relevant laws and regulations, including but not limited to the CA, the CMSA, the SC's Guidelines on Real Estate Investment Trusts, Licensing Handbook, written directions, notices, codes and other applicable guidelines issued by SC, the tax rulings issued by the Inland Revenue Board of Malaysia on the taxation of Alpha REIT and its Unitholder(s) as well as any updates and amendments to such relevant laws and regulations, as well as the MMLR when Alpha REIT is listed; and	
		(f) report to the shareholder(s).	
		Specific matters which are reserved for the Board's approval shall include, but is not limited to:	
		(a) material acquisitions, investments, disposals, and divestments;	
		(b) corporate and financial restructuring;	
		(c) share issuance, dividends and other returns to shareholders;	
		(d) the issue of new Units in Alpha REIT and the income distribution of Alpha REIT;	
		(e) review of the targets for and assessing the performance of the Key Officers from the Management team and their compensation package for the Key Officers; and	
		(f) matters which involve conflict of interest for a substantial shareholder, major Unitholder or a Director.	

3.	<b>BOARD COMPOSITION</b>		
	<p>The Company recognises that an effective corporate governance culture is critical to its performance and consequently, its long-term goals and the success of Alpha REIT. The Company is committed to high standards of corporate governance and will adopt a comprehensive corporate governance framework that meets best practice principles. In particular, the Company will act honestly, with due care and diligence, and in the best interest of the shareholder(s), stakeholders and Unitholder(s). The Board will formalise and commit to ethical values through a Code of Conduct.</p>		
	3.1	<b>Size of the Board of Directors</b>	
		<p>The Constitution of the Company provides that the Company may from time to time by an ordinary resolution, either passed by way of a written resolution or at a general meeting, fix the number of Directors (excluding Alternate Director) but the number so fixed shall not be more than nine (9). The CA provides that the minimum number of Directors shall ordinarily reside in Malaysia by having a principal place of residence in Malaysia and shall not include an alternate or substitute director.</p>	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
		<p>At present, the Board comprises 7 members, of which 3 are independent and consist of persons from diverse professional backgrounds, to enable our management to tap into their expertise and broad business experience in managing Alpha REIT.</p>	
		<p>The composition of the Board must be reviewed annually to ensure that it has the best mix of expertise and experience. The responsibility of reviewing the Board composition, mix of skills, experience, competence and qualities of the Board members and their individual contribution should be undertaken by the Nomination and Remuneration Committee.</p>	
		<p>In recognizing diversity, which includes experience, skills, competence, race, gender, age, culture and nationality, as an important attribute to the Board's effectiveness and an essential measure for good governance, the Board should have at least one (1) female director on the Board in recognition of the country's target of 30% women to be at the decision-making level in the corporate sector.</p>	
		<p>All Independent Directors should be subject to annual assessment of independence, including tenure assessment. This is perceived as essential in order to ensure exercise of objectivity and independent judgment in all decision-making processes.</p>	

	<b>3.2</b>	<b>Role of the Chairman (which is separate from the CEO/Executive Director)</b>	
		The positions of Chairman and CEO/Executive Director are held by separate persons in order to promote accountability and to maintain an effective segregation of duties. In this regard, no individual can influence Board's discussion and decision-making.	
		The Chairman ensures that members of the Board work together with the Management in a constructive manner to address strategies, business operations, financial performance and risk management issues.	
		The Chairman is primarily responsible for:	
		(a) instilling good corporate governance practices, leadership and effectiveness of the Board appointed so that the Board can undertake its roles and perform its responsibilities effectively;	
		(b) setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner;	
		(c) leading board meetings and discussions;	
		(d) monitoring the workings and conduct of the Board;	
		(e) encouraging all Directors to play an active role in the Board and allowing dissenting views to be freely expressed;	
		(f) facilitating and managing the communication and understanding between the Board and Management; and	
		(g) playing a role in the Company's external relationship and communication with stakeholders.	
	<b>3.3</b>	<b>Role of the Executive and Non-Executive Director</b>	
		Executive Directors are, as employees, involved in the day to-day management of the Company.  The Non-Executive Directors are those who:	
		(a) have no direct or indirect pecuniary interest in the Company other than their Directors' fee related emoluments and their permitted holdings of shares in the Company; and/or	
		(b) are not employees of the Company or affiliated with it in any other way and are not involved in the day-to day running of the business but have pecuniary interest in the Company, either as shareholders or otherwise and whether direct or indirect.	

		Non-Executive Directors act as a bridge between Management, shareholder(s) and other stakeholders. They provide the relevant checks and balances, focusing on shareholder(s)' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.	
	<b>3.4</b>	<b>Role of the Independent Non-Executive Director</b>	
		Independent Directors are essential for protecting the interests of shareholder(s) and can make significant contributions to the Company by bringing in the quality of detached impartiality.	
		The MMLR emphasises that even if a person does not fall within any of the disqualifying indicators enumerated in the MMLR, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of an Independent Director. There must be a conscious application of the appropriate test of whether the said Director is able to exercise independent judgment and act in the best interests of the Company.	
		Independent Director shall observe the following criteria and measures:	
		(a) An Independent Director is a person who is independent of Management and free from any significant business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company and the Group.	
		(b) The independent and objective judgement of an Independent Director must not be compromised by, amongst others, familiarity or close relationship with other Board members.	
		(c) The Board, assisted by the Nomination and Remuneration Committee shall carry out annual assessment of the independence of its Independent Directors and focus beyond the Independent Director's background, economic and family relationships and considers whether the Independent Directors can continue to bring independent and objective judgment to Board deliberations.	
		(d) The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years.	
		(e) Upon completion of nine (9) years, an Independent Director may continue to serve the Board subject to the director's re-designation as a Non-Independent Non-Executive Director and assessment of the Nomination and Remuneration Committee.	
		(f) If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek shareholders' approval.	



		(g) If the Board continues to retain the Independent Director after the twelfth (12 <sup>th</sup> ) year, the Board should seek shareholders' approval through two-tier process as set out in MCCG.	
		(h) An Independent Director must not be a substantial shareholder of the Company, its subsidiaries or any related corporations of the Company.	
		MMLR provides that an Independent Director:	
		(i) is not an Executive Director of the Company, its subsidiaries or any related corporations of the Company;	
		(ii) has not been within the last two (2) years and is not an officer of the Company (except as a Non-Executive Director);	
		(iii) is not a major shareholder of the Company;	<i>Amended pursuant to Board resolution on 10 August 2018.</i>
		(iv) is not a family member of any executive director, officer or major shareholder of the Company, its subsidiaries or any related corporations of the Company;	
		(v) is not acting as a nominee or a representative of any executive director or major shareholder of the Company, its subsidiaries or any related corporations of the Company;	
		(vi) has not been engaged as a professional adviser or is not presently a partner, director (except as an independent director) or a major shareholder, as the case may be, of a firm or corporation ("Entity") which provides professional advisory services to the Company, its subsidiaries or any related corporations of the Company; and	<i>Amended pursuant to Board resolution on 10 August 2018.</i>
		(vii) has not engaged in any transaction or is not presently a partner, Director or a major shareholder, as the case may be, of the Entity (other than subsidiaries of the Company) which has been engaged in any transaction.	
		The Board shall assess the independence of Directors upon appointment and annually through a self-declaration process undertaken by each Independent Director.	
		An Independent Director must immediately disclose to the Board any change in their circumstances that may affect their status as an Independent Director.	
	<b>3.5</b>	<b>Company Secretary</b>	
		The Board will also be supported by a professionally qualified and competent Company Secretary, responsible for ensuring that the	



		Board's meeting procedures, applicable rules and regulations as well as corporate governance best practices are adhered to.	
		Notices of meetings setting out the agenda of the meetings will be issued to the Board no less than seven (7) days in advance by the Company Secretary and the relevant meeting papers are compiled and distributed to all the Board as soon as practicable after the notices of meetings are issued, after at the direction and upon consultation with the Chairman.	
		The Company Secretary are to attend every Board meeting and thereafter prepare the minutes of proceedings for approval by the Chairman. The Company Secretary shall keep the Board abreast of all relevant regulatory updates to laws and requirements.	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
	<b>3.6</b>	<b>Selection of Directors</b>	
		The selection of Board members shall be based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.	
		In identifying candidates for appointment of Directors, the Board does not solely rely on recommendations from existing Board members, Management or major shareholder(s). The Board utilises independent sources to identify suitably qualified candidates and recommendation for Directors shall be made to the Board by the Nomination and Remuneration Committee in accordance with the policies and principles set forth in its terms of reference. The invitation to join the Board should be extended by the Board itself, by the Chairman of the Nomination and Remuneration Committee and the Chairman of the Board.	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
		The Securities Commission shall be informed of the appointment of Directors.	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
	<b>3.7</b>	<b>Director Qualifications</b>	
		The Nomination and Remuneration Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment will include evaluation of the members' independence, as well as consideration of diversity (including gender, age, ethnic background, geographic origin and professional experience), talent, skills, and other experience in the context of the needs of the Board.	
		The criteria for the independence of an Independent Director are set forth in Section 3.4 of this Charter. The Nomination and Remuneration	

		Committee will review such criteria at least annually and recommend any appropriate changes to the Board for consideration.	
		The Nomination and Remuneration Committee will review the desirable characteristics of Directors to be nominated at least annually and recommend any appropriate changes to the Board for consideration.	
	<b>3.8</b>	<b>Vacation of office of Director</b>	
		<p>The office of Director shall become vacant if the Director:</p> <ul style="list-style-type: none"> <li>(a) resigns from his office by giving a written notice to the Company at its registered office;</li> <li>(b) is removed from office in accordance with the provision of the Constitution;</li> <li>(c) becomes disqualified from being a Director under the CA;</li> <li>(d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;</li> <li>(e) dies; or</li> <li>(f) otherwise vacates his office in accordance with the Constitution.</li> </ul> <p>The Directors of the Company are not subject to retirement by rotation.</p>	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
	<b>3.9</b>	<b>Resignation from the Board</b>	
		As stated in Section 3.8 above, the office of a Director becomes vacant when the Director resigns by giving notice in writing to the Company at the registered address of the Company. Such resignation shall take effect upon receipt thereof or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
		It is the sense of the Board that Directors who change the responsibility they held when they were elected to the Board or who subsequently have another change in responsibility should notify the Chairman of the Board of each such change in responsibility. It is not the sense of the Board that in every instance the Directors who have	<i>Amended pursuant to Board resolution on 24 October 2019.</i>

		a change in responsibility from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board through the Nomination and Remuneration Committee to review the continued appropriateness of Board membership under the circumstances. If the Committee determines that continued Board membership under the circumstances is no longer appropriate, the Director shall resign.	
	<b>3.10</b>	<b>Director Remuneration/Compensation</b>	
		The remuneration of the Board will be paid by the Company and not Alpha REIT.	
		The Nomination and Remuneration Committee is responsible for the determination of the remuneration policy framework of the Company's Directors and Key Officers.	
		Directors who travel to attend Board meetings shall receive addition compensation for their travel expenses for attending the Board Meetings.	
		The Nomination and Remuneration Committee, upon the proposal from the EXCO, recommends to the Board the remuneration package of the Directors and Key Officers, and it is the responsibility of the Board, as a whole to approve the remuneration package of the Directors. This is in line with the remuneration policy adopted by the Board.	
		The Board will, through its Nomination and Remuneration Committee in consultation with the EXCO, establish transparent remuneration policies and procedures. The remuneration of the Board and Key Officers will be aligned with the Company's key strategies and objectives, as well as reflect the Board and Key Officers' responsibilities, expertise and complexity of our activities for each year.	
		The Nomination and Remuneration Committee will consider that Directors' independence may be jeopardized if Director compensation and perquisites exceed customary levels or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization with which the Director is affiliated.	
	<b>3.11</b>	<b>Director's Orientation and Education</b>	
		The Board will ensure its members have access to appropriate continuing education programmes to update their knowledge and enhance their skills to be able to continually provide valuable input	

		during Board deliberations. The Board will, at every meeting, receive a list of training programmes available for selection. Details of the training attended by the Board will have to be reported at the Board's meetings and recorded accordingly. An in-house training course will also be organised for all the Directors annually.	
		Management will provide new Directors with an initial orientation in order to familiarize them with their responsibilities as Directors and with the Company and its strategic plans, significant financial, accounting and risk management issues, its compliance programs, its Code of Conduct, its officers, and its internal and independent auditors.	
		In order to facilitate the Directors' fulfilment of their responsibilities regarding continuing education and to enhance each Director's knowledge of the Company, the Company's business operations and the latest developments in corporate governance, the Directors will be provided with the following:	
		<ul style="list-style-type: none"> <li>(a) educational programs supplemental to the initial orientation to explain the Company's business operations, including its technology, products and market position;</li> <li>(b) access to, or notice of, continuing educational programs that are designed to keep Directors abreast of the latest developments in corporate governance matters and critical issues relating to the operation of public company boards;</li> <li>(c) material that contains information pertaining to: <ul style="list-style-type: none"> <li>(i) the Company's industry; and</li> <li>(ii) comparisons of the Company with its major competitors; and</li> </ul> </li> <li>(d) periodic visits to tenants' buildings as organised by the Company.</li> </ul>	
	<b>3.12</b>	<b>Director Access to Officers and Employees</b>	
		Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a Director wishes to initiate may be arranged through the CEO or the Company Secretary or directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the CEO on any written communications between a Director and an officer or employee of the Company.	
	<b>3.13</b>	<b>Supply of Information and Independent Advisors</b>	

		The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.	
		<p>The Directors of the Company shall, both individually and collectively, have the right to consult the Company's professional advisers and, if necessary, seek independent professional advice at the Company's expense in the furtherance of their duties as directors of the Company. For the Non-Executive Director(s), this policy shall also cover advice necessary in the furtherance of their duties as members of the Company's Audit and Risk Committee and/or the Nomination Remuneration Committee.</p> <p>The appointment of professional advisers shall be made in accordance with the Procedure for Directors to take Independent Professional Advice approved by the Board.</p>	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
<b>4.</b>	<b>COMMITTEES OF THE BOARD</b>		
		<p>A substantial portion of the analysis and work of the Board is done by standing Board committees. The Board has established the following standing committees:</p> <p>(a) Executive Committee/EXCO; (b) Audit and Risk Committee; and (c) Nomination and Remuneration Committee.</p>	<i>Amended pursuant to Board resolution on 23 October 2020.</i>
		The Board may form other committees as dictated by business imperatives. Membership in the various committees is managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered in the composition of the respective committees.	
		Committee members will be appointed by the Board upon recommendation of the Nomination and Remuneration Committee with consideration of the desires of individual Directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy.	
		The Board will have at all times, the EXCO, an Audit and Risk Committee and a Nomination and Remuneration Committee. The chair and members of these committees will be appointed in consideration of the criteria established by the SC, MCGG and the MMLR.	

	Notwithstanding the delegation of duties to the committees, the Board shall nonetheless, be responsible for the exercise of the power by the person to whom the Board have delegated its powers, as if the powers had been exercised by the Board members.	
<b>4.1</b>	<b>Executive Committee/EXCO</b>	
	<p>The EXCO will operate under the delegated authority from the Board which are drawn from the Directors of the Board who are shareholder(s) of the Company. This committee will oversee the Company's day-to-day operations of the Company and Alpha REIT's on behalf of the Board.</p> <p>Please see the EXCO's terms of reference in the Corporate Governance page.</p>	
<b>4.2</b>	<b>Audit and Risk Committee</b>	
	<p>The Board has an overall responsibility in ensuring that a balanced and understandable assessment of Alpha REIT's positions and prospects are presented to Unitholder(s). The Audit and Risk Committee plays an important role in assisting the Board in this area. The Audit and Risk Committee will consist of exclusively Independent Non-Executive Directors and the Chairman should be an accountant.</p> <p>Please see the Audit and Risk Committee's terms of reference in the Corporate Governance page.</p>	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
<b>4.3</b>	<b>Nomination and Remuneration Committee</b>	
	<p>The Nomination and Remuneration Committee is responsible for recommending to the Board:</p> <ul style="list-style-type: none"> <li>(a) the Company's recruitment and retention of the best available Directors, CEO and Key Officers including effectively managing their succession; and</li> <li>(b) the policy framework of the remuneration of the Directors, CEO and Key Officers, and reviewing the framework from time to time to ensure that the Company attracts and retains individuals of the highest calibre.</li> </ul> <p>The Nomination and Remuneration Committee will consist of exclusively Non-Executive Directors, a majority of whom are Independent Directors.</p>	<i>Amended pursuant to Board resolution on 23 October 2020.</i>

		Please see the Nomination and Remuneration Committee's terms of reference in the Corporate Governance page.	
<b>5.</b>	<b>BOARD PROCESSES</b>		
	<b>5.1</b>	<b>Board and Committee Meetings</b>	
		Regular Board meetings will be held at least four times per year, and special meetings will be called as necessary.	
		A schedule of locations of the regular meetings will be provided to the Directors well in advance. Directors are expected to attend at least 50% of the Board meetings and meetings of the committees on which they serve. The Directors should spend the time necessary and meet as frequently as necessary to properly discharge their responsibilities.	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
		The Constitution of the Company provides for Board approvals to be approved by way of circular resolutions as an alternative to full physical Board meetings. Resolution shall be deemed to be approved if signed by a majority of the Directors who are entitled to receive notice of a meeting of the Directors.	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
		All meeting dates will be determined and fixed annually in advance so that the Board will be able to schedule their time effectively.	
		The Chairperson presides over Board and the Board's committees of the Company. If the Chairperson is not present within the stipulated duration after the time appointed for a meeting, the Directors present shall choose one of their numbers to be the Chairperson of such meeting.	
		The quorum for Board meeting shall be two Directors.	
		<p>The Committee meetings will generally be held in conjunction with each Board meeting and the Directors will be provided the time and place in advance. The meeting process for the Audit and Risk Committee and the Nomination and Remuneration Committees are as set out in their respect terms of reference, which are all set out in the Corporate Governance page. The meetings are designed to provide the Directors an opportunity to discuss matters that do not require full Board action. The outcome of such sessions shall then be recommended to the Board for adoption or implementation.</p> <p>Directors are encouraged to attend all annual meetings of Unitholder(s).</p>	



	<b>5.2</b>	<b>Agenda Items for Board and Committee Meetings</b>	
		The Chairman of the Board will establish the agenda for each Board meeting. At the beginning of the year the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Director is free to suggest the inclusion of items on the agenda. Each Director is free to raise at any Board meeting subjects that are not on the agenda for that meeting.	
		A detailed agenda and, to the extent feasible, supporting documents and proposed resolutions will be provided to the Directors approximately seven (7) days prior to each Board meeting. Directors should review these materials in advance of the meeting. Subject to any applicable notice requirements, Directors having items to suggest for inclusion on the agenda for future Board meetings should advise the Chairman of the Board well in advance of such meetings.	
		The Chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda.	
<b>6.</b>	<b>CHIEF EXECUTIVE OFFICER/EXECUTIVE DIRECTOR AND THE MANAGEMENT</b>		
	<b>6.1</b>	<b>Chief Executive Officer/Executive Director</b>	
		<p>The Board provides leadership to the CEO and the Management team of the Company.</p> <p>The CEO/Executive Director has full executive responsibilities over the execution of the agreed business policies and directions set by the Board and of all operational decisions in managing the Company and Alpha REIT. In the execution of the policies and strategy for the Company and Alpha REIT and the day-to-day operation of the Company and Alpha REIT's business, the CEO shall be assisted by the Management.</p>	
	<b>6.2</b>	<b>CEO's Evaluation and Management Succession</b>	
		The Nomination and Remuneration Committee will conduct an annual review of the CEO's performance, as set forth in its terms of reference. The Board will review the Nomination and Remuneration Committee's	



		report in order to ensure that the CEO is providing the best leadership for the Company in the long and short term.	
		The Board will evaluate potential successors and approve management succession strategies and plans for the CEO and the Key Officers of the Company. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.	
<b>7.</b>	<b>OTHER BOARD PRACTICES</b>		
	<b>7.1</b>	<b>Review of Roles and Responsibilities of Directors</b>	
		The Chairman of the Board will review with each Director on a periodic basis the performance of each Director's duties as well as the role and responsibilities of each Director.	
	<b>7.2</b>	<b>Disclosure and Communication with Stakeholders and Unitholder(s)</b>	
		The Company believes in establishing a strong culture of continuous disclosure and transparent communication with stakeholders and Unitholder(s) and the investing community.	
		The Board will take steps to promote effective communication and proactive engagements with the stakeholders and Unitholder(s) at the Unitholder(s)' meetings to provide a better appreciation of the Company's objectives and quality of its management and challenges, while also making the Company aware of the expectations and concerns of the Unitholder(s).	
		The Company has established investor relation functions and will organize briefings for stakeholders and Unitholder(s) and leverage on information technology for effective dissemination of information to stakeholders and Unitholder(s) by having in place a dedicated sections for its role, the news of Alpha REIT, corporate governance on its corporate website. This section provides information such as the Board Charter, Code of Conduct, Whistleblowing Policy and Unitholder(s)' voting rights.	

	<b>7.3</b>	<b>Board Interaction with Analysts, Media and the Public</b>	
		Except where directed by the CEO or the Head of Finance, communications on behalf of the Company with the media, securities analysts, stockbrokers and investors must be made only by the CEO and/or the Head of Finance.	
		If a Director receives any inquiry relating to the Company from the media, securities analysts, brokers or investors, including informal social contacts, he or she should decline to comment and ask them to call the Company's CEO and/or Head of Finance.	
	<b>7.4</b>	<b>Limitation of Liability</b>	
		<p>A Director shall be protected against any liabilities arising from the Company's action or the Unitholder(s) to the extent covered by the Company's Takaful covering the Directors, Officers and Professional conduct of the company for monetary damages for breach of a Director's fiduciary duty; for breach of a Director's duty of loyalty to the Company or the Unitholder(s) or for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, actions by employee for unfair dismissal and any other misconduct as may be deemed normal under the coverage of such insurance.</p> <p>The value of the liability for the Takaful coverage shall be determined by the Board.</p>	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
	<b>7.6</b>	<b>Performance Evaluation of the Board</b>	
		The Board will conduct an annual self-evaluation to determine whether it and its Committees are functioning effectively. The Nomination and Remuneration Committee will receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. The assessment will be discussed with the full Board each year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.	
		Each standing Committee, other than the EXCO, shall annually review its own performance and report the results to the Board. The Nomination and Remuneration Committee shall oversee and report annually to the Board its assessment of each Committee's performance evaluation process.	

	<b>7.7</b>	<b>Sustainability</b>	
		The Company takes cognizant of the three aspects of sustainability i.e. economic, environmental and social underpinning sustainability management and is incorporating good sustainability practices into the operations and businesses of the Company and Alpha REIT.	
		In relation to the economic aspect, the Company is focused on building sustainable relationships with its stakeholders and utilizing its and Alpha REIT's resources optimally to contribute to economic growth and bring value to the welfare of its employees and shareholder(s), the Unitholder(s) of Alpha REIT and other stakeholders (including the tenants/lessee of the assets of Alpha REIT)	
		In relation to the environmental aspect, the Company is committed to sustainable development and seeks to operate in a way that minimises environmental harm and to comply with the environmental laws and regulations governing the sector in which it operates. The focus is on managing and reducing the impacts arising from operational activities over which the Company and Alpha REIT have direct control such as energy and water consumption and wastes management.	
		In relation to the social aspect, the Company, in keeping with its philosophy of giving back to the community, supports the local community wherein they operate by participating in charity programmes and fundraising drives to assist those in need.	
	<b>7.8</b>	<b>Prior Notice of Outside Directorships</b>	
		Directors should carefully consider the number of other boards on which they can serve consistent with the time and energy necessary to satisfy the requirements of Board and Committee memberships. Directors should also carefully consider any actual or apparent conflicts of interest and impairments to independence that service on other boards may create.	
		In furtherance of these considerations, outside directors must notify the Chairman of the Board in a timely fashion before accepting an invitation to serve on the board of another public company. Such notification should include an indication of time commitment expected of the new appointment. The Nominating Committee should take cognisance of such new appointment in its annual assessment of directors.	
		This prior notice is to allow discussion with the Chairman of the Board to review whether such other service will interfere with the outside Director's service on the Company's Board, impact the Director's	

		status as an independent Director, or create an actual or apparent conflict of interest for the Director.	
	<b>7.9</b>	<b>Dealing with Related Parties</b>	
		The Company has established internal control procedures to ensure that all transactions involving Alpha REIT and its related parties (i.e. the Company, major Unitholder(s), the Trustee and the Company's Director, CEO and major shareholder or person connected with the Company, the major Unitholder(s) and Trustee and/or a person connected with the Company's Directors, CEO and major shareholder) are undertaken:	
		(a) on an arm's length basis and on normal commercial terms;	
		(b) in the best interest of Unitholder(s) of Alpha REIT;	
		(c) adequately disclosed to the Unitholder(s) of Alpha REIT;	
		(d) in relation to a real estate transaction: (i) consented by the Trustee; (ii) consistent with the investment objective and strategy of Alpha REIT; and (iii) transacted at a price that is equivalent to the value stated in the valuation report.	
		The acquisition/disposal may be transacted at a price other than in accordance with the valuation report Provided That:  (a) the acquisition price is not more than 110% of the value assessed in the valuation report; (b) the disposal price is not less than 90% of the value assessed in the valuation report; and (c) the Trustee provides written confirmation that the transaction is based on normal commercial terms, at arm's length, and is not prejudicial to Unitholder(s)' interest.	
		In addition, the following procedures are generally followed in relation to related party transaction involving the Company and its related party, the Director of the Company who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall, as soon as practicable after the relevant facts have come to the Director's knowledge, declare the nature of his interest at the Board meeting (unless his interest is deemed not material according to the CA). The Directors in such circumstance, shall not participate in any discussion while the contract or proposed contract is being considered during the meeting and shall not vote on the contract or proposed contract.	
		In respect of such transactions, the Company would have to demonstrate to the Audit and Risk Committee that the transactions	

		are undertaken, in relation to Alpha REIT and the related parties, in accordance with the abovestated principles/requirements which are particularly provided in the Deed and in accordance with the SC's Guidelines on REIT and the applicable laws and regulations relevant to Alpha REIT, the Company and related party transactions, and in relation to the Company and its related parties, at arm's length, on normal commercial terms which may include obtaining (where applicable) quotations from parties unrelated to the Company, or obtaining valuations from independent valuers.	
		(a) All non-real estate transactions shall be approved by the Board upon the advice of internal auditor and review/recommendation by the Audit and Risk Committee. The same principles apply to real estate transactions less than 5% of the gross asset value ("GAV") of Alpha REIT and are additionally subject to the Trustee's written confirmation based on the Board's approval.	
		(b) Real estate transactions greater than or equal to 5% of GAV shall be approved by the Unitholder(s) based on the Board's approval after internal auditor's advice and the Audit and Risk Committee's review/recommendation.	
		(c) Save and except for transactions which fall within the ambit of Paragraph 10.08(11)(e) and (g)1 of the Listing Requirements and such transactions highlighted to the SC and confirmed in their letters dated 19 September 2012 and 21 June 2016 (Exempted Related Party Transaction), the appointment or renewal of service providers related to the Manager shall be approved by the Independent Directors upon the advice of internal auditor and review/ recommendation by the Audit and Risk Committee.	
		(d) Exempted Related Party Transactions shall be approved/ratified by the Independent Directors.	
	<b>7.10</b>	<b>Dealing with Conflicts of Interest</b>	
		Directors are expected to avoid any action, positions or interest that conflicts with an interest of the Company, or gives the appearance of a conflict. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the Director's interest in accordance with the CA and shall abstain from voting.	
		The following principles and procedures have been established to deal with potential conflicts of interest which the Company (including its	

	<p>Directors, executive officers and employees) may encounter in managing Alpha REIT:</p> <p>(a) all executive officers of the Company will be employed by the Company;</p>	
	<p>(b) all resolutions at meetings of the Board of the Company in relation to matters concerning Alpha REIT must be decided by a majority vote of the Directors, including at least one Independent Director;</p>	
	<p>(c) in respect of matters in which AREA Group and/or its subsidiaries have an interest, whether direct or indirect, any nominees appointed by AREA Group and/or its subsidiaries to the Board will abstain from voting;</p>	
	<p>(d) if the Company is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Alpha REIT with an affiliate of the Company, the Company shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of Alpha REIT, has a prima facie case against the party allegedly in breach under such agreements, the Company is obliged to pursue the appropriate remedies under such agreements. The Directors of the Company have a duty to ensure that the Company complies with the aforesaid. Notwithstanding the foregoing, the Company shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee with an affiliate of the Company, and the Trustee may take such action as it deems necessary to protect the rights of Unitholder(s) and/or which is in the interests of Unitholder(s). Any decision by the Company not to take action against an affiliate of the Company shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such affiliate;</p>	
	<p>(e) The appointment or renewal of a delegate or service provider for Alpha REIT who is a related party of the Company (i.e. Company's Director, CEO and major shareholder or person connected with the Company and/or a person connected with the Company's Directors, CEO and major shareholder) shall be approved by the Independent Directors; and</p> <p>(f) The Board shall comprise at least one-third of Independent Directors.</p>	
	<p>In addition, the Directors and officers of the Company are expected to act with integrity and honesty at all times.</p> <p>The Company Secretary shall facilitate the Directors' annual Independence and Conflict of Interest Declarations, which allow the</p>	

		Directors to perform an annual self-declaration on Independence (i.e. for Independent Directors) and conflict of interest (i.e. for all Directors). This exercise may constitute part of the Board Effectiveness Assessment.	
	<b>7.11</b>	<b>Bribery and Corruption Prevention Policy</b>	
		The Company adopts a strong stance against corruption and bribery. In addition to clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, all employees of the Company are required to make a declaration on an annual basis where they pledge to uphold the core values and not to indulge in any corrupt or unethical practices.	
		The Company's zero tolerance policy towards corruption and bribery extends to its dealings with third party service providers and vendors. Pursuant to such policy, the Company requires that all agreements with third party service providers and vendors incorporate a robust anti-corruption clause.	
	<b>7.12</b>	<b>Whistle-Blowing Policy</b>	
		The Whistleblowers Protection Act 2010 lays down various activities which the Company must be aware of.	
		Whistle-blowing policy and procedures have been put in place to provide employees of the Company and parties having official dealings with Alpha REIT with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other impropriety at the workplace to facilitate independent investigation of any reported incidents and appropriate follow up action.	
		The aim of the whistle-blowing policy is to encourage the reporting of such matters whereby employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly, and to the extent possible, be protected from reprisal. On an ongoing basis, the whistle-blowing policy is covered during periodic communications to employees to promote fraud awareness.	
	<b>7.13</b>	<b>Anti-Money Laundering and Countering the Financing of Terrorism Measures</b>	
		The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (" <b>Said Act</b> ") lays down various activities which AMLA views as unlawful activities and which the Company must be aware of.	



		The Company has applied a policy to comply with the Said Act for prevention of money laundering and terrorism financing and is alert at all times to suspicious transactions. The Company performs due diligence checks on its counterparties, where appropriate, in order to ensure that it does not enter into business transactions with terrorist suspects or other high risk persons or entities.	
<b>8.</b>	<b>RISK MANAGEMENT AND INTERNAL CONTROL</b>		
	It should be noted that when listed, Paragraph 15.26(b) of the Listing Requirements requires the board of directors of any given publicly listed issuer to include in its annual report a 'statement about the state of internal control of the listed issuer as a group' and the Board is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.		
	<b>8.1</b>	<b>Board's Responsibility</b>	
		In discharging the Board's stewardship responsibilities, the Board assumes the responsibility for the system of internal controls and risk management as set up by the Company as the manager for Alpha REIT and the adequacy and integrity of the systems to ensure there are no adverse disruptions to the income distribution and to mitigate any potential loss which may impact negatively upon all the Unitholder(s) so as to preserve their investments.	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
		It is an essential part of the Board's responsibilities to identify principal risks, ensure that appropriate systems and policies are in place to manage these risks and to review the adequacy and integrity of such internal controls system and policies.	
		However, the Board acknowledges that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgment in decision making, human error, losses, fraud or other irregularities.	
		A sound system of risk management and internal controls therefore provides a reasonable but not absolute assurance that Alpha REIT will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives.	
	<b>8.2</b>	<b>Risk Management</b>	
		The Company's Enterprise Risk Management ("ERM") Framework is adapted from the risk management best practices and guidelines and other relevant best practices and guidelines. It enables the Company to continuously identify, assess, monitor and manage risks that affect	<i>Amended pursuant to Board resolution on 24 October 2019.</i>



		Alpha REIT in achieving its objectives within defined risk parameters in a timely and effective manner. In implementing the aforesaid, the Board had:	
		<p>(a) set the risk appetite. In setting the risk appetite, the following were taken into consideration:</p> <ul style="list-style-type: none"> <li>Stakeholder's expectations;</li> <li>Alpha REIT's strategy, including objectives and business plan;</li> <li>Organisational capabilities; and</li> <li>The environment (e.g., the likelihood of changing industry and market conditions)</li> </ul>	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
		Following the above, the Board engaged with the Management to agree on the risk capacity, the risks faced by Alpha REIT and the headline risks. Headline risks are regarded as those where either a failure to consider or an inappropriate decision that puts the organisation at risk of total failure or a major diminution of unitholder value.	
		<p>How much risk to be accepted would be related to:</p> <ul style="list-style-type: none"> <li>the capital;</li> <li>the liquidity;</li> <li>the extent to which key stakeholders are willing (i) to accept the major changes in the risk profile and (ii) to contribute more capital; and</li> <li>the nature and extent of material risks that the Company is willing to take to achieve Alpha REIT's strategic and business objectives.</li> </ul>	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
		<p>Categories of risk include hazard, financial, operating, organisational, strategic, reputational.</p> <p>Once the risk appetite was defined, the specific risk tolerances were defined for approval by the Board.</p>	
		Following, a formal statement of risk appetite was approved and adopted by the Board. The statement serves to provide principles and guidance to Management as to the overall levels of risk that the Board sees as appropriate and it describes the major or headline risks facing Alpha REIT and Board and Management's agreed approach to monitor and manage the risks:	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
		(b) determined what is the best structure at both Board and Management levels for undertaking risk management;	

		(c) ensured that the risk management is embedded into the governance processes, as the Board is responsible for the governance of risk across Alpha REIT; and	
		(d) played a role in overseeing, ensuring the adequacy and effectiveness of and monitoring the operations of the Company's ERM Framework, system and policies, regularly reviewing Alpha REIT's risk profile, material risks and mitigation strategies, and reviewing new risks as they emerge.	<i>Amended pursuant to Board resolution on 10 August 2018.</i>
		All identified risks shall be recorded in a risk register to facilitate systematic review and monitoring. The ERM Framework and related risk management policies will be reviewed annually and to be validated by external consultants.	
		The Company, nonetheless, recognises that risk management is just as much about opportunities as it is about threats. To capitalise on opportunities, the Company has to take measured risks. Therefore, risk management is not about pursuing risk minimisation as a goal, but rather optimising the risk-reward relationship within known and agreed risk appetite levels. The Company therefore takes risks in a prudent manner for justifiable business reasons.	
		The Board is assisted by the EXCO and Audit and Risk Committee which provide dedicated oversight of risk management at the Board level.	<i>Amended pursuant to Board resolution on 10 August 2018.</i>
		The EXCO and Audit and Risk Committee meetings may be attended by members of the Management as and when required.	<i>Amended pursuant to Board resolution on 24 October 2019.</i>
	<b>8.3</b>	<b>Key Internal Control Processes</b>	
		The Company has put in place systems of internal control and a set of procedures and processes to safeguard the assets of Alpha REIT and interest of Unitholder(s) as well as to manage risk. These are described in the following paragraphs.	
		The Company shall maintain a risk register which identifies the material risks facing Alpha REIT and the internal controls in place to manage or mitigate those risks. The risk register shall be reviewed and updated by the CEO and function heads of the Company and it shall be reviewed quarterly by the EXCO, Audit and Risk Committee and the Board. The EXCO is tasked to report to the Audit and Risk Committee, the risk register and the approach taken in identifying and assessing risks and internal controls in the risk register.	<i>Amended pursuant to Board resolution on 24 October 2019.</i>

		Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems for Alpha REIT including testing, where practical, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with proposed corrective measures by internal auditors are reported to the Audit and Risk Committee. The system of risk management and internal controls is continually being refined by the Company and reported to the Audit and Risk Committee and the Board for their approval.	
		The internal controls of the Company sets out the authority limits for investments and divestments, acceptance of banking facilities or treasury products, budgetary approval, capital and operating expenditure, lease renewals, marketing, professional services expenditure and other operational matters. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions within those limits to authorised personnel in order to facilitate operational efficiency. Only authorised personnel are empowered to approve a transaction (including payments) on behalf of the Board.	
		Internal control procedures are established to ensure that related party transactions are undertaken in compliance with the REITs Guidelines, the MMLR and the Deed and are carried out on an arm's length basis and on normal commercial terms, which are in the best interest of the Unitholder(s). The Company incorporates into its annual internal audit plan a review of all related party transactions.	
		Policies, guidelines and processes are established for dealing with any potential conflicts of interest. In order to deal with any potential conflict of interest situations that may arise, the Company's policy is that any such transactions carried out for and on behalf of Alpha REIT are to be executed on terms that are the best available to Alpha REIT and which are no less favourable to Alpha REIT than transactions between independent parties. The Company has outsourced internal audit function to a professional firm and the service provider will report directly to the Audit and Risk Committee.	
		Alpha REIT subscribes to, and is guided by, the International Standards for the Professional Practice of Internal Auditing ("Standards") developed by the Institute of Internal Auditors and has incorporated these Standards into its audit practices.	
		The Audit and Risk Committee reviews the internal audit reports and activities on an on-going basis. The Audit and Risk Committee also reviews and approves the annual internal audit plan with respect to Alpha REIT. The Audit and Risk Committee is of the view that the internal audit department is adequately resourced to perform its	

		functions and has, to the best of its ability, maintained its independence from the activities that it audits.	
		The Audit and Risk Committee reviews, monitors and evaluates the effectiveness and adequacy of Alpha REIT's internal controls and financial and risk management issues raised by the external and internal auditors, regulatory authorities and Management. The Audit and Risk Committee also reviews written reports issued by the internal and external auditors, and ensures that appropriate and prompt remedial actions are taken by Management where deficiencies in internal controls have been identified. The Audit and Risk Committee also convenes meetings with both external and internal auditors without the presence of Management.	
		In addition, the Audit and Risk Committee has undertaken an assessment of the scope, functions and competency of the internal audit function. The Audit and Risk Committee also reviews and evaluates the procedures established to ensure compliance with applicable legislation, the MMLR and the REITs Guidelines.	

## ATTACHMENT A

### The Company as the manager of Alpha REIT

As Alpha REIT is externally managed by the Company, it has no employees. Alpha REIT Managers Sdn Bhd is the appointed manager of Alpha REIT in accordance with the terms of the Deed. The Deed outlines the functions and duties of the Company as well as the circumstances under which the Company can be retired.	
The Company as the manager is also responsible for the risk management of the Fund. The primary role as the manager of Alpha REIT is to set the strategic direction of Alpha REIT and make recommendations to the Trustee on the acquisition of new assets and divestment or enhancement of Alpha REIT's assets in accordance with its stated investment strategy. The research, evaluation and analysis required for this purpose are coordinated and carried out by the Company in its capacity as the manager of Alpha REIT. The Company is also responsible for the system of risk management and internal controls for Alpha REIT.	
The Company as the manager of Alpha REIT has general powers of management over the assets of Alpha REIT. Its primary responsibility is to manage the assets and liabilities of Alpha REIT for the benefit of the Unitholder(s) of Alpha REIT. This is done with a focus on generating rental income and enhancing asset values over time so as to maximise the returns from the investments and ultimately, the distribution and total returns to Unitholder(s).	
Other functions and responsibilities of the Company as the manager of Alpha REIT include:	
a) using its best endeavours to conduct Alpha REIT's business in a proper and efficient manner and to conduct all transactions on behalf of Alpha REIT at arm's length.	
b) preparing annual property plans for review by the Company's Directors, including forecasts on revenue, net income and capital expenditure, reasons for major variances in previous years' numbers, written commentaries on key issues and underlying assumptions for rental rates, operating expenses and other relevant assumptions.	
c) ensuring compliance with the Deed and relevant laws and regulations, including but not limited to the CA, the CMSA, the MMLR when listed, , the SC's Guidelines on Real Estate Investment Trusts (REITs Guidelines), Licensing Handbook, written directions, notices, codes and other applicable guidelines issued by SC and/or Bursa Securities from time to time and the tax rulings issued by the Inland Revenue Board of Malaysia on the taxation of Alpha REIT and its Unitholder(s) as well as any updates and amendments to such relevant laws and regulations.	
d) attending to all regular communications with Unitholder(s).	

e)	supervising the Property Manager(s), which pursuant to the property management agreements, perform the day-to-day property management functions for Alpha REIT's properties.	
	The Company will, subject to the provisions of the Deed, carry out all activities as deemed necessary for the management of Alpha REIT and its business. The Company's main responsibility is to manage Alpha REIT's assets and liabilities for the benefit of Unitholder(s).	
	The Company shall, in managing Alpha REIT, undertake primary management activities in relation to Alpha REIT, including but not limited to overall strategy, new acquisition and disposal analysis, marketing and communications, individual asset performance and business planning, market performance analysis and other activities as provided under the Deed.	
	The Company in its capacity as the manager of Alpha REIT covenants, among others the following:	
(a)	to carry on and conduct the business of Alpha REIT and our business in a proper, diligent and efficient manner and ensure that Alpha REIT is conducted, managed and administered in a proper, diligent and efficient manner and in accordance with the Deed, the applicable laws and regulations and acceptable and efficacious business practices in the real estate investment industry;	
(a)	to act with due care, skill and diligence in managing Alpha REIT and effectively employ the resources and procedures necessary for the proper performance of Alpha REIT;	
(b)	to observe high standards of integrity and fair dealing in managing Alpha REIT to the best and exclusive interest of Unitholder(s);	
(c)	not to take on, lease or otherwise acquire, except for the purposes of operating Alpha REIT and those entered into in the ordinary course of business, any immovable property or any interest therein;	
(d)	not to make improper use of the Company's position in, or information acquired through, managing Alpha REIT to gain an advantage for ourselves or for any other person or to cause detriment to the interests of Unitholder(s) and to ensure that the Company's officers and delegates comply with the same;	
(e)	to make available, or ensure that there is made available, to the Trustee such information as the Trustee requires with respect to all matters relating to Alpha REIT to which the Deed relates;	
(f)	within a reasonable period of time at the Trustee's request:	
(i)	to make available to the Trustee or an authorised officer or employee of the Trustee or the auditor appointed by the Trustee, for inspection the whole of the books and records of the Company in relation to Alpha REIT wherever kept;	

(ii)	to make available to the Trustee or an authorised officer or employee of the Trustee or the auditor appointed by the Trustee, for inspection, all financial and other records of Alpha REIT wherever kept; and	
(iii)	to give to the Trustee or an authorised officer or employee of the Trustee or the auditor appointed by the Trustee such oral or written information, explanation or other assistance that they may require with respect to all matters relating to Alpha REIT or any assets of Alpha REIT or otherwise relating to the affairs of Alpha REIT;	
(g)	to ensure that Alpha REIT has, at all times, an appointed Trustee, a Shariah adviser and a person responsible for ensuring compliance with the Deed and the applicable laws and regulations;	
(h)	unless otherwise permitted by the SC and the provisions of the Valuers, Appraisers and Estate Agents Act 1981, to appoint a property manager which has been approved by the Trustee to manage real estate held by Alpha REIT and which possesses adequate human resources with the necessary qualifications, expertise and experience in real estate management;	
(i)	to ensure that all real estate held by Alpha REIT is kept in good repair, that all valid notices from and requirements of proper authorities in relation thereto are observed and complied with and that they are let and otherwise dealt with to the best advantage;	
(j)	to insure and keep covered or insured in the name of the Trustee for their full replacement value or such amounts as may be recommended by a qualified valuer against fire, explosion, storm, tempest, flood, lightning and other usual risks including loss of rent where applicable on all the real estate comprised in the assets of Alpha REIT and on request by the Trustee produce for the inspection of the Trustee all insurance policies effected;	
(k)	to furnish the Trustee with a copy of all notices that the Company in its capacity as the manager of Alpha REIT makes to Unitholder(s);	
(l)	to take all necessary steps to ensure that the assets of Alpha REIT are adequately protected and properly segregated;	
(m)	prior to the initial listing of the units in Alpha REIT, to take all reasonable steps and exercise due diligence to ensure that the assets of Alpha REIT and the units held in Alpha REIT are correctly valued and priced in accordance with the Deed, REIT Guidelines and the other applicable laws and regulations;	
(n)	prior to the the initial listing of the units in Alpha REIT, to sell the units at the price calculated in accordance with the Deed, REIT Guidelines and the other applicable laws and regulations;	



(o)	prior to the initial listing of the units in Alpha REIT, at the request of a Unitholder, to coordinate the purchase of the units held by that Unitholder, and the purchase price will be a price calculated in accordance with the Deed, REIT Guidelines and the other applicable laws and regulations;	
(p)	to account to the Trustee for any loss suffered by the fund as a result of the Company's failure in its managerial role to exercise the degree of care and diligence required in operating and managing Alpha REIT;	
(q)	to ensure that the Company's officers and delegates comply with all of its duties and obligations prescribed under any applicable laws and regulations;	
(r)	to ensure that the assets of Alpha REIT are held separately from the Company's assets and any other fund managed by the Company;	
(s)	to establish and maintain risk management systems and controls to enable the Company to identify, assess, mitigate, control and monitor risks in relation to Alpha REIT;	
(t)	to have adequate human resource with the necessary qualification, expertise and experience to carry the Company's business;	
(u)	to have adequate and appropriate systems, procedures, and processes to undertake the business in a proper and efficient manner; and	
(v)	to pay the Trustee, within ten (10) days after receipt, any moneys payable by the Company to the Trustee under the Deed.	
The Company as the manager of Alpha REIT has jointly covenanted with the Trustee in the Deed as follows:		
(a)	to safeguard the interests of Unitholder(s) and to act in the best interests of Unitholder(s) and if there is a conflict between Unitholder(s)' interests and the Company's own interest, priority should be given to Unitholder(s)' interest;	
(b)	to ensure that for the duration of the REIT, there is a Deed registered with the SC in force at all times;	
(c)	unless otherwise permitted by the REIT Guidelines, the Islamic REIT Guidelines and/or any other applicable laws and regulations, to avoid any investments where any related party or associated person, as the case may be, to the Company as the manager of Alpha REIT or the Trustee gains any advantage, or where conflicts of interest may arise and avoid investments in real estate assets or other authorised investments which are speculative in nature or those which would not yield a reasonable return;	
(d)	to ensure that neither the Company as the manager of Alpha REIT nor the Trustee will exercise the right to vote in respect of any shares forming part of the assets of the REIT held by the Trustee at any election for the appointment of any director	



<p>of a corporation, whose shares are so held without the sanction of an ordinary resolution of a meeting of Unitholder(s) duly convened and held in accordance with the provisions in the Deed;</p>	
<p>(e) subject to the provisions of the Deed, at all times to use our best endeavours to list and maintain the listing of Alpha REIT on the Main Market of Bursa Securities and to comply with the relevant listing requirements issued by Bursa Securities; and</p>	
<p>(f) to fulfil our respective duties and responsibilities imposed by all other provisions of the Deed and the applicable laws and regulations and the Company and the Trustee declare that the Company's duties and responsibilities imposed on it as the manager of Alpha REIT by the Deed are in addition to, and not in derogation from, the duties which are otherwise imposed on it by law.</p>	
<p><b><u>Code of Business Conduct</u></b></p> <p>The Company adheres to an ethics and code of business conduct policy which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle work place harassment and grievances are also in place.</p> <p>All employees of the Company have each been given a printed employee handbook which sets out these policies clearly.</p> <p>The Company believes that the policies it has implemented help to detect and prevent occupational fraud mainly in three ways.</p> <p>Firstly, the Company offers fair compensation packages to its employees, based on practices of pay-for- performance and promotion based on merit.</p> <p>Secondly, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls.</p> <p>Finally, the Company seeks to build and maintain the right organisational culture through its core values, educating its employees on good business conduct and ethical values. The Company's zero tolerance stance against all types of fraud is also regularly communicated at staff communication sessions.</p>	

*[The remainder of this page is intentionally left blank]*