

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5280
COMPANY NAME : KIP Real Estate Investment Trust
FINANCIAL YEAR : June 30, 2020

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of KIP REIT Management Sdn. Bhd. ("REIT Manager") is collectively responsible for the promotion of a good corporate governance practices in KIP REIT and for the establishment of strategic objectives in the best interests of KIP REIT and its Stakeholders.</p> <p>The Board shall collectively discharge their fiduciary duties in an ethical, prudent and professional manner in executing all the following responsibilities, including the following:</p> <p>(i) Reviewing and adopting a strategic plan for KIP REIT</p> <p>Due consideration shall be given to management's strategic and business plans for KIP REIT. The Board is expected to review, deliberate and decide on the implementation of these plans to maximise sustainable and long-term value creation for its Stakeholders. The Board must also ensure that the strategic objectives of KIP REIT is taken into consideration in approving any such proposals put forth by management.</p> <p>(ii) Evaluating the conduct and overall management of the Manager and management of KIP REIT's assets</p> <p>The Board is responsible for the evaluation and review of KIP REIT's operational and financial performance on a periodic basis against the annual budget as approved yearly by the Board. The Board shall evaluate management's performance against the Key Performance Index as decided by the Board and shall compare the financial results to industry benchmarks.</p> <p>(iii) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures</p>

	<p>The Board is committed to being proactive in identifying principal risks as they arise and shall table such discussions on a periodic basis during board meetings. Where key risks are identified, the Board shall deliberate on the effectiveness of management’s internal controls and where necessary propose amendments or additional internal controls to mitigate the threats arising from the key principal risks.</p> <p>(iv) Ensuring that orderly succession plans are in place The Board shall deliberate on the plans and actions taken in respect to succession planning by ensuring that all candidates appointed to senior management positions or elected as a member of the Board shall have the requisite skills and experience to hold such positions.</p> <p>(v) Overseeing the development and implementation of a Unitholder communications policy for KIP REIT The Board shall ensure that the Manager keeps Unitholders and other relevant Stakeholders of KIP REIT informed about its performance and development. In line with KIP REIT’s communication policy, public announcements and engagements with Unitholders and other relevant stakeholders through different mediums are held to ensure transparency.</p> <p>(vi) Reviewing the adequacy and integrity of management information and internal controls system of KIP REIT The Board in executing its stewardship duties review and considers the information produced by management. The Board is also supported by various Committees at the Board and Manager’s level to ensure that there are strong internal controls that will mitigate the risk of misinformation. The active functioning of these Committees through their regular meetings and discussions provide a strong system of checks and balance and reasonable assurance on the adequacy of KIP REIT’s internal controls.</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board agrees that it is the best interest of KIP REIT and its Stakeholders that the Chairman of the Board leads with a strong belief in practicing good corporate governance.</p> <p>As the Chairman of the Board since his election as a Senior Independent Non-Executive Director, Dato Dr Syed Hussain Bin Syed Husman, JP continues to lead the board by fulfilling, amongst others, the following duties:</p> <ul style="list-style-type: none">(i) Leading deliberations on the board agenda between the Board and management with the assistance of the Company Secretary;(ii) Facilitating discussions and encouraging an open dialogue where there are dissenting opinions between members of the Board such that matters are carefully considered;(iii) Ensuring that the decisions made collectively by the Board during Board Meetings are adequately communicated to the relevant parties; and(iv) Maintaining a strong constructive relationship with members of the Board and members of Management.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and Chief Executive Officer (“CEO”) are held by two separate individuals who are respectively aware of their distinctive roles. The roles and responsibilities of each position are clearly demarcated within the Board Charter as follows:-</p> <p>As the Chairman of the Board, Dato’ Dr Syed Hussain Bin Syed Husman, JP’s primary responsibility is to lead the Board by promoting orderly conduct and functioning on an overall basis. The Chairman being an Independent Non-Executive Director (“INED”) is not involved in the daily management of KIP REIT and is therefore able to make independent judgements and constructive feedback on KIP REIT’s business strategies.</p> <p>By comparison, Mr Chan Heng Wah as the CEO of KIP REIT, since 1 March 2018, oversees the day-to-day operational management and is responsible for the execution of strategic development and business investment of KIP REIT.</p> <p>The delineation of power is clearly defined in the Board Charter of the Manager and is available on KIP REIT’s website www.kipreit.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by a qualified Corporate Secretary, Ms Foo Siew Loon (SSM PC No. 202008002104) (MAICSA 7006874) of CE Corporate Secretaries Sdn. Bhd.</p> <p>Her primary role is to advise the Board on governance matters relevant to KIP REIT. To effectively carry out her responsibilities, she actively engages in the activities including but not limited to:</p> <ul style="list-style-type: none">(i) Managing and attending all Board and committee meetings and ensuring that all administrative matters are properly conducted;(ii) Advising the Board on rules and regulations applicable to the Board in executing their roles, and where necessary, regularly updating the Board on new directives by authorities;(iii) Facilitating the orientation of new directors and senior management and implementing necessary training and development;(iv) Advising the board on corporate disclosures and compliance with securities regulations and listing requirements;(v) Managing processes and logistic practicalities in convening Annual General Meetings and Extraordinary General Meetings; and(vi) Serving as the point of contact for stakeholder's communication and engagement on corporate governance issues.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>Prior to each Board Meeting, a Board Report will be circulated by the Company Secretary to all Directors so that each Director has ample time to peruse and review the information prior to further deliberation at the Board Meeting. Notices and agenda of meeting duly endorsed by the Chairman together with the relevant board papers are normally submitted to members of the Board at least one week prior to the meetings for them to study and evaluate the matters to be discussed.</p> <p>The Board Report provided include inter alia, the financial results, business plan and budget, progress report on the internal audit, regulatory/statutory updates and other operational and financial issues for the Board information and/or approval.</p> <p>The Board is fully aware of its duties and responsibilities with regards to the above and decisions and deliberation at the Board meetings are recorded and minuted by Company Secretary. All minutes will be sent for confirmation prior to the next meetings.</p> <p>In FY20, a total of four Board Meetings were held such that the Directors could properly discharge their duties. In addition, there were total of four scheduled Audit Committee Meetings and two scheduled Nomination Committee Meetings and two Remuneration Committee Meetings respectively held during the year.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is governed by a Board Charter adopted on 31 July 2017 and is periodically reviewed to ensure that the applicable MCCG 2017 best practices are properly effected. The purposes of the Board Charter, among others, are to:</p> <ul style="list-style-type: none">(i) Ensure that the Board is aligned with the key values and principles of the MCCG, Listing Requirements, and other regulatory bodies;(ii) Setting out a clear demarcation of roles between the Chairman and CEO;(iii) Establishing the roles of Non-Independent and Independent Directors;(iv) Reserving specific responsibilities to sub-committees such as the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee;(v) Ensure compliance with the form and substance of the Director's Code of Ethics; and(vi) Reserving such matters of discussion which shall be within the remit of discussion for the Board only. <p>The Board Charter is reviewed from time to time to ensure that the Board is compliant with the ever-changing regulatory climate and to ensure alignment with KIP REIT's Core Values, Mission and Vision.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Manager's Code of Conduct and Business Ethics provides the ethical framework to guide actions and behaviour of all Directors and employees of the Manager during their course of employment. This Code reflects the increasing need for effective corporate governance compliance measures in the conduct of KIP REIT operations. It emphasises and advances the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and well-being of the Manager and KIP REIT.</p> <p>The objective of the Code is to provide guidance on the standards of behaviour expected of the Manager, and where applicable, Counterparts and Business Partners. The standards of behaviour are derived from the Manager's Core Values and Business Principles. For all intent and purposes, the Manager shall always observe and ensure compliance with all applicable laws and regulations to which they are bound to observe in the discharge of their duties. In particular, emphasis is placed on managing conflicts of interest and preventing abuse of power, corruption, insider trading and money laundering.</p> <p>During FY20, the Manager has also implemented Anti-Bribery Management Systems in line with ISO37001:2016 and Section 17A of the Malaysian Anti-Corruption Act 2009. The same can be located on the corporate website.</p> <p>The Code of Conduct and Business Ethics and Terms of Reference are reviewed from time to time as necessary.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Manager has established and implemented a Whistleblowing Policy with a well-defined process to provide an independent feedback channel through which employees or other stakeholders may raise concerns about possible improprieties in matters relating to financial reporting, serious improper conduct, unsafe work practices, and other such malpractices that may negatively impact KIP REIT's reputation. The primary objective of this policy is to place safeguards for stakeholders in raising the above issues to encourage early detection of risks and allow for appropriate actions to be taken.</p> <p>The ARMC Chairman and Compliance Officer shall review all whistleblowing reports submitted and shall cause the initiation of preliminary investigations by an ad-hoc committee of independent parties. Upon conclusion of these investigations, the collective group shall present their rationale on their decisions to either close the matter or suggest further investigations. All relevant parties shall then consider appropriate disciplinary actions to be taken where necessary and a detailed summary shall be kept on records.</p> <p>Stakeholders are encouraged to lodge reports of Improper Conduct to whistleblower@kipreit.com.my on any suspected misconduct either via email or mail to the Compliance Officer or ARMC Chairman at Unit B-6, Block B, Tingkat 6, Menara KIP, No. 1, Jalan Seri Utara 1, Sri Utara Off Jalan Ipoh, 68100 Kuala Lumpur.</p> <p>During the financial year under review, no incidences of whistleblowing were reported.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.1

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

Application	:	Departure						
Explanation on application of the practice	:							
Explanation for departure	:	<p>The Manager recognises that an effective board is comprised of a group of individuals with an appropriate mix of core competencies and a variety of diverse experiences to facilitate an open discourse in the best interest of KIP REIT.</p> <p>KIP REIT is committed to sustaining a strong mix of qualified individual to facilitate new perspectives for independent judgement and to avert instances of “group think” in the best interest of its stakeholders. In order to achieve this, KIP REIT has adopted the definition of Independent Non-Executive Directors (“INEDs”) and NEDs (“Non-Executive Directors”) provided by the REIT Guidelines and Bursa’s Main Market Listing Requirements.</p> <p>The Manager appreciates that it is in the best interest of KIP REIT and its stakeholders that the INEDs have the power to exercise objectivity in their decision-making process. As such, the Manager promotes good corporate governance practices as follows:</p> <ul style="list-style-type: none">(i) INEDs shall have the right to exercise unfettered judgement;(ii) The Board shall facilitate an open-discourse in a manner such that INEDs are encouraged to provide unbiased and constructive advice as necessary;(iii) INEDs shall not materially interfere with the day-to-day management of the Manager; and(iv) INEDs shall have a tenure no longer than nine (9) years unless by approval of the unitholders. <p>The current board composition is as follows:</p> <table border="1"><thead><tr><th>Designation</th><th>Number of Directors</th><th>Percentage</th></tr></thead><tbody><tr><td>Executive Directors (“EDs”)</td><td>2</td><td>28.5%</td></tr></tbody></table>	Designation	Number of Directors	Percentage	Executive Directors (“EDs”)	2	28.5%
Designation	Number of Directors	Percentage						
Executive Directors (“EDs”)	2	28.5%						

	Non-Independent NEDs	2	28.5%
	INEDs	3	43%
	Total	7	100%
	<p>As at printing of this statement, the Board comprises seven members, of whom three are independent and four of whom are non-independent (two executives and two non-executives). KIP REIT is cognisant that the Independent Directors do not make up a majority of the Board and therefore deviates from the suggested corporate governance practice. However, measures are put into place such that the Board composition is in line with the REIT Guidelines and Bursa's Main Market Listing Requirements which requires that INEDs make up 1/3 of the Board. The Nomination Committee also from time-to-time review the composition of the Board to review and evaluate the performance of the Board from time-to-time.</p> <p>The details on skills and knowledge of each individual member of the Board are outlined in the Directors' Profile section in the Annual Report.</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:	As of FY20, all three Independent Non-Executive Directors elected to the Board do not hold a tenure exceeding nine years. However, it is within KIP REIT's Board Charter that should the Board require the service of an elected INED for a period exceeding nine years, then the approval of Unitholders shall be sought and obtained. Such exercise is required to assuage any potential concerns over the erosion of the board's objectivity due to familiarity.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	The Board Charter specifically states that any INEDs intending to serve on the Board for a period of nine years shall require the approval of Unitholders and shall be sought and obtained. The Nomination Committee shall at such time concurrently review and evaluate the risk of perceived breach of independence as a result of long tenures. It is an absolute priority to the Nomination Committee that the integrity of Board decisions shall be upheld and maintained.

Intended Outcome

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

Practice 4.4

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The appointment of Directors shall be conducted through a formal and transparent process, as adopted by the Board. The potential candidate shall be assessed and reviewed by the Nomination Committee taking into account the required mix of skills, experience and other relevant qualities including core competencies which are required to well manage the business with the aim to meet the current and future needs of the Board composition prior to its recommendation to the Board and approval of the SC. The Company Secretary shall ensure that all appointments are properly effected for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements of Bursa Securities, SC or other regulatory requirements.</p> <p>KIP REIT appreciates that a diverse board is beneficial to the interest of its Stakeholders. As such, due regard is given to ensure that such individuals are appointed by their merits in nominating members of the Board and senior management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board welcomes and strives to promote diversity in among others, gender, age, skills, experience and cultural background within itself and senior management of the Manager for a better representation of the differing views of all stakeholders. While due regard to these elements are given to increase diversity, every recruitment decision made by the Board is first and foremost their merits and suitability in filling up gaps within the Board composition and senior management in KIP REIT to ensure an effective Board. As such, the Board does not prescribe to gender targets. KIP REIT has nonetheless sought to promote equality within the workforce and have elected women in senior management roles as part of this exercise and shall continually implement measures to ensure that gender equality is addressed. Details on the diversity of the workforce is included in the Sustainability Statement in the Annual Report.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.6

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.

Application	:	Applied	
Explanation on application of the practice	:	As described in 4.4 above, the procedure on appointing directors is formal and transparent. While the ultimate appointment decision vests in the Board, the Nomination Committee shall have input over the requisite skills and experience that candidates must possess. The search and nomination of Directors are subject to the review of other existing members of the Board, of whom are expected to base their decisions in the best interest of KIP REIT and its stakeholders. Further, KIP REIT's internal policy is such that the appointment of directors or senior management shall be subject to screening and appropriate approvals.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The main responsibilities of KIP REIT's Nomination Committee are threefold:</p> <ul style="list-style-type: none"> (i) To make appropriate recommendations to the Board on the nomination of directors; (ii) To advise on the composition of the Board by ensuring that the Directors have the requisite skills and expertise in executing their roles; and (iii) To evaluate the performance of the Board. <p>In the current financial year, KIP REIT's Nomination Committee consists of the three INEDs.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Board shall, through the Nomination Committee, conduct an annual evaluation on its effectiveness as a whole, the contribution of each individual Director and the performance of sub-committees.</p> <p>Furthermore, the Board shall undertake an assessment of its independent directors annually including the review of the term of office and evaluate any perceived conflicts of interests arising. The Board shall then take appropriate action and implement strategies to mitigate any such perception. Ultimately, it is important to the Board that every independent director shall not materially interfere with KIP REIT's daily management whether in practice or by perception and shall exercise their unfettered and independent judgement.</p> <p>The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board and the Board Committees. For individual assessment, the assessment criteria include but is not limited to the following:</p> <ul style="list-style-type: none">(i) Performance in discharging their fiduciary duties;(ii) Contribution in the decision-making process;(iii) Commitment to serve the company in the best interest of its unitholders and other stakeholders;(iv) Character and integrity in defending their own opinion;(v) Acumen in identifying potential conflicts of interests and abstaining from voting from the vote; and(vi) Ability to critically evaluate Board decisions.

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

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent 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 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Manager recognises that the success of KIP REIT is largely contributed to its ability to attract and retain its people at every level of the organisation. It is for this reason that the Manager has adopted a policy to ensure that its talent pool can access the necessary support for their professional development, rewarded for their hard work and ultimately contribute to the long-term success of KIP REIT.</p> <p>Applying the same rationale, the Manager is acutely aware that the experience of the Directors and senior management should be fairly remunerated for executing their vast responsibilities in their roles. It has therefore adopted a transparent approach to ensure the work of the directors accurately reflect the benefits they bring to KIP REIT.</p> <p>The remuneration policy for EDs shall be based on the achievements and contribution of each EDs measured against their respective Key Performance Indicators. The level of remuneration for the EDs shall be determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar industry.</p> <p>For NEDs, the level of remuneration reflects the level of responsibilities undertaken by the particular NED concerned. In attaining this, the Remuneration Committee shall establish a remuneration framework for the Directors and make recommendations to the Board on all elements of remuneration, terms of employment, reward structure and fringe benefits for Directors. The NEDs shall receive a fixed base fee and not by a commission on or percentage of profits or turnover, as consideration for their duties.</p> <p>For members of Senior Management, the level of remuneration reflects the performance of the individual against their yearly appraisals. The Board shall evaluate Senior Management's</p>

	performance against a set of objective criteria to be backed up by supporting examples and points of improvement for the next financial period. The Board recognises that to ensure talent retention, members of Senior Management are rewarded for the execution of their roles. Therefore, the Board has the discretion to review their remuneration packages on an annual basis.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent 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 6.2

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board appreciates the significance of appointing an effective Remuneration Committee to ensure that all members of the Board and Senior Management are fairly remunerated and remain motivated to serve in the best interest of KIP REIT.</p> <p>The Remuneration Committee's main responsibilities include but is not limited to implementing and enforcing policies to ensure that the Board is rewarded based on their merits, qualifications and competence, having regard to the:</p> <ul style="list-style-type: none">• company's performance;• industry benchmarks; and• individual's performance. <p>On a yearly basis, the Remuneration Committee shall also review and evaluate the performance of all members of the Board.</p> <p>In FY20, the Remuneration Committee comprises of two INEDs and a Non-Independent ED.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 7.1

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

Application	:	Applied				
Explanation on application of the practice	:	The detail of the Directors' remuneration of the Manager for the FY20 as stated below:-				
		Directors	Salary (RM)	Annual Fees (RM)	Meeting Allowances (RM)	Total Remuneration (RM)
		Dato' Dr Syed Hussain Bin Syed Husman, JP	-	77,400	6,500	83,900
		Dato' Chew Lak Seong	710,313	-	-	710,313
		Dato' Ong Kook Liong	710,313	-	-	710,313
		Datuk Mohamed Arsad Bin Sehan	-	70,560	6,500	77,060
		Mr Chiam Tau Meng	-	63,460	5,500	68,690
		Ms Ong Pui Shan	-	66,810	2,500	69,310
		Mr Chew Kheng Kai	-	66,810	2,500	69,310
		Total				1,789,166
Explanation for departure	:					
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>						
Measure	:					

Timeframe	:		
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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 7.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Due to the commercial sensitivities and the highly competitive human resources environment within the industry, the Board has opted to keep information on the top five Senior Management's remuneration confidential and undisclosed. In the best interest of the Manager as well as KIP REIT, staff remuneration confidentiality is required to retain its experienced staff and ensure continuity of the business operations. The Board has thus decided not to disclose the remuneration of senior management of the Manager.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit and Risk Management Committee (“ ARMC ”) comprises of three members, all of whom are INEDs of the Board. It is further noted that the Board Chairman is a member of ARMC but does not act as ARMC Chairman. The Committee meets on a scheduled basis at least four times a year. The composition of the Audit and Risk Management Committee, its terms of reference, attendance of meetings and duties and responsibilities are set out in the Audit and Risk Management Committee Report of the Annual Report. The minutes of the Audit and Risk Management Committee meetings are tabled to the Board for noting and for action by the Board, where necessary.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board and the Manager are acutely aware that it is integral for the Audit Committee to be impartial and is relied upon by unitholders to perform evaluation without bias. It is for this reason that the Audit Committee has implemented a policy to ensure that there is at least a two year period of cooling off before appointing a former key-audit partner as a member of the Audit Committee.</p> <p>Further none of its members have been a key audit partner for KIP REIT since its incorporation.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC acting on behalf of the Board shall maintain an appropriate, transparent and professional relationship with KIP REIT's internal and external auditors. The assessment of the auditors shall be based on an objective set of criteria which takes into account of the suitability, competence and independence of the auditors. More specifically, the ARMC shall take into consideration while appointing or evaluating the auditors:</p> <ul style="list-style-type: none">(i) their reputation and ability to provide independent judgement;(ii) the quality of the audit work performed;(iii) the resources available in the audit team; and(iv) the cost of the audit. <p>Additionally, the ARMC has reviewed the summary of non-audit services provided by PricewaterhouseCoopers PLT ("PwC") and is satisfied that the nature and extent of the work performed shall not dissuade them from their independence. The audit and non-audit services rendered by PwC in FY20 were respectively RM105,000 and RM100,000.</p> <p>Furthermore, prior to engagement acceptance, the ARMC shall ensure that the engagement partner in charge of the audited financial statement of KIP REIT must be rotated on a five year basis to maintain transparency and independence. On 29 July 2020, PwC in its presentation on External Auditor's report to the ARMC, declared its independence in relation to their engagement as the External Auditors of KIP REIT, and is compliant with the relevant professional and regulatory requirements.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>KIP REIT's ARMC comprises solely of three INEDs which is in line with the step-up best practices of the MCCG 2017. The risk of self-review is mitigated as members are independent of the daily operations of KIP REIT and therefore further strengthens our financial integrity.</p> <p>The appointment of INEDs as members of the ARMC is a testament to KIP REIT's commitment in achieving excellence in our corporate governance practices.</p>

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	:	Applied													
Explanation on application of the practice	:	<p>The existing members of KIP REIT's ARMC possess varied skillsets and vast experiences within the fields of accounting and finance. They are qualified in their own rights and are well-versed in analysing KIP REIT's financial statements prior to making recommendations to the Board for approvals.</p> <p>The members of the Audit Committees are committed to undertaking continuous professional development to keep abreast with the relevant developments in their fields. The training attended by the members of the ARMC during FY20 are listed below:-</p> <table border="1"> <thead> <tr> <th>Members of the ARMC</th> <th>Conference/Seminar/Training Attended</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Mr Chiam Tau Meng</td> <td>Corporate Liability, Adequate Procedures and ISO 37001 Briefing by Dr Mark Lovatt, CEO of Trident Synergy Solutions Sdn. Bhd.</td> </tr> <tr> <td>Ethics and Governance – Pillars of a Successful Business</td> </tr> <tr> <td>Training on Sustainability Reporting</td> </tr> <tr> <td rowspan="3">Dato' Dr Syed Hussain Bin Syed Husman, JP</td> <td>Corporate Liability, Adequate Procedures and ISO 37001 Briefing by Dr Mark Lovatt, CEO of Trident Synergy Solutions Sdn. Bhd.</td> </tr> <tr> <td>Ethics and Governance – Pillars of a Successful Business</td> </tr> <tr> <td>Malaysian REIT Forum 2019: Opportunities in the New Malaysia</td> </tr> <tr> <td rowspan="2">Datuk Mohamed Arsad bin Sehan</td> <td>Demystifying the Diversity Conundrum: The Road to Business Excellence</td> </tr> <tr> <td>Evaluating Effective Internal Audit Function – Audit Committee's Guide</td> </tr> </tbody> </table>	Members of the ARMC	Conference/Seminar/Training Attended	Mr Chiam Tau Meng	Corporate Liability, Adequate Procedures and ISO 37001 Briefing by Dr Mark Lovatt, CEO of Trident Synergy Solutions Sdn. Bhd.	Ethics and Governance – Pillars of a Successful Business	Training on Sustainability Reporting	Dato' Dr Syed Hussain Bin Syed Husman, JP	Corporate Liability, Adequate Procedures and ISO 37001 Briefing by Dr Mark Lovatt, CEO of Trident Synergy Solutions Sdn. Bhd.	Ethics and Governance – Pillars of a Successful Business	Malaysian REIT Forum 2019: Opportunities in the New Malaysia	Datuk Mohamed Arsad bin Sehan	Demystifying the Diversity Conundrum: The Road to Business Excellence	Evaluating Effective Internal Audit Function – Audit Committee's Guide
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		Ethics and Governance – Pillars of a Successful Business
		Malaysian REIT Forum 2019: Opportunities in the New Malaysia
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board appreciates that a robust system of risk management and strong internal controls provide reasonable assurance that KIP REIT’s internal policies, processes and procedures facilitate effective business decisions and operations. The Board therefore places great emphasis on promoting greater accountability of business process owners of the internal controls and periodically discuss the risks arising therefrom.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 9.2

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

Application	:	Applied
Explanation on application of the practice	:	The features of the risk management and internal control framework is disclosed in detail in the Statement of Risk Management and Internal Control of the Annual Report. This disclosure acts as a summary of the discussions held by the Board in the identification of key risks, the implementation of appropriate measures and the effectiveness of risk mitigation action plans. It is within the ARMC’s purview to ensure that the risk management framework and processes remain relevant in a changing business environment. Members of the ARMC shall be responsible in monitoring the effectiveness of risk practices or measures put in place to mitigate and control key risks. On a quarterly basis, the ARMC reviews the meeting minutes of the Risk Management Working Group and the Risk Register and ensure that measures implemented are in line with KIP REIT’s risk appetite.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 9.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>KIP REIT’s internal audit function is outsourced to an independent service provider. The main role of the internal auditors is to provide the ARMC with independent and objective evaluation of the adequacy and effectiveness of KIP REIT’s internal controls, risk management and governance framework.</p> <p>The internal auditor has full, unrestricted and unfettered access to the books and records of the REIT Manager and KIP REIT. It carries out independent test work on KIP REIT’s internal controls based on the internal audit plan that is pre-approved by the ARMC.</p> <p>Following the test work performed, the internal auditor provides the ARMC with quarterly internal audit reports which highlights observations, recommendation and action plans to strengthen KIP REIT’s internal control system.</p> <p>Details of the internal audit activities carried out by the internal auditor during FY20 are set out in the Audit and Risk Management Committee Report in the Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 10.2

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.

Application	:	Applied
Explanation on application of the practice	:	<p>To promote objectivity in evaluating internal controls, the Manager has appointed Baker Tilly Monteiro Heng Governance Sdn. Bhd. to perform its internal audit services. This is to provide assurances to stakeholders that the internal controls, procedures and processes safeguarding the Unitholder’s investments and KIP REIT’s assets are properly implemented, enforced and managed.</p> <p>One key factor of appointment of the internal auditors is so that stakeholders are satisfied that the results published are free from management’s bias. The result of the Internal Audit report is discussed by the ARMC and published in the Audit and Risk Management Committee Report in the Annual Report.</p> <p>The Manager further notes that:</p> <ul style="list-style-type: none"> • A yearly audit plan is presented in the ARMC Meeting and approved by the Board. • Baker Tilly Monteiro Heng Governance Sdn. Bhd. has conducted two internal audit cycles reviews during the financial year, each of the two internal audit cycles covering two auditable areas. • An internal audit report with findings, recommendations and management response will be presented to the Audit and Risk Management Committee Meeting and approved by the Board on a quarterly basis.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board values constant dialogue and is committed to clear communication with Unitholders, Investors and other stakeholders. It is for this reason that KIP REIT has implemented strategies to regularly communicate with its stakeholders through different mediums.</p> <p>KIP REIT has established and is constantly updating its website at www.kipreit.com.my to create greater awareness of KIP REIT's activities, performance and other relevant information among the stakeholders and general public. The website provides all information with reference to material information of quarterly and annual result announcements, changes to shareholding and press releases which are published concurrently with Bursa Malaysia website.</p> <p>Further, as part of KIP REIT's active investor relations programme, discussions and dialogues are held with fund managers, financial analysts, unitholders and the media to convey information about KIP REIT's performance, corporate strategy and other matters affecting unitholders' interests. The results of which are tracked and released to the stakeholders where appropriate.</p> <p>The Manager also communicates information on KIP REIT to Unitholders and the investing community through announcements that are released to Bursa Malaysia website. Such announcements include the quarterly results, material transactions and other developments relating to KIP REIT requiring disclosure under the Main Market Listing Requirements of Bursa Malaysia.</p> <p>Communication channels with unitholders are also made accessible via:-</p> <ul style="list-style-type: none">(i) Press and analysts briefings;(ii) One-on-one/group meetings, conference calls, and conferences;

	(iii) Quarterly Announcements and Annual Report;
	(iv) Press releases on major developments of KIP REIT; and
	(v) KIP REIT's website at www.kipreit.com.my .
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	KIP REIT's Annual Report 2020 provides a comprehensive overview of the Fund's performance through the following sections: Management Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Financial Statements. The Board strives to disclose all matters in an open and transparent manner such that Stakeholders can make informed decisions.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Manager appreciates that the Annual General Meeting (“AGM”) is an important avenue for stakeholders to express their opinions to those responsible for the safekeeping of their investments. For this reason, the annual report, which contains the AGM notice together with related circular/statement to unitholder is issued at least a month prior to the scheduled date of the AGM to all unitholders.</p> <p>The Board recognises that sufficient notice should be given to the Unitholders to consider the resolutions to be deliberated and decided during the AGM. To facilitate this, the Board shall circulate the Notice of AGM setting out the businesses to be transacted at the AGM with explanatory notes for each proposed resolution to enable unitholders to make informed decisions while exercising their voting rights. The notice is also circulated nationally via announcements in newspapers (English and National Language) and through announcement on BursaLink.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Manager appreciates that the AGM and Extraordinary General Meeting (“EGM”), if any, are an important events during the corporate calendar as it is an opportunity and an avenue for Unitholders and other stakeholders to communicate their opinions and address any questions to the Board, its sub-committees and senior management. The Board also firmly believes that the AGM/EGM acts as a feedback channel from which the Manager can leverage the constructive feedback received from unitholders to address any potential concerns and better improve on business strategies and plans.</p> <p>During the AGM/EGM, the Chairman shall facilitate conversations and allow Unitholders to raise any queries to the individuals responsible. After which, Senior Management shall analyse the results of the AGM/EGM and make appropriate recommendations for further action.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders’ participation at General Meetings.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	KIP REIT does not allow Unitholders to vote in absentia at the meeting, except with appointment of a proxy as representative of the Unitholders. All resolutions are put to the vote by electronic poll voting. An independent scrutineer is appointed to conduct the polling process and verify the votes. The result of the votes are announced immediately after the verification of the votes by the scrutineer. The outcome of the meeting will be announced on Bursa Securities on the same day.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

**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.

N/A
