

PAVILION

REAL ESTATE INVESTMENT TRUST

*Managed by
Pavilion REIT Management Sdn Bhd*

NON-ASSURANCE AND NON-AUDIT SERVICES POLICY

Effective Date : 25 April 2024

Contents

1	Introduction.....	1
2	Independence.....	1
3	Non-Assurance and Non-Audit Services	1
4	Approval for Non-Assurance and Non-Audit Services.....	2
5	Review	3

1 Introduction

The Audit Committee (“the Audit Committee”) of Pavilion REIT Management Sdn Bhd, as the Manager (“the Manager”) for Pavilion Real Estate Investment Trust (“Pavilion REIT”) is responsible for reviewing, assessing and monitoring the performance, suitability and independence of its external auditors. The objective of this Policy is to outline the guidelines and procedures for the Audit Committee to access and monitor the provision of non-assurance and non-audit services by external auditors for Pavilion REIT Management Sdn Bhd and Pavilion Real Estate Investment Trust.

2 Independence

The external auditors are precluded from providing any services that may impair their independence or conflict with their role as external auditors. The Audit Committee shall obtain a written assurance from the external auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

3 Non-Assurance and Non-Audit Services

The external auditors can be engaged to perform non-assurance and / or non-audit services that are not and are not perceived to be, in conflict with the role of the external auditors. This excludes audit related work in compliance with statutory requirements.

The prohibition of non-audit services is based on 3 basis principles as follows :-

- a) External auditors cannot function in the role of Management
- b) External auditors cannot audit their own work; and
- c) External auditors cannot serve in an advocacy role of the Manager

List of non-assurance services are as listed below

Tax Services

- Tax compliance including preparation of corporate tax returns.
- Due diligence for tax restructuring related to acquisitions and dispositions.
- Tax consulting related to ESG matters.
- Issuance of tax opinions on the tax treatments.
- Assisting with tax audits and administrative appeals.

Advisory services for Audit clients

- Enterprise risk management service
- ESG Roadmap and Integrated Reporting
- ESG Reporting Strategy Assessment
- ESG Reporting Readiness Assessment
- Real-time Systems Implementation Assessment – observation and recommendations
- Conduct Technical Accounting Training
- Assessment, recommendations and general consideration for new accounting requirements
- Due diligence services pertaining to potential business acquisitions or dispositions.
- Provide high level observations and recommendations over gaps and design and implementations (i.e. SOC or ESG readiness)
- Cybersecurity attestation readiness
- Agreed-upon procedures to comply with regulatory reporting matters. (i.e. Electricity Supply Act 1990)

4 Approval for Non-Assurance and Non-Audit Services

All engagements of external auditors to provide non-assurance and / or non-audit services in excess of 100% of the total audit fees are subject to the approval of the Audit Committee. Prior approval of the Audit Committee must be obtained before engagement.

For non-assurance and / or non-audit services below 100% of total audit fees, approval from the Chief Executive Officer or an Executive Director would need to be obtained prior to any engagement.

The below assurance services would be exempted from approval from the Audit Committee, if required

- Review of the Statement on Risk Management and Internal Control
- Reporting Accountant services for acquisitions and dispositions
- Agreed-upon procedures to comply with regulatory reporting matters (i.e. Electricity Supply Act 1990)
- Sustainability assurance for regulatory reporting

5 Review

This Policy is to be reviewed at least once every 2 years to ensure it remains relevant and appropriate.