

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pavilion REIT Management Sdn Bhd (“Manager”), which is the Manager of Pavilion Real Estate Investment Trust (“Pavilion REIT” or “Fund”), was set-up to manage and administer Pavilion REIT. Licensed by the Securities Commission Malaysia under the Capital Market Services Act 2007, the Manager, in carrying out its responsibilities, advocates good corporate governance to retain high values of clarity, responsibility, and honesty and be subjected to provisions of the Deed, Listed REIT Guidelines, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance and any other relevant laws.

The Manager shall, in managing Pavilion REIT, undertake primary management activities in relation to Pavilion REIT, including but not limited to the overall strategy, risk management strategy, new acquisition and disposal analysis, marketing and communications, individual asset performance review and business planning, market performance analysis and other activities as provided under the Deed with proper, diligent and efficient manner with acceptable and efficacious business practices in the real estate investment industry.

PRINCIPAL A : BOARD LEADERSHIP AND EFFECTIVENESS

The Board of Directors (“Board”) members, with their wide, varied range of expertise, skills and experiences have adopted the primary responsibilities as listed on the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance 2021, all of which is to steward Pavilion REIT’s business and facilitate the discharge of the Manager’s responsibilities with a view to enhance unitholders value and interest and maintaining high standards of transparency, accountability and integrity. The Board Charter was formally approved and adopted by the Board on 1 November 2012.

The Board meets at least once every quarter and focuses on principal matters such as strategic issues and planning, including performance reviews and promoting business sustainability, setting the risk appetite, evaluating potential acquisitions and disposals, reviewing financial performance and advocating ethical standards through a code of conduct.

Notices, agenda, and meeting papers are circulated to the Board members in a timely manner to ensure that they have sufficient time to review the matters under consideration. All members of the Board have access to the advices and services of the company secretary and the compliance officer and are entitled to obtain independent professional advice in discharging their duties.

Members of the Board consists of eleven members, of which three (3) are non-independent executive directors, three (3) non-independent non-executive directors and five (5) independent non-executive directors.

The Chairman is an executive director, with 45% of the Board being independent non-executive directors. The Board believes that the Chairman, who has significant interest in Pavilion REIT, will act in the best interest of the Fund’s unitholders.

The Chairman carries out a leadership role in the conduct of the Board and is primarily responsible for ensuring the adequacy and integrity of the governance process besides guiding and mediating the Board’s action and maintaining regular dialogues with the CEO.

The CEO, whose position is held separately by a different person, is responsible to ensure the effective implementation of strategic plans and policies established by the Board to manage the daily conduct of Pavilion REIT’s business to ensure smooth operations, clear supervision, and effective management. The approved policies and standard operating procedures for level of authority for transactions, maintenance and operations of Pavilion REIT’s properties as well as acquisitions and divestments of investments procedures will continuously be reviewed, enhanced and updated in line with changes in the operating environment.

The Board has updated its independence and gender diversity in compliance with the recommendation under the latest Malaysian Code on Corporate Governance to have at least 30% women board members. To date, the Board comprise of 36% women board members.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

Audit Committee and Nominating Committees, comprising mainly of independent directors, have also been setup to assist the Board in discharging its duties and responsibilities via terms of reference approved by the Board members. The Committee members would meet to discuss on matters within their scope and thereafter the Committee Chairman would recommend them to the Board for decision. All Committee and Board meetings are minuted. More details are available under the section of Audit Committee Report and Nominating Committee Report respectively.

Any board member that has any interest, whether directly or indirectly, in a contract or proposed contract would have to declare his or her interest and not participate in deliberations and shall abstain from casting his or her votes in any matter arising therefrom. Should there be an actual, potential, or perceived conflict of interest of a related corporate and a director, or an associate of a director as a spouse or other family members, the director involved shall make full disclosure. The Audit Committee is responsible to review any related party transactions or conflict of interest situations and the Manager will ensure compliance with the Deed and any other regulatory guidelines.

The Board members shall devote sufficient time to carry out their responsibilities. The Board will obtain this commitment from its members at the time of appointment. The Board members shall notify the Chairman before accepting any new directorships and the notification shall provide for an indication of time that will be spent on the new appointment. The remuneration or fees due to its Board members are paid by the Manager and not Pavilion REIT.

The Board has met four (4) times during the financial year ended 31 December 2025 with details of attendance as stated below:

Name of Directors	Designation	Number of Meetings Attended
Tan Sri Lim Siew Choon	Chairman and Non-Independent Executive Director	4/4
Puan Sri Tan Kewi Yong	Non-Independent Executive Director	4/4
Dato' Lee Tuck Fook	Non-Independent Executive Director	4/4
Ahmad Mohammed F Q Al-Khanji	Non-Independent Non-Executive Director	3/4
Navid Chamdia	Non-Independent Non-Executive Director	3/4
Dato' Seri Mohamed Azahari bin Mohamed Kamil	Independent Non-Executive Director	4/4
Dato' Mearia @ Massahariah binti Hamzah	Independent Non-Executive Director	4/4
Baljeet Kaur Grewal A/P Jaswant Singh	Independent Non-Executive Director	4/4
Nor Rejina binti Abdul Rahim	Independent Non-Executive Director	4/4
Ang Ah Leck	Independent Non-Executive Director	4/4
Fahad Abdulla S A Al-Mana ¹	Non-Independent Non-Executive Director	2/2
Abdul Rahim bin Mohamed Ali ²	Non-Independent Non-Executive Director	1/1

¹ appointed and resigned as a director on 25 March 2025 and 24 October 2025 respectively.

² appointed as a director on 30 October 2025.

During the financial year under review, the Board members had attended various programmes to enhance their knowledge and expertise as well as to keep abreast with the relevant changes in law, regulations and business environment.

Training programmes attended by the Board members during the financial year were:

- (i) Anti-Bribery and Corruption Awareness Training
- (ii) Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership Programme
- (iii) Cybersecurity Training
- (iv) Capital Market Development Programme
- (v) KSY021-Cloud Computing and AI : Transforming Industries in Malaysia
- (vi) KSY022-Leveraging Cloud AI for Sustainable Development in Malaysia
- (vii) Mandatory Accreditation Programme Part II – Leading for Impact
- (viii) Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level Programme

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

The Nominating Committee has reviewed and assessed the performance of the Board, Board Committees, each Board member, Audit Committee and each Audit Committee member. The Nominating Committee concluded that their performance is satisfactory, with the fit and proper credentials duly met. The Independent Non-Executive Directors have maintained their independence and are competent to continue serving as independent directors.

Sustainability Committee (“SC”) and Risk Management Committee (“RMC”) have also been established in May 2022 to affirm the Board’s commitment towards sustainability and strengthen risk management processes to ensure Pavilion REIT is in a position to mitigate any potential risk.

Sustainability Committee

Name of Directors	Designation	Number of Meetings Attended
Nor Rejina binti Abdul Rahim (Chairman)	Independent Non-Executive Director	2/2
Dato’ Seri Mohamed Azahari bin Mohamed Kamil	Independent Non-Executive Director	2/2
Dato’ Mearia @ Massahariah binti Hamzah	Independent Non-Executive Director	2/2
Baljeet Kaur Grewal A/P Jaswant Singh	Independent Non-Executive Director	2/2
Ang Ah Leck	Independent Non-Executive Director	2/2
Fahad Abdulla S A Al-Mana ¹	Non-Independent Non-Executive Director	1/1

¹ ceased as a member on his resignation as a director on 24 October 2025.

Risk Management Committee

Name of Directors	Designation	Number of Meetings Attended
Ang Ah Leck ¹ (Chairman)	Independent Non-Executive Director	2/2
Dato’ Seri Mohamed Azahari bin Mohamed Kamil	Independent Non-Executive Director	2/2
Dato’ Mearia @ Massahariah binti Hamzah ²	Independent Non-Executive Director	2/2
Baljeet Kaur Grewal A/P Jaswant Singh	Independent Non-Executive Director	2/2
Nor Rejina binti Abdul Rahim	Independent Non-Executive Director	2/2
Fahad Abdulla S A Al-Mana ³	Non-Independent Non-Executive Director	1/1

¹ appointed as chairman on 19 September 2025.

² resigned as chairman on 19 September 2025, while remaining as member.

³ ceased as a member on his resignation as a director on 24 October 2025.

PRINCIPAL B : EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee members, comprising mainly of independent directors, are responsible to review financial reports, gauge internal and external audit processes as well as to review related party transactions and conflict of interest situations. Additional information is available under the section of the Audit Committee Report.

Pavilion REIT’s Enterprise Management System (ERM) is a holistic, integrated, future-focused, and process-oriented approach that helps the Manager to manage all key business risks (including material ESG and climate related risks) and opportunities with the intent of maximizing Pavilion REIT unitholders value. This is done by aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing risks that the Manager faces as it creates value for Pavilion REIT.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

ERM is the core management competency that incorporates a well-structured systematic process to identify business risks (including material ESG and climate-related risks) and lessen their impact to Pavilion REIT. This involves the core elements of identification of business risk, measurement of identified business risk, control or manage risk in line with policies and strategies of the Fund and constant monitoring and communicating of risks associated with any activity, function or process in a way that will enable the Fund to minimize losses and maximize opportunities.

ERM Framework that the Fund adopts consists of seven key elements, which is in line with globally accepted risk management standards, ISO 31000:2018 Risk Management Standards – Guidelines.

Framework Element	Description
Risk strategy and appetite	Alignment / conscious decision to use risk management for the achievement of business decision and strategic objectives
Risk governance	Establish an approach to developing, supporting and embedding risk strategies and accountabilities
Risk culture	Embed values and behaviour that shape risk decision
Risk assessment and measurement	Identify, access, categorise and measure risk across the Fund
Risk management and monitoring	Manage, mitigate and accept risks
Risk reporting and insight	Report and conduct activities to provide insight on risk management, strengths and weaknesses
Data and information	Use risk and control information to improve performance

Governance Structure

The Board retains the overall responsibility of risk management to identify principal risks and to ensure the implementation of appropriate controls to manage risks by establishing and approving an effective risk management policy, set risk appetite and determine level of risk tolerance, communicate with unitholders and other stakeholders, review risk profile, its principal business risks, risk mitigation plan and overall oversight of risk management. These strategies have been delegated to the Risk Management Committee (RMC) which is mainly comprising independent directors, to administer to ensure the Risk Management Working Committee (RMWC) has effective management procedures in place to identify, assess, monitor and manage its key risk areas in line with the Board's mandate.

RMWC, chaired by the CEO, including the senior management is responsible for directing and monitoring the implementation of risk management practices throughout the Fund to achieve Pavilion REIT's vision, mission and purpose. RMWC is supported by Risk Owners that oversee the function / business unit of Pavilion REIT properties and be directly responsible for the day-to-day operations of the property. Risk Owners are responsible to identify, assess and implement action plans to address risks arising from operations. All identified risks are logged in the Risk Register, enabling organised reviews, the development of mitigation plans, and continuous monitoring. While risks can be mitigated and / or exposure reduced, risks by nature cannot be fully eliminated, especially systemic risks.

Internal audit, reporting to the Audit Committee, reviews the design and implementation of risk management and internal control systems to ensure their adequacy and effectiveness.

Material Risks and Mitigation Actions

For Pavilion REIT's key risks and its mitigation measures, please refer to Section 4.5 Our Risk and Opportunities.

The Nominating Committee has determined that the Audit Committee members and Risk Management Committee members have discharged their duties effectively and in accordance with their terms and reference.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPAL C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board acknowledges that providing prompt and accurate disclosure of information to unitholders is critical. Therefore, disclosures are made via integrated annual report and announcements on Bursa Malaysia, corporate website, roadshows, and conferences. Consistent engagement ensures that Pavilion REIT's information are transmitted on a timely basis. Annual general meeting is also another platform for unitholders to engage with the Manager to seek clarification, updates, and feedback.

The CEO or the Deputy CEO, as the official spokesperson for the Fund, meets with analyst and fund managers to provide them with updates or upon request, besides attending investors' roadshows and seminars. Besides timely announcements and disclosures to Bursa Malaysia, its website, www.pavilion-reit.com is also regularly being updated.

The Manager will continue to enhance its communication channels to ensure its unitholders, fund managers and stakeholders obtain information that are timely and relevant.