

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5235SS  
**COMPANY NAME** : KLCC PROPERTY HOLDINGS BERHAD ("KLCCP") &  
KLCC REAL ESTATE INVESTMENT TRUST ("KLCC REIT")  
**FINANCIAL YEAR** : December 31, 2024

### **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 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.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

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

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Boards are responsible to the Stapled Securities holders for delivering sustainable growth, as well as to stakeholders, in achieving the KLCCP Stapled Group's strategic objectives. The Boards emphasise the code of business conduct, ensure compliance with relevant laws, policies, applicable standards, and guidelines across the Group.</p> <p>The Boards recognise their responsibility in setting the group's direction and long-term strategic plans by considering changes in the external environment that impact the performance of KLCCP Stapled Group. The Boards provide effective oversight of business operations, resource management, and risks through the assistance of respective Board Committees, operating under clearly defined Terms of Reference.</p> <p>Activities carried out by the Boards and Boards' Committees in discharging their duties and responsibilities during the financial year ended 31 December 2024 ("FY2024") inter-alia, comprised:</p> <p>(a) <u>Governance and compliance</u></p> <p>(i) Approved proposed Board Effectiveness Evaluation Enhancement 2024</p> <p>(ii) Approved the Adoption &amp; Establishment of Policies such as Health, Safety &amp; Environment Policy &amp; Policy On Substance Misuse, Human Rights Policy, and etc</p> <p>(iii) Reviewed the Conflict of Interest and deliberated on Conflict of Interest matters and potential of Conflict of Interest.</p> <p>(b) <u>Business strategy, business planning &amp; budget and financial performance</u></p> <p>(i) Reviewed, deliberated, and approved the FY2025 Business Plan and Budget as well as the 4-year Financial Forecasts FY2026 - FY2029 for KLCC Property Holdings</p>

	<p>Berhad (“KLCCP”) and KLCC REIT. Considered and deliberated on management updates and progress reports relevant to the business operations and undertakings, paying particular attention to the frequent reviews of reporting of the KLCCP Stapled Group’s financial performance progress and status.</p> <p>(ii) Reviewed projected cash flows and distribution for KLCCP Stapled Group.</p> <p>(iii) Deliberated on Sukuk Programme.</p> <p>(iv) In addition, the Company also organise Board Strategic Away Day which serve as a platform for the Board to focus and deliberate on business strategy.</p> <p>(c) <u>Internal control and risk management</u></p> <p>(i) Reviewed the quarterly update on KRIs and risk appetite results to gain an early insight of any potential risk exposure to the Company.</p> <p>(ii) Annual review of the Risk Appetite to ensure that the risk exposure and risk tolerance level are relevant and up to date to achieve our strategic objectives.</p> <p>(iii) Annual review of Corporate Risk Profile in compliance with the ERM Framework where the principal risks were reviewed, assessed and updated to safeguard the KLCCP Stapled Group’s investment and key business activities. The review also ensures that the risk exposures are relevant and up to date taking into account of the current as well as emerging risks including sustainability risk.</p> <p>(iv) Annual review of Risk Profile for entities under the KLCCP Stapled Group namely KLCC Parking Management Sdn. Bhd. and KLCC Urusharta Sdn. Bhd</p> <p>(v) Analysed the risk assessment on business proposals, new initiatives and any other Board decision papers for deliberation and decision- making.</p> <p>All risk profiles are monitored via myRISK, a centralised risk information platform which provides complete risk overview for reporting to the Boards. It is a web-enabled system where users are able to access the organisation risk profile on a real-time basis anytime and anywhere.</p> <p>In addition, the Board Risk Committees provide advice to the Boards on risk matters. This includes reviewing the adequacy and effectiveness of risk management, internal</p>
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	<p>control system and key control processes as adopted by KLCCP Stapled Group.</p> <p>(vi) Deliberated and approved internal audit reports which highlighted major findings, agreed mitigation actions and management's responses</p> <p>(vii) Deliberated and approved the Quarterly Audit Status Reports which highlighted the outstanding agreed mitigation actions to ensure all audit issues are resolved on a timely basis</p> <p>(d) <u>Succession Planning</u></p> <p>(i) Discussed updates on succession management especially on KLCCP Leadership Bench Strength in line with the approved Succession Management Framework.</p> <p>(ii) Discussed the updates on Talent Readiness and Matching to the identified Key Positions.</p> <p>(iii) Appointment of Chairman</p> <p>(iv) Appointment of Chief Executive Officer</p> <p>(e) <u>Communication with stakeholders</u></p> <p>Stakeholders are regularly updated about the performance and results of the KLCCP Stapled Group through engagement and the public release of relevant information, which is also available on the KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</p> <p>(f) <u>Sustainability matters</u></p> <p>(i) Approved the KLCCP Stapled Group Sustainability Report 2023.</p> <p>(ii) Reviewed the readiness of the KLCCP Stapled Group to comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on Enhanced Sustainability Disclosure, with progress on gap closures reported to the Boards on quarterly basis.</p> <p>(iii) Approved the KLCCP Stapled Group Sustainability Plan 2030, continuing the concluded Sustainability Roadmap 2019 – 2023.</p> <p>(iv) Reviewed the results of the company's climate-related risk and opportunities assessment and achievements to date in integrating climate-related financial risks and opportunities</p>
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	<p>into corporate governance, strategy, risk management, metrics and targets.</p> <p>(v) Reviewed the ESG performance rating by external agencies such as Sustainalytics and GRESB Real Estate Assessment Public Disclosure Score</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Boards is responsible for leading and managing board performance, providing stewardship, leadership, and guidance. The roles and responsibilities of the Chairman are clearly set out in Appendix A of the Board Charter which is available on the KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</p> <p>The Chairman:</p> <ul style="list-style-type: none"><li>(a) Leads Board meetings' discussions, allowing sufficient time for deliberations on key issues, and seeks views from the Directors on matters requiring decisions of the Boards.</li><li>(b) Assisted by the CEO and Company Secretary, sets the board meeting agenda for timely dissemination of complete and accurate information to the directors.</li><li>(c) Chairs the annual general meetings ("AGMs") of KLCCP and KLCC REIT and provides responses to the holders of Stapled Securities on issues raised by them.</li><li>(d) Instils leadership in promoting and implementing good governance practices across KLCCP Stapled Group. The Chairman ensures that relevant corporate governance practices are adhered to, fostering reasonable interaction between the Boards and Management to support an effective decision-making process.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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	:	<div>The positions of the Chairman and the CEO of KLCCP and KLCC REIT Management Sdn Bhd (“KLCCRM”) are held by different individuals:</div> <table><tr><th>No</th><th>Position</th><th>Name</th><th>Remark</th></tr><tr><td rowspan="2">1.</td><td rowspan="2">Chairman</td><td>Tan Sri Ahmad Nizam bin Salleh</td><td>Resigned effective 1 September 2024</td></tr><tr><td>Datuk Ir. Annies Bin Md Ariff</td><td>Appointed effective 1 September 2024</td></tr><tr><td rowspan="2">2.</td><td rowspan="2">CEO</td><td>Datuk Md. Shah bin Mahmood</td><td>Resigned effective 1 November 2024</td></tr><tr><td>Datuk Sr. Mohd. Salem bin Kailany</td><td>Appointed effective 1 November 2024</td></tr></table> <div><p>The Board Charter of KLCCP provides that the chairmanship should be held by a Non-Executive Director. The roles of Chairman are distinguished from the roles of CEO with clear division of responsibilities as outlined in the Board Charter. The Board Charter is available on the KLCCP Stapled Group’s corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</p><p>The Chairman is primarily responsible for the orderly conduct and function of the Boards as well as ensuring their effectiveness thereof.</p><p>The CEO has delegated authority from, and is accountable to, the Boards for managing the day-to-day businesses of KLCCP and KLCCRM, as well as implementing the approved policies. The CEO is empowered to make decisions for operational matters as defined in the Limits of Authority approved by the Boards.</p><p>In managing the group business affairs, the CEO is assisted by the Management of KLCCP Stapled Group.</p></div>	No	Position	Name	Remark	1.	Chairman	Tan Sri Ahmad Nizam bin Salleh	Resigned effective 1 September 2024	Datuk Ir. Annies Bin Md Ariff	Appointed effective 1 September 2024	2.	CEO	Datuk Md. Shah bin Mahmood	Resigned effective 1 November 2024	Datuk Sr. Mohd. Salem bin Kailany	Appointed effective 1 November 2024
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Explanation for departure	:																	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.																		



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

### Intended Outcome

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

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>														
<b>Application</b>	:	Applied												
<b>Explanation on application of the practice</b>	:	<p>The Chairmen of KLCCP and KLCCRM Boards are not members of the Nomination and Remuneration Committee ("NRC"), Board Audit Committee ("BAC") and Board Risk Committee ("BRC").</p> <p>For the year under review, the members of the Board Committees are as follows:</p> <table><tr><th>No</th><th>Committee</th><th>Members</th></tr><tr><td>1.</td><td>NRC</td><td>i. Puan Chong Chye Neo (Chairperson) ii. Puan Farina Farikhullah Khan iii. Dato' Jamaludin Osman</td></tr><tr><td>2.</td><td>BAC</td><td>i. Puan Farina Farikhullah Khan (Chairperson) ii. Puan Chong Chye Neo iii. Dato' Sr. Mazuki A Aziz</td></tr><tr><td>3.</td><td>BRC</td><td>i. Dato' Jamaludin Osman (Chairman) ii. Puan Farina Farikhullah Khan iii. Datin Noor Lily Zuriati Abdullah</td></tr></table> <p>This practice has also been embedded explicitly in the Board Charter and Terms of Reference of the respective Board Committees.</p>	No	Committee	Members	1.	NRC	i. Puan Chong Chye Neo (Chairperson) ii. Puan Farina Farikhullah Khan iii. Dato' Jamaludin Osman	2.	BAC	i. Puan Farina Farikhullah Khan (Chairperson) ii. Puan Chong Chye Neo iii. Dato' Sr. Mazuki A Aziz	3.	BRC	i. Dato' Jamaludin Osman (Chairman) ii. Puan Farina Farikhullah Khan iii. Datin Noor Lily Zuriati Abdullah
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<b>Explanation for departure</b>	:													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
<b>Measure</b>	:													
<b>Timeframe</b>	:													



### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Boards of KLCCP and KLCCRM are equipped with adequate resources to carry out their oversight duties and responsibilities effectively. The Boards have unrestricted access to the advice and services of a Company Secretary.</p> <p>The Boards and Board Committees are supported by a competent and qualified Company Secretary, Puan Hanida binti Jamon who is a Licensed Secretary by the Companies Commission Malaysia and qualified under Section 235 of the Companies Act, 2016. Puan Hanida's profile is available in the KLCCP Stapled Group Integrated Report 2024.</p> <p>The Company Secretary play an advisory role to the Board, particularly concerning the Constitution of KLCCP and KLCCRM, Board policies and procedures, as well as the Company's compliance with regulatory requirements, codes, guidance and legislations.</p> <p>The Company Secretary ensures that discussions and deliberations at Board and Board Committee meetings are well documented and subsequently communicated to the relevant Management for appropriate actions.</p> <p>The Company Secretary consistently keeps herself abreast of regulatory changes and developments in corporate governance through continuous trainings. Based on the finding from Board Effective Evaluation FY2024, the Board is satisfied with the performance and support rendered by Puan Hanida binti Jamon in discharging her functions.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Boards meet at least quarterly with additional meetings convened as and when necessary.</p> <p>A "Board Meeting Planner" is prepared and circulated in advance of each new calendar year.</p> <p>The Boards and Board Committees are provided with relevant information on matters for consideration in a timely manner, facilitating effective boardroom deliberations.</p> <p>All Board meetings were conducted separately from board committee meetings. During each Board meeting, the Chairman ensured adequate time is allocated for thorough deliberation of key issues. This includes the Committee Chairs reporting on the contents of discussions and any recommendations requiring approval from the Boards and the actions to be taken by the Boards.</p> <p>The meeting agendas are set by the Chairman, assisted by the Company Secretary and CEO. As part of the initiative to enhance the Board effectiveness, the Board meeting agendas also include the CEO Briefing. This provides a platform for the CEO to apprise the Boards on the business and operations of the Group.</p> <p>The Boards' and Board Committees' meeting packs consisting of agenda items, reports, and papers, are provided to the Directors at least six (6) days prior to each meeting. All meeting materials are securely distributed to Board members through an electronic portal, where the agendas and meeting papers are uploaded into the electronic board paper system, ensuring timely access and efficient preparation by the Board members. By leveraging on technology, the Boards have the flexibility to review all meeting materials, facilitating informed decision-making.</p> <p>The Company Secretary records all deliberations and decisions of the Boards, including instances where directors abstained from voting or deliberating on a particular matter. Minutes of meetings of the Boards and Board Committees are circulated to Board and Board Committees in a timely manner upon the conclusion of meetings. Minutes of board meetings are tabled for confirmation at the meeting, ensuring the</p>

	minutes accurately reflect deliberations and decisions of the Board. The minutes of the Board Committees are presented to the Board for notation.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The functioning of the Boards is guided by KLCCP's Board Charter, adopted on 27 November 2012, with the latest revision approved by the KLCCP Board on 28 November 2023.</p> <p>The Board Charter outlines among others, the respective roles, responsibilities and authorities of the Boards, Board Committees, Chairman, CEO, as well as the Senior Independent Non-Executive Director in setting the direction, management and control of the organisation. It also delineates the issues and matters reserved for the Board's decisions.</p> <p>The Board Charter is available on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>. KLCCP Board will review the Board Charter periodically and make any necessary amendment to ensure it remains consistent with the Boards' objectives, current laws and practices.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>KLCCP Stapled Group has established the Code of Conduct and Business Ethics (CoBE), Anti-Bribery and Corruption Manual and the Whistleblowing Policy. These governing documents set out the standards of behaviour and ethical conduct that must be complied by the Directors, management, and employees of KLCCP Group. These documents aim to ensure that the Directors, management, employees and third parties performing work or services for KLCCP Stapled Group act ethically and remain above board at all times, and their individual behaviour is in line with PETRONAS' Shared Values.</p> <p>The CoBE, ABC Manual and Whistleblowing Policy govern the daily conduct of the employees and directors on matters relating to abuse of power, conflict of interest, giving and receiving gifts, bribery and corruption, competition, anti-money laundering, international trade, and facilitation of payments, amongst others. The CoBE, ABC Manual and Whistleblowing Policy emphasise and advance the principles of discipline, good conduct, professionalism, loyalty, integrity, and cohesiveness that are relevant to the success and well-being of KLCCP Stapled Group.</p> <p>The CoBE, ABC Manual and Whistleblowing Policy are available on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</p> <p>During the year, awareness programmes on CoBE, ABC Manual and Whistleblowing Policy were rolled out to all new employees. Additionally, refresher programmes on anti-bribery and corruption, including corporate liability, were conducted for all employees in the months of June, July and August.</p> <p>The Boards place emphasis on combatting bribery and corruption. As part of KLCCP Stapled Group's implementation of adequate procedures, the Boards of KLCCP and its subsidiaries (including KLCCRM) have executed an Integrity Pledge in combatting bribery and corruption. In addition, KLCCP, KLCCRM and other subsidiaries of</p>

	<p>the Group have issued a Policy Statement on Anti-Bribery and Corruption with zero tolerance to any form of bribery and corruption culture.</p> <p>In December 2020, KLCCP and its identified subsidiaries (including KLCCRM) received its first ISO 37001:2016 Certification on Anti Bribery Management Systems (“ABMS”). In 2023, the Group successfully passed ABMS Recertification Audit conducted by a competent Certification Body, SIRIM QAS International Sdn Bhd, and renewed its ABMS ISO Certification until the year 2026. In 2024, KLCCP and its identified subsidiaries successfully passed the ABMS Surveillance Audit, also conducted by SIRIM QAS International Sdn Bhd.</p> <p>Apart from the above, the Directors also adhere to their own code of conduct, outlined in the Board Charter. The COBE adopted by KLCCP Stapled Group has also included provisions on Insider Trading where Directors and employees are prohibited from trading in Stapled Securities, especially when they are in possession of price-sensitive information and knowledge of facts that are not publicly announced.</p> <p>Notices on Closed Period for trading in Stapled Securities are sent to the Directors and principal officers on a quarterly basis specifying the timeframe during which the Directors and principal officers are prohibited from dealing in Stapled Securities and to comply with relevant requirements governing their trading in Stapled Securities during the Closed Period.</p> <p>Apart from the above, the Board and Senior Management were requested to quarterly declare on any Conflict of Interest or potential Conflict of Interest that could arise.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>KLCCP Stapled Group adopted Whistle-blowing Policy effective 27 November 2012. An enhanced version of the Whistleblowing Policy ("Enhanced Whistle-Blowing Policy") which provides and facilitates appropriate communication and feedback channels involving KLCCP Stapled Group, its employees and the public, was adopted on 4 May 2021.</p> <p>The enhanced Whistle-blowing Policy is available on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</p> <p>The Group in its endeavour to combat bribery, has introduced the Integrity pledge, Asset Declaration Form, Gift Register, Bribery and Corruption Risk assessment, and Anti-Bribery Management System.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The KLCCP Stapled Group's commitment to sustainability extends beyond rhetoric, finding its stronghold in a robust governance structure.</p> <p>The Boards of KLCCP and KLCCRM (the Boards) serve as the paramount authority and are accountable for ensuring effective management of material sustainability matters, including climate change, and initiatives within the group, supported by the Board Risk Committees (BRC). Together with the Leadership Team, the Boards take responsibility for the governance of sustainability in setting the Group's sustainability strategies, priorities, and targets.</p> <p>Guiding the charge on sustainability strategies for KLCCP Stapled Group, the CEO diligently updates the BRCs and the Boards every quarter, seeking their valuable counsel on related matters.</p> <p>The Sustainability Steering Committee (SSC), responsible for the strategic management of sustainability matters, maintained its structure for the year 2023. Chaired by the Senior General Manager, Group Strategy and Sustainability, the committee includes representation from division heads and operating units, fostering a holistic approach to sustainable practices.</p> <p>Supported by Group Strategy and Sustainability Division (GSS) and facilitated by the Environmental, Social &amp; Governance (ESG) Department as the secretariat, KLCCP Stapled Group is not just embracing sustainability it is consistently shaping the future of responsible business practices.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Boards approve KLCCP Stapled Group Sustainability Report each year prior to publication. The Sustainability Report includes the Group’s sustainability framework and strategies, plans, goals and targets, approaches, and performance, and outlook of the company’s sustainability agenda which are communicated to our internal and external stakeholders through various channels:</p> <ul style="list-style-type: none"><li>• Internal – Intranet portal, emails, monthly bulletin, employee engagement, presentation to leadership team, etc.</li><li>• External – Corporate website, annual report, press releases, investor presentations, quarterly analysts’ briefings, KLCCP’s dedicated ESG World Platform, etc.</li></ul>	
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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Boards oversee the overall sustainability strategy and direction of the Group including climate-related risk and opportunities to ensure long-term value creation.</p> <p>Additionally, the CEO reports to the Boards on the sustainability and climate-related risks and opportunities faced by the Group.</p> <p>In 2024, the Boards received training on sustainability, specifically focused on Scope 3 GHG Emissions to stay updated on relevant sustainability issues for the Company.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The current performance review i.e. Balanced Scorecard for Senior Management, takes into account sustainability risks such as Health, Safety, Environmental ("HSE") risks, financial and people development.  The Board Effectiveness Evaluation BEE FY2024 has included questions in addressing the Group sustainability matters.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>KLCCP Stapled Group's Sustainability Steering Committee (SSC) is chaired by the Senior General Manager of Group Strategy and Sustainability. The SSC reports to the CEO who in turn reports the progress to the Boards.</p> <p>The Senior Manager of Environmental, Social &amp; Governance Department also serves as the secretariat to the SSC aligned with the Sustainability Governance Framework. This role involves providing stewardship and guidance on key sustainability matters for the Group, as well as guiding the effective implementation and management of various economic, environment, social and governance objectives and initiatives.</p>

### Intended Outcome

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

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committees ("NRCs") continued to discharge their functions and ensured that the board composition and tenure of each director are reviewed periodically.</p> <p>KLCCP and KLCCRM have implemented the Directors' Fit and Proper Policy in 2022 which serves as a guide to ensure all directors possess the necessary qualities, competencies and experience that enable them to perform their duties and carry out their responsibilities effectively.</p> <p>The Boards have also implemented a nine years' term limit for Independent Directors to ensure a progressive refreshing of the Boards.</p> <p>The Boards and NRCs recognise that directors' performance is crucial in recommending directors for re-election to the shareholders.</p> <p>In the first quarter of 2024, the Boards and NRCs reviewed and endorsed the results of Board Effectiveness Evaluation ("BEE") FY2023 as well as the annual re-election of Directors for AGM 2024 of KLCCP and KLCCRM.</p> <p>In the fourth quarter of 2024, the NRCs assessed the yearly performance of all Directors through BEE FY2024. Additionally, the following retiring Directors, who are standing for re-election at the forthcoming 22<sup>nd</sup> Annual General Meeting of KLCCP, have completed the Directors' Fit and Proper assessment:</p> <ul style="list-style-type: none"><li>(1) Datuk Sr. Mazuki A Aziz ;</li><li>(2) Datin Noor Lily Zuriati Abdullah;</li><li>(3) Datuk Ir. Annies Md Ariff;</li><li>(4) Datuk Sr Mohd. Salem Kailany; and</li><li>(5) Puan Freida Amat.</li></ul> <p>Prior to recommending the re-election of the abovementioned retiring Directors, the NRCs reviewed the respective Directors' performance and contribution based on the results of BEE FY2024, and the Directors' Fit &amp; Proper assessment.</p>

	<p>The NRCs are of the opinion that the retiring Directors had individually discharged his/her duties effectively and had provided valuable contribution to the leadership of the Group.</p> <p>With that, the Boards and NRCs collectively resolved to recommend the re-election of the retiring Directors at the respective AGMs of KLCCP and KLCCRM.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As at 31 December 2024, the Boards of KLCCP and KLCCRM comprised eight (8) Directors, with five (5) Independent Non- Executive Directors ("INEDs"), two (2) Non-Independent Non-Executive Directors, and one (1) Executive Director.</p> <p>The Independent Non-Executive Directors are as follows:</p> <ul style="list-style-type: none"><li>(1) Puan Farina Farikhullah Khan;</li><li>(2) Dato' Jamaludin Osman;</li><li>(3) Puan Chong Chye Neo;</li><li>(4) Dato' Sr. Mazuki A Aziz; and</li><li>(5) Datin Noor Lily Zuriati Abdullah.</li></ul> <p>The result of Board Effectiveness Evaluation FY2024 indicated that INEDs have demonstrated independence and objectivity in Board decision making process.</p> <p>The majority of the Board members consists of independent directors, ensuring the Company's compliance with Practice 5.2 of the Malaysian Code on Corporate Governance.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

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

### Intended Outcome

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

### Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	:  To-date, KLCCP and KLCCRM have five (5) Independent Non-Executive Directors ("INEDs"), none of whom have served beyond nine (9) years. The tenure of the INEDs is set out in the Directors' profile of the KLCCP Stapled Group Integrated Report 2024.  The policy to limit the tenure of independent directors to nine (9) years is included in the KLCCP's Board Charter.  KLCCP Board Charter is available on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a> .

### Intended Outcome

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

### Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>KLCCP and KLCCRM practice formal and transparent procedures and emphasise the selection criteria for the appointment of Directors. The Boards adopted the Board Diversity Policy in August 2016, aspiring to ensure diverse and inclusive boards. This aims to leverage differences in thoughts, perspectives, knowledge, skills, regional and industry experiences, cultural and geographical backgrounds, age, ethnicity, and gender to achieve effective stewardship, thereby enhancing the companies' competitive advantage. The Board Diversity Policy is available on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</p> <p>Before making any proposed appointment, the Boards also consider other requirements such as professionalism, integrity, and competencies. They ensure that no person shall be appointed as a director on the board if the person is or becomes an active politician, heads of state, heads of government or ministers.</p> <p>In the selection of suitable candidates, the Boards and NRCs refer to the Board Skills Matrix. The Matrix reflects the appropriate mix of skills, expertise and experience required to address existing and emerging business and governance issues. The Board Skills Matrix consists of several criteria, namely Finance &amp; Accounting, Business Management, Property &amp; Real Estate, Engineering, Information Technology/Digital, Quantity Survey/Project Management and Legal. The Boards and NRCs review the Board Skills Matrix, to identify the appropriate skills, knowledge, experience, and capabilities required to meet both current and future challenges of the Group.</p> <p>Additionally, the Directors' commitment in discharging their duties and responsibilities is reflected by their attendance at the Board and Board Committees meetings held during the year. Although some Directors hold multiple directorships, they are able to commit and devote their time for the Boards and Board Committees meetings. The Boards are satisfied that each Director has devoted sufficient time to effectively discharge his/her responsibilities.</p>

	Further, the Boards are updated by General Manager of Human Capital on succession planning and talent management for critical positions based on criteria, merit, skills and experience.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In view of the need to ensure proper processes are in place to manage composition and succession issues at board level, an appropriate process for the selection, nomination and appointment of suitable candidates to the Boards has been established.</p> <p>The Boards do not solely rely on recommendations from existing Board Members, management or major shareholders in identifying candidates for appointment of directors.</p> <p>While the Boards are responsible for the appointment of new Directors, the NRCs are entrusted with the responsibility of conducting the selection of new directors. This involves assessing and considering the capabilities, commitment, and qualities of candidates to be appointed as Board Members.</p> <p>Prior to any appointment, all nominees to the Boards are first considered by the NRCs. The NRCs will then recommend the nominees for the Boards' approval. The search and selection process for any appointment of additional directors will take into consideration the mix of skills, competencies, experiences, integrity, time commitment, current directorships of companies held by the candidates and any potential conflict of interest, and other qualities required to effectively discharge the role of a director which are guided by the following:</p> <ul style="list-style-type: none"><li>(a) Board Skills Matrix,</li><li>(b) Board Diversity Policy,</li><li>(c) Directors' Fit and Proper Policy.</li></ul> <p>In addition, the potential candidate also required to declare/confirm that he/she meets the criteria of a Director in accordance with the Main Market Listing Requirements of Bursa Securities and the Listed REIT Guidelines issued by Securities Commission Malaysia, prior to recommending to the Board for its approval on his/her appointment as Director.</p>

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

### Intended Outcome

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

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Through the Director's Fit and Proper Declaration Form, the NRCs have assessed the Directors' eligibility for re-election and appointment by considering their competencies, commitment, contribution, and time commitment to effectively discharge his/her responsibilities, as well as his/her ability to act in the best interest of the Companies.</p> <p>The Boards deliberated and endorsed the recommendation of the NRCs for Directors standing for re-election and the Directors concerned have abstain themselves from deliberation and decisions by the Boards on their re-election.</p> <p>The information for the Directors standing for re-election and the justifications to support the re-election of retiring Directors have been disclosed in the Explanatory Notes to the Notice of AGMs.</p> <p>The profiles of the Directors who are standing for re-election are published in the KLCCP Stapled Group Integrated Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NRCs of KLCCP and KLCCRM are chaired by Independent Non-Executive Director, Puan Chong Chye Neo.</p> <p>The profile of Puan Chong Chye Neo is available in the Directors' Profile of the KLCCP Stapled Group Integrated Report 2024.</p> <p>One of the responsibilities of the NRCs Chairperson is to lead the succession planning and ensuring the yearly Board, Board Committees and Directors' Effectiveness Evaluation is carried out to assess the performance of the Boards, Boards' Committees, each individual Director as well as the Chairman of the Boards.</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 5.9**

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2024, the KLCCP and KLCCRM Boards comprised eight (8) Directors, including four (4) female Directors, namely Puan Farina Farikhullah Khan, Puan Liza Mustapha, Puan Chong Chye Neo and Datin Noor Lily Zuriati Abdullah, representing 50% of the Boards.	
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 5.10**

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>KLCCP and KLCCRM have in place the Board Diversity Policy which is available on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</p> <p>The KLCCP Board Diversity Policy is to ensure that the mix and profiles of the Boards members in terms of age and gender, provide the necessary range of perspective, experience and expertise required to achieve effective stewardship and management.</p> <p>The Board Diversity Policy is committed to achieving the national aspirational target of 30% representation of women directors on the Board. In 2024, the representation of women directors on the Boards was more than 30%.</p> <p>The KLCCP Board Diversity Policy is available on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>											
<b>Application</b>	: Applied										
<b>Explanation on application of the practice</b>	<p>The Board Effectiveness Evaluation FY2024 ("BEE FY2024") was conducted internally.</p> <p>The criteria agreed by the NRCs for the BEE FY2024 were as follows:</p> <table><tr><th>Section</th><th>Criteria</th></tr><tr><td>Board and Board Committees Evaluation</td><td><ol style="list-style-type: none"><li>Group Dynamics &amp; Effectiveness<ol style="list-style-type: none"><li>Overall Impressions of the Board</li><li>Overall Board Effectiveness</li><li>Board Involvement and Engagement</li></ol></li><li>Structure &amp; Composition<ol style="list-style-type: none"><li>Organisation / Composition of the Board</li><li>Overall Committee Organization</li><li>Board Audit Committee</li><li>Nomination and Remuneration Committee</li><li>Board Risk Committee</li><li>Looking Forward (Succession Planning &amp; Development)</li><li>Board's Focus on Sustainability</li><li>Roles and Duties of Board Members</li></ol></li><li>Communication<ol style="list-style-type: none"><li>Communications with Stakeholders</li></ol></li></ol></td></tr><tr><td>Directors' Self &amp; Peer Evaluation</td><td><ol style="list-style-type: none"><li>Fit and Proper, and Participation</li><li>Board Chairman Evaluation</li><li>Chief Executive Officer (CEO) Evaluation</li><li>Reinforce Independence of Independent Directors</li></ol></td></tr><tr><td>Individual Director Self Evaluation</td><td><ol style="list-style-type: none"><li>Calibre and Competency</li></ol></td></tr><tr><td>Management Feedback</td><td><ol style="list-style-type: none"><li>Board Relationship with the Management</li></ol></td></tr></table>	Section	Criteria	Board and Board Committees Evaluation	<ol style="list-style-type: none"><li>Group Dynamics &amp; Effectiveness<ol style="list-style-type: none"><li>Overall Impressions of the Board</li><li>Overall Board Effectiveness</li><li>Board Involvement and Engagement</li></ol></li><li>Structure &amp; Composition<ol style="list-style-type: none"><li>Organisation / Composition of the Board</li><li>Overall Committee Organization</li><li>Board Audit Committee</li><li>Nomination and Remuneration Committee</li><li>Board Risk Committee</li><li>Looking Forward (Succession Planning &amp; Development)</li><li>Board's Focus on Sustainability</li><li>Roles and Duties of Board Members</li></ol></li><li>Communication<ol style="list-style-type: none"><li>Communications with Stakeholders</li></ol></li></ol>	Directors' Self & Peer Evaluation	<ol style="list-style-type: none"><li>Fit and Proper, and Participation</li><li>Board Chairman Evaluation</li><li>Chief Executive Officer (CEO) Evaluation</li><li>Reinforce Independence of Independent Directors</li></ol>	Individual Director Self Evaluation	<ol style="list-style-type: none"><li>Calibre and Competency</li></ol>	Management Feedback	<ol style="list-style-type: none"><li>Board Relationship with the Management</li></ol>
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Management Feedback	<ol style="list-style-type: none"><li>Board Relationship with the Management</li></ol>										

	<p>The BEE was conducted by way of online questionnaires based on the agreed criteria.</p> <p>The outcome of the BEE FY2024 was reviewed in the NRCs meetings held on 23 January 2025 and deliberated in Boards meetings held on 5 February 2025. The Boards concluded that collectively the members of the Boards continue to operate in an effective manner.</p> <p>Based on the analysis of the findings from the BEE for FY2024, the key strengths of the Boards were observed in the following areas:</p> <ol style="list-style-type: none"> <li>1. The Boards were effective with well-balanced composition that promoted active and constructive discussions.</li> <li>2. The Boards were engaged and provided guidance in the formulating of long-term strategic goals.</li> <li>3. The Boards and their Committees effectively fulfilled KLCCP and KLCCRM's oversight responsibilities, protecting all stakeholders' interests.</li> </ol> <p>The BEE Report for FY2024 identifies areas for improvement, specifically in increasing the Boards' knowledge of the property business and Sustainability (Environment, Social, and Governance).</p>	
<b>Explanation for departure</b>	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Boards delegated to the NRCs the responsibility of considering the remuneration of Directors and relevant Senior Management positions in KLCCP Stapled Group.</p> <p>The Boards, in determining the Directors' remuneration is guided by the Remuneration Framework for KLCCP Non-Executive Directors and the recommendation of the NRCs. The Remuneration Framework for KLCCP Non-Executive Directors is available on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</p> <p>Remuneration of Senior Management of KLCCP Stapled Group is based on the total reward policy approved by KLCCP Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The members of NRCs consist of Independent Non-Executive Directors. The roles and responsibilities of NRCs which include the duty to review the remuneration matters are stated in the Terms of Reference which is accessible on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a> .
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 8.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The remuneration of the Boards is based on the KLCCP Non-Executive Directors' ("NEDs") Remuneration Framework ("Framework") which is available on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</p> <p>The CEO, Datuk Sr Mohd. Salem bin Kailany, and the former CEO Datuk Md. Shah bin Mahmood, also served as Group CEO of KLCC (Holdings) Sdn Bhd ("KLCCCH"). They were assigned to KLCCP and KLCCRM to undertake all duties of the Executive Director and CEO roles. KLCCP reimbursed KLCCCH for their services in the form of management fees totalling RM1,321,386.</p> <p>The director's fee and meeting allowance for the Non-Independent Non-Executive Director, Puan Liza Mustapha, who is also an employee and nominee of PETRONAS, are paid directly to PETRONAS as fees for representation in the Boards.</p> <p>The Directors' remuneration incurred by KLCCP and the Group (including meeting allowance incurred by KLCC REIT) respectively for the financial year ended 31 December 2024 is enumerated in the table of this Corporate Governance Report. The allowances for Directors are inclusive of meeting allowances for Board meetings, BAC meetings, NRC meetings and BRC meetings held during FY2024. The petrol allowance which is paid via petrol card is classified under "Other emoluments".</p> <p>The details for directors' remuneration for FY2024 are also disclosed in the Nomination and Remuneration Report of KLCCP Stapled Group Integrated Report 2024.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Md. Shah bin Mahmod(Retired as CEO w.e.f. 1 November 2024 and redesignated as NINED. He resigned as Director w.e.f. 1 December 2024)	Executive Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2	Datuk Sr Mohd. Salem bin Kailany (Appointed as CEO w.e.f. 1 November 2024 and appointed as Director w.e.f. 1 December 2024)	Executive Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3	Tan Sri Ahmad Nizam bin Salleh (Resigned as Director & Chairman w.e.f. 1 September 2024)	Non-Executive Non-Independent Director	160,000	14,000	n/a	n/a	n/a	6,000	180,000	160,000	14,000	n/a	n/a	n/a	6,000	180,000
4	Datuk Ir. Annies bin Md Ariff (Appointed as Director w.e.f. 1 July 2024 and appointed as Chairman w.e.f. 1 September 2024)	Non-Executive Non-Independent Director	100,000	7,000	n/a	n/a	n/a	3,000	110,000	100,000	7,000	n/a	n/a	n/a	3,000	110,000
5	Farina binti Farikhullah Khan	Independent Director	120,000	14,000	14,000	17,500	14,000	6,000	185,500	120,000	14,000	14,000	17,500	14,000	6,000	185,500
6	Dato' Jamaludin bin Osman	Independent Director	120,000	17,500	n/a	21,000	14,000	6,000	178,500	120,000	17,500	n/a	21,000	14,000	6,000	178,500

7	Liza binti Mustapha	Non-Executive Non-Independent Director	120,000	17,500	n/a	n/a	n/a	n/a	137,500	120,000	17,500	n/a	n/a	n/a	n/a	137,500
8	Chong Chye Neo	Independent Director	120,000	17,500	17,500	21,000	n/a	6,000	182,000	120,000	17,500	17,500	21,000	n/a	6,000	182,000
9	Datin Noor Lily Zuriati binti Abdullah	Independent Director	120,000	17,500	n/a	n/a	14,000	6,000	157,500	120,000	17,500	n/a	n/a	14,000	6,000	157,500
10	Dato' Sr Mazuki bin A Aziz	Independent Director	120,000	17,500	17,500	n/a	n/a	6,000	161,000	120,000	17,500	17,500	n/a	n/a	6,000	161,000
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>KLCCP opts not to disclose the Senior Management's remuneration components (including their salary, bonus, benefits in-kind and other emoluments) to the public at large as such disclosures are subject to the Personal Data Protection Act 2010 and it is not in the best interest of KLCCP and Senior Management personnel.</p> <p>KLCCP has identified its top 4 Senior Management positions (excluding CEO who is also an Executive Director) as follows:</p> <ol style="list-style-type: none"><li>1. Chief Financial Officer.</li><li>2. General Manager, Legal and Company Secretarial.</li><li>3. General Manager, Human Capital.</li><li>4. General Manager, Governance, Risk &amp; Assurance.</li></ol>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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



No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Puan Farina Farikhullah Khan who is an Independent Non-Executive Director chairs the Board Audit Committees ("BACs") of KLCCP and KLCCRM.</p> <p>The Chairperson of the BACs is not the Chairman of the Boards, so as not to impair the objectivity of the Boards' view of the BACs' findings and recommendations. This has always been the practice of KLCCP and KLCCRM, which is reflected in the Terms of Reference of the respective BACs.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The respective Terms of Reference (“TORs”) of the BACs of KLCCP and KLCCRM have incorporated the requirement for a cooling-off period of at least 3 years for the appointment of a former audit partner of the companies’ external audit firm as a member of the Board Audit Committee.</p> <p>The TORs of the BACs are available on KLCCP Stapled Group’s corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</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

There is an effective and independent Audit Committee.

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

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>KLCCP and KLCCRM have adopted the Framework on External Auditors, providing a formal policy and procedure for the respective BACs to assess the suitability, objectivity and independence of the external auditors annually based on the following key areas:</p> <ul style="list-style-type: none"><li>(a) Quality of engagement team and services.</li><li>(b) Adequacy of resources.</li><li>(c) Quality of communication and interaction.</li><li>(d) Independence, objectivity, and professionalism scepticism.</li></ul> <p>The BACs also review the fees and list of non-audit services provided by the external auditor to KLCCP, KLCCREIT and the Group.</p> <p>For the year under review, one private session with the external auditors was also conducted by the BACs to gauge the extent of concerns of matters raised by the external auditors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The BACs of KLCCP and KLCCRM comprise solely of Independent Directors. As of 31 December 2024, the members of BACs were as follows:</p> <p>(a) Puan Farina binti Farikhullah Khan; (Chairperson) (b) Puan Chong Chye Neo; and (c) Dato' Sr. Mazuki bin A Aziz.</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 9.5

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

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

Application	:	Applied				
Explanation on application of the practice	:	<p>All members of the BACs have vast experience and skills in accounting and finance as well as other relevant fields of management expertise and are highly qualified to formulate and review the integrity and reliability of the Group’s financial statements prior to recommending the same for approvals of the Boards.</p> <p>The profile of the Chairman and members of the BACs are disclosed in the KLCCP Stapled Group Integrated Report 2024. Based on the results of the Board Effectiveness Evaluation FY2024, the Board is satisfied with BAC’s performance.</p> <p>BACs members acknowledged the need for continuous education training. For the year under review, the BACs members attended training sessions on the developments in accounting and auditing standards, practices and rules.</p> <p>Trainings attended by the BACs members during 2024 were as follows:</p> <table><tr><td>Members</td><td>Training Attended</td></tr><tr><td>Farina binti Farikhullah Khan (Chairperson)</td><td><ul style="list-style-type: none"><li>• PETRONAS Board Conversation Series: Sustainability Talk on Human Rights &amp; The Role of Business</li><li>• PETRONAS Board Conversation Series: COP28 Reflection</li><li>• PETRONAS Gas Berhad BAC &amp; BSRC Training</li><li>• Greenhouse Gas Management</li></ul></td></tr></table>	Members	Training Attended	Farina binti Farikhullah Khan (Chairperson)	<ul style="list-style-type: none"><li>• PETRONAS Board Conversation Series: Sustainability Talk on Human Rights &amp; The Role of Business</li><li>• PETRONAS Board Conversation Series: COP28 Reflection</li><li>• PETRONAS Gas Berhad BAC &amp; BSRC Training</li><li>• Greenhouse Gas Management</li></ul>
Members	Training Attended					
Farina binti Farikhullah Khan (Chairperson)	<ul style="list-style-type: none"><li>• PETRONAS Board Conversation Series: Sustainability Talk on Human Rights &amp; The Role of Business</li><li>• PETRONAS Board Conversation Series: COP28 Reflection</li><li>• PETRONAS Gas Berhad BAC &amp; BSRC Training</li><li>• Greenhouse Gas Management</li></ul>					

		<ul style="list-style-type: none"> <li>• Malaysia's Climate Agenda and Carbon Market</li> <li>• Board Strategic Away Day Portfolio Review and Strategic Conversation</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• Sustainability Deep Dive- Scope 3 GHG Emissions</li> </ul>
	Chong Chye Neo	<ul style="list-style-type: none"> <li>• Global Internal Audit Standards</li> <li>• Board Strategic Away Day Portfolio Review and Strategic Conversation</li> <li>• Director Masterclass Series 1: Boardroom Dynamics in Climate Talks</li> <li>• Director Masterclass Series 2: What Directors Must Know about Recent Developments in Climate Science</li> <li>• Future-Proofing Malaysian Cyber Threats in the age of AI</li> <li>• PowerTalk: Being Sued as an INED – a personal journey</li> <li>• Ransomware (To Pay or Not To Pay)</li> <li>• Sasana Symposium: Structural Reforms</li> <li>• The Digital Transformation Landscape in 2024 and beyond</li> <li>• Digital Transformation in the World's Best Bank</li> <li>• Stay Relevant, Activate AI Superpowers</li> <li>• Overall Threat Landscape &amp; Cybersecurity Trends</li> </ul>
	Dato' Sr. Mazuki bin A Aziz	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• Board Strategic Away Day Portfolio Review and Strategic Conversation</li> <li>• Sustainability Deep Dive- Scope 3 GHG Emissions</li> <li>• 7<sup>th</sup> AC Forum</li> </ul>

<b>Explanation for departure</b>	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
<b>Measure</b>	:			
<b>Timeframe</b>	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		



### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Effective governance and line of sight within KLCC Group shall be predicated on governance practices defined within policies, frameworks, standards, guidelines and the Limits of Authority.</p> <p>The Boards have established sound risk management practices guided by the KLCC Group Enterprise Risk Management ("ERM") Framework to safeguard the KLCCP Stapled Group's business interest from risk events that may impede the achievement of its business strategies and growth opportunities besides providing assurances to all stakeholders.</p> <p>The ERM Framework sets out the governing elements and processes as the foundation of ERM practices to assess, treat, monitor and review risk for KLCCP Stapled Group. The said governance document defines the roles of the Board, Management and the rest of the organisation in fulfilling our aim of building a high performing sustainable organisation. The framework also ensures that sustainability related risks are effectively identified, assessed and managed in a timely manner, while improving transparency through disclosures and reporting to promote overall accountability. Primarily, the framework has been developed to institutionalise vigilance and awareness of the most significant risks and is underpinned by components that act to steer a fortified risk management culture, embracing practices and processes that include risk governance and oversight.</p> <p>The Boards continued to uphold and implement a strong control structure to identify, evaluate and manage weaknesses of KLCCP Stapled Group's internal control system.</p> <p>The internal audit function of KLCCP Stapled Group is provided by the Group Internal Audit ("GIA") of KLCC (Holdings) Sdn Bhd. GIA provides an independent, objective assurance on the efficiency and effectiveness of governance, risk management and internal controls.</p> <p>Governed by the Internal Audit Charter, the Group Internal Audit is independent of the activities being audited and performs its duties with objectivity, proficiency, and due professional care.</p>

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

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has an organisational structure with defined lines of responsibilities, delegation of authority, and accountability. A hierarchical reporting structure has been established to provide documentary and auditable trail of accountability. Limits of Authority manuals are in place to define the lines of accountability and responsibility in relation to the Group's operations and functions.</p> <p>The Enterprise Risk Management ("ERM") Framework outlines the risk policy, risk governance and structure, risk measurement, and risk operation and system for the KLCCP Stapled Group. The ERM Framework is implemented to identify, assess, monitor, report and mitigate risks impacting the Group's business and supporting activities in accordance with ISO 31000:2018 – Risk Management - Guidelines.</p> <p>The Risk Management Oversight Structure sets out the three-line of defence model which propagates clear demarcation of roles, responsibility and accountability, for risk management and facilitates the process for assessing and communicating risk issues from operational levels to the Boards. The structure consists of the Boards, Board Risk Committees ("BRCs"), Risk Management Committee ("RMC") and the Management. The structure enables effective strategic risk communication to take place between the above-mentioned parties on a quarterly basis.</p> <p>The Boards conducted annual reviews of the Group's risk profiles in compliance with the ERM Framework. During these reviews, the risk profiles were assessed and updated to safeguard KLCCP Stapled Group's investment and key business activities. This process ensures that the risk exposures are relevant and up-to-date, taking into consideration both current and emerging risks including sustainability risk.</p> <p>The Boards carried out an annual review of the Group's risk appetite to reflect the nature and extent of risks the Group is willing to pursue to achieve its strategic objectives. The risk appetite was established to cover 5 main areas which flows across our business:</p>

	<p>1. <u>Strategic</u></p> <p>This measured the degree of variability in investment returns and capital efficiency that the Group is willing to take in ensuring achievement of business objectives.</p> <p>2. <u>Financial</u></p> <p>This measured capital, profitability and liquidity position in pursuing the Group's business objectives.</p> <p>3. <u>Operational</u></p> <p>This measured the direct or indirect loss resulting from inadequate or failed internal processes, people, and systems or from external events which affects the achievement of the Group's business objectives.</p> <p>4. <u>Reputational</u></p> <p>This measured the risk of failure to meet stakeholder expectations as a result of any event, behaviour, action or inaction of the Group that may form negative view towards the Group by stakeholders.</p> <p>5. <u>Legal and Regulatory Compliance</u></p> <p>This measured the risk of non-compliance with prevailing laws and regulations governing the business.</p> <p>The Boards also have put in place a structured process for risk assessment as part of decision-making where risk assessment process is to be carried out prior to any decision point to assist decision-makers in making well-informed decision, taking into consideration calculated risk to provide a balanced view for informed decision-making through richer risk conversation and considerations of risk reward trade-off.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.3 - Step Up

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board Risk Committees ("BRCs") were formed on 9 December 2021. Both BRCs comprise of solely Independent Directors.</p> <p>As of 31 December 2024, the members of BRCs were as follows:</p> <p>(a) Dato' Jamaludin bin Osman (Chairman); (b) Puan Farina binti Farikhullah Khan; and (c) Datin Noor Lily Zuriati binti Abdullah.</p> <p>The purpose of the establishment of BRCs is to oversee the Group's risk management framework, policies and practices as well as governance, compliance and sustainability matters.</p> <p>The respective Terms of Reference of BRCs are made available on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</p>

## Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function of KLCCP Stapled Group is provided by the Group Internal Audit ("GIA") of KLCC (Holdings) Sdn Bhd.</p> <p>Governed by the Internal Audit Charter, GIA maintained its independence, impartiality, proficiency, and due professional care by having their plans and reports directly under the purview of the Board Audit Committees ("BACs"). To support the BACs in discharging their responsibilities, the Head of GIA reports directly to the BACs.</p> <p>The appointment of the Head of GIA is reviewed and recommended by the BACs. The Head of GIA has unrestricted access to the BACs, the Boards, and Management. The Head of GIA and all GIA staff are members of the Institute of Internal Auditors Malaysia.</p> <p>The BACs of KLCCP and KLCCRM annually review the adequacy of the scope, function, and resources of the internal audit to ensure that the responsibilities of GIA are fully discharged.</p> <p>For the financial year ended 31 December 2024, GIA had executed the following internal audit works:</p> <ol style="list-style-type: none"><li>(1) Conducted assurance activities based on the approved annual audit plan 2024.</li><li>(2) Conducted periodic monitoring and reporting on the implementation status of agreed mitigation action items by the managements of KLCCP and KLCCRM to ensure key risks and control weaknesses were addressed effectively and timely. The status of implementation of the said agreed mitigation actions was reported to the BACs on a quarterly basis.</li><li>(3) Prepared annual audit plans for 2025 to ensure that all high-risk areas in significant businesses and support units were assessed and identified for the BACs' deliberations and approvals.</li></ol> <p>Further details of the internal audit activities are set out in the BAC's Report and Statement on Risk Management and Internal Control of the KLCCP Stapled Group Integrated Annual Report 2024.</p>

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

## Intended Outcome

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

## Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>None of the internal audit personnel have any relationships or conflicts of interest that could impair their objectivity and independence in conducting their internal audit functions. Current structure under Group Internal Audit (“GIA”) comprises 1 Head, 5 managerial, 9 executive and 1 non-executive positions.</p> <p>The GIA is led by Puan Julika Ishak, who is certified in Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) Internal Control – Integrated Framework, and is a member of the Institute of Internal Auditors Malaysia (IIAM).</p> <p>The total costs incurred for the internal audit activities of KLCCP Stapled Group for the year 2024 was RM2,373,725.</p> <p>The internal audit function of KLCCP Stapled Group is carried out in accordance with a risk-based approach steered by internal policies, procedures, and the Internal Control – Integrated Framework issued by COSO.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Boards recognise the importance of maintaining effective, consistent and transparent communication with the Group's stakeholders, institutional investors, and the broader public to ensure clarity and mutual understanding of shared objectives and expectations, ultimately driving shareholder value.</p> <p><u>Group Strategic Communication &amp; Investor Relations ("GSCIR")</u></p> <p>At KLCCP Stapled Group, the GSCIR Department serves as a platform for two-way communication, facilitating a seamless flow of information between KLCCP Stapled Group and its stakeholders. This function operates under the guidance of the Chief Financial Officer ("CFO") and the Senior General Manager of Group Strategy &amp; Sustainability.</p> <p>The GSCIR Department engages with the investment community, by facilitating interactions between Management, investors, analysts, fund managers, and media through briefings, property tour, announcements, and press statements. These coordinated efforts ensure stakeholders are consistently well-informed about the Group's financial and non-financial performance as well as any corporate developments.</p> <p>The Senior Management is actively involved in the GSCIR engagement programmes, underscoring their commitment to fostering meaningful relationships with stakeholders. Additionally, the Boards are regularly briefed on these engagements and the feedback received from the investment community, ensuring alignment with the expectations and perspectives of the stakeholders.</p> <p>During FY2024, the Boards upheld their commitment to transparent and clear disclosure, providing comprehensive and timely information to the stakeholders in the following manner:</p> <p>a) Publication of KLCCP Stapled Group Integrated Report 2023 and provision of regular disclosures, including quarterly financial results and investor presentations of the KLCCP Stapled Group.</p>

	<ul style="list-style-type: none"> <li>b) Engagement with analysts, fund managers, institutional investors and media through press releases and analysts' briefings following announcements of the quarterly financial results of KLCCP Stapled Group.</li> <li>c) Engagement with media through AGM press conference to provide overview for the year.</li> <li>d) Hosted a property &amp; ESG themed tour for analysts, fund managers and foreign and local institutional investors to provide updates on the asset modernisation/enhancement initiatives of KLCCP Stapled Group's core assets, showing the Group's ESG progress and its impacts on the investing community.</li> <li>e) Participated in the MRMA REIT Forum 2024 with the Malaysian REIT Managers Association (MRMA), focusing on Malaysia's economic landscape, REITs as the way forward, and other key topics for targeted sectors such as agencies/regulators, property managers/valuers, fund managers, analysts, and more.</li> <li>f) Participated in the Council on Tall Buildings and Urban Habitats (CTBUH) international conference, which focused on technical innovations, regional topics, urban place-making, and issues of resilience and inclusiveness, among many others.</li> <li>g) Engagement with the entire KLCC Group of employees, tenants, community, students and investment community through the Sustainable September campaign, collaborating with KLCC Precinct Partners for an unwavering dedication towards a sustainable future, strengthening community engagement, promoting healthier lifestyles, and fostering closer collaboration to position the KLCC Precinct as a Sustainable Development Goals (SDG) hub.</li> <li>h) Video/audio presentations to provide analysts/investors with updates on our quarterly financial results and sustainability initiatives via our corporate website/email.</li> <li>i) Timely updates of the corporate website on financial information, financial reports, minutes of 2024 AGMs, stock information, investor calendar, and investor presentation slides.</li> <li>j) Constant updates on the ESG World platform on the corporate website for investors' ease of access to KLCCP Stapled Group's ESG commitment, detailed review of the Group's ESG factors with links to data and information in the public domain for investors' verification.</li> </ul>
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	<p>k) Announcements of dividends and income distributions as well as other disclosures under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>l) Organised virtual AGMs and engaged with the holders of Stapled Securities where:</p> <ul style="list-style-type: none"> <li>• The CEO delivered a management presentation on “Year In Review of KLCCP Stapled Group” as well as strategic direction moving forward; and</li> <li>• The Chairman provided ample time to the holders of Stapled Securities to raise questions and their concerns in a provided online platform which were addressed promptly and satisfactorily.</li> </ul> <p>The Boards also responded to inquiries made by the Minority Shareholders Watch Group (“MSWG”) and EPF in relation to KLCCP Stapled Group Integrated Report 2023 in the AGMs held in 2024.</p> <p>In addition, shareholders and investors can also make inquiries about KLCCP Stapled Group via investor_relations@klcc.com.my. The Investor Relations team coordinates responses from the relevant department(s) and/or business unit(s) to address such queries and provide clarifications.</p> <p>Further details on stakeholders engagement and value creation as well as investor information are available in the KLCCP Stapled Group Integrated Report.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Boards acknowledged that the integrated reporting process is a continuous journey aimed at providing a more holistic view of the Group's business model and strategies. The integrated annual report remains as the principal communication tool, offering a comprehensive view on financial and non-financial performance while showcasing the Group's efforts to create value for all stakeholders, enabling investors and stakeholders to make an informed assessment of the year under review.</p> <p>KLCCP Stapled Group Integrated Report is prepared in accordance with reporting frameworks and regulations:</p> <ol style="list-style-type: none"><li>1. International Integrated Reporting Framework (IIRF) under the IFRS Foundation, previously known as Value Reporting Foundation (VRF)</li><li>2. Companies Act, 2016 (Companies Act)</li><li>3. Bursa Malaysia's Main Market Listing Requirements (MMLR)</li><li>4. International Financial Reporting Standards (IFRS)</li><li>5. Malaysian Financial Reporting Standards (MFRS)</li><li>6. Bursa Malaysia's Corporate Governance Guidelines 4th Edition, and MD&amp;A Guidelines</li><li>7. Securities Commissions Malaysia, Listed REIT Guidelines</li><li>8. FTSE4Good themes and indicators for Real Estate Holdings and Development Sector</li><li>9. Malaysian Code on Corporate Governance 2021 issued by Securities Commission Malaysia</li><li>10. Securities Commission's Guidelines on Islamic Capital Market Products and Services (ICMPS Guidelines)</li></ol> <p>In addition, the disclosures in KLCCP Stapled Group's Integrated Report incorporated the principles of the six key capitals such as financial, manufactured, intellectual, human, social &amp; relationship and natural.</p> <p>All financial statements have been prepared according to the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Malaysia</p>

	Companies Act 2016.	
	The Boards are committed to staying abreast of the latest requirements of the integrated reporting framework to further enhance the quality of information disclose to the stakeholders of KLCCP Stapled Group.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The 2024 AGMs for KLCCP and KLCC REIT were held virtually on 24 April 2024. The Notice for both AGMs was issued on 29 February 2024 i.e. 55 days before the AGMs. This allowed sufficient time for the holders of Stapled Securities to consider the proposed resolutions tabled at the AGMs.</p> <p>In addition, the Notice of AGMs also included details and relevant explanatory notes to the proposed resolutions to enable the holders of Stapled Securities to make informed decisions in exercising their voting rights.</p> <p>KLCCP Stapled Group Integrated Report 2024 together with the Notice of AGMs 2025 for KLCCP and KLCC REIT dated 26 March 2025 are available on KLCCP Stapled Group’s corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a>.</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

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

### Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors, including the Chairs of the BACs, NRCs and BRCs, attended and participated in KLCCP and KLCC REIT AGMs which were held virtually on 24 April 2024.</p> <p>The presence of all Directors provided opportunities for the holders of Stapled Securities to engage with all Directors and allowed the holders of Stapled Securities to raise questions and concerns directly to the Directors.</p> <p>In addition, the Executive Director cum CEO responded to the questions raised by the Minority Shareholders Watch Group and Employees Provident Fund, as well as questions submitted by the holders of Stapled Securities via digital platform.</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

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>At the 21<sup>st</sup> AGM of KLCCP and the 11<sup>th</sup> AGM of KLCC REIT held on 24 April 2024, KLCCP and KLCC REIT leveraged technology to facilitate Remote Participation and Voting (“RPV”) by the holders of Stapled Securities in accordance with the Constitution of KLCCP and the Trust Deed of KLCC REIT.</p> <p>The entire AGMs proceedings were held through RPV facilities provided by the Share Registrar of KLCCP and KLCC REIT, Tricor Investor &amp; Issuing House Services Sdn Bhd (“Tricor”) via its TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>. The holders of Stapled Securities who intended to attend and vote at the virtual AGMs were required to register with Tricor via TIIH Online website.</p> <p>With the RPV facilities provided by Tricor, the following measures were implemented to encourage attendance and participation from the holders of Stapled Securities at the AGMs:</p> <ul style="list-style-type: none"><li>(a) Comprehensive Administrative Details were circulated to the holders of Stapled Securities to facilitate remote participation and e-Voting.</li><li>(b) Electronic lodgement of Proxy Forms was provided via Tricor’s TIIH Online website.</li><li>(c) Electronic submission of questions by holders of Stapled Securities via TIIH Online prior to the date of meeting or during the live meeting.</li><li>(d) The AGM proceeding was live streamed to TIIH Online for remote participants to watch live.</li></ul> <p>Tricor had put in place information security measures to prevent cyber threats and data breaches.</p>
<b>Explanation for departure</b>	:	



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

### Intended Outcome

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

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>At the AGMs of KLCCP and KLCC REIT held in 2024 which were conducted virtually via online platform, the Boards shared information with the holders of Stapled Securities about the past year's business performance, strategies and the outlook going forward for KLCCP Stapled Group.</p> <p>The holders of Stapled Securities were also given opportunities to pose any questions pertaining to financial and non-financial matters as well as long term strategies of KLCCP Stapled Group via an online platform (i.e., query box) provided during the AGMs.</p> <p>KLCCP and KLCC REIT received 153 pre-submitted and live questions from the holders of Stapled Securities.</p> <p>The responses to the questions were then published on KLCCP Stapled Group's corporate website within seven (7) working days including any questions that had yet to be responded to at the AGMs.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The details of the virtual AGMs for 2024 and guidance notes on the conduct of AGMs were stated explicitly in the Administrative Details together with the Notice of AGMs. The holders of Stapled Securities were guided accordingly for their participation in the AGMs.</p> <p>The proceedings of the AGMs were live broadcasted, and the holders of Stapled Securities were able to join the live streamed AGMs via web portal or mobile application which were facilitated by Tricor Investor &amp; Issuing House Services Sdn Bhd, being the Share Registrar of KLCCP and KLCC REIT and the poll administrator for the AGMs. KLCCP and KLCC REIT had also engaged KPMG Management and Risk Consulting Sdn Bhd as Independent Scrutineer for the AGMs.</p> <p>The Chairman shared the questions submitted by the Employees Provident Fund and Minority Shareholders Watch Group at the AGMs. The questions and the corresponding replies were also read out by the CEO during the AGMs.</p> <p>In addition, all questions submitted by the holders of Stapled Securities prior to and during the AGMs as well as the Boards' responses to the questions were posted and read out by the CEO at the online broadcasting AGMs.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AGMs for 2024 of KLCCP and KLCC REIT were held on 24 April 2024. The proceedings of the AGMs including the responses to the questions raised by the holders of Staple Securities and proxies before and during the AGMs were recorded in the minutes of AGMs.</p> <p>The minutes of AGMs were uploaded on KLCCP Stapled Group's corporate website at <a href="http://www.klcc.com.my">www.klcc.com.my</a> within 30 business days after the AGMs.</p>
<b>Explanation for departure</b>	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **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.*

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