

# CORPORATE GOVERNANCE REPORT

Elite REIT is a real estate investment trust constituted by the trust deed dated 7 June 2018 (and as may be amended, varied or supplemented from time to time) (the **"Trust Deed"**), and entered into between Elite UK REIT Management Pte. Ltd. (in its capacity as the manager of Elite REIT) (the **"Manager"**) and Perpetual (Asia) Limited (in its capacity as the trustee of Elite REIT) (the **"Trustee"**).

The Manager was issued a capital markets services licence by the Monetary Authority of Singapore (**"MAS"**) for REIT management (**"CMS Licence"**) pursuant to the Securities and Futures Act 2001 of Singapore (the **"SFA"**) on 22 January 2020.

## The Manager's Role

The primary role of the Manager is to manage Elite REIT's assets for the benefit of unitholders of Elite REIT (the **"Unitholders"**) and set the strategic direction of Elite REIT in accordance with its mandate, and make recommendations to the Trustee on any investment or divestment opportunities for Elite REIT and the enhancement of the assets of Elite REIT, in accordance with the stated investment strategy for Elite REIT. The research, evaluation and analyses required for this purpose are coordinated and carried out by the Manager.

Other functions and responsibilities of the Manager include but are not limited to the following:

- (a) using its best endeavours to conduct Elite REIT's business in a proper and efficient manner;
- (b) preparing annual business plans for review by the directors of the Manager (the **"Directors"**), including forecasts on revenue, net income, and capital expenditure, explanations on major variances to previous years' financial results;
- (c) preparing written commentaries on key issues and underlying assumptions on rental rates, operating expenses and any other relevant assumptions;
- (d) attending to communications with the Unitholders; and
- (e) supervising and overseeing the management of real estate (including but not limited to lease audit, systems control, data management and business plan implementation) in accordance with the provisions of the Trust Deed.

Elite REIT is externally managed by the Manager. The Manager has general powers of management over the assets of Elite REIT. The Manager appoints experienced and well-qualified personnel to run the day-to-day operations.

The Manager has developed, and on an ongoing basis, maintains, sound and transparent policies and practices to meet the specific business needs of Elite REIT and to provide a firm foundation for trusted and respected business enterprise.

The Board of Directors (the **"Board"**) and management of the Manager (**"Management"**) aspire to meet the

highest standards of corporate governance, corporate transparency, and sustainability. The Manager focuses on complying with the substance and spirit of the principles of the Code of Corporate Governance 2018 while achieving operational excellence and delivering Elite REIT's long term strategic objectives. It is fully committed to continuous improvement of its corporate governance practices as it firmly believes those are essential in protecting the interests of the Unitholders.

## Elite REIT and Corporate Governance

The framework of relevant legislation and guidelines governing Elite REIT include:

- (i) the SFA;
- (ii) the Code on Collective Investment Schemes (including Appendix 6 thereon on property funds) (the **"CIS Code"**, and Appendix 6 of the CIS Code, the **"Property Funds Appendix"**);
- (iii) the listing manual (the **"Listing Manual"**) issued by Singapore Exchange Securities Trading Limited (**"SGX-ST"** or the **"Exchange"**);
- (iv) the Code of Corporate Governance 2018 (the **"Code"**);
- (v) the Trust Deed; and
- (vi) written directions, notices, codes and other guidelines that may be issued, modified or updated by the MAS from time to time.

The Manager is fully dedicated to upholding the highest standards of corporate governance, business integrity and professionalism in all its activities. The Manager believes that its sound corporate governance policies and practices reflect its focus on strong leadership, effective internal controls and risk management, a robust corporate culture, accountability to the Unitholders, and engagement with stakeholders.

This corporate governance report (**"CG Report"**) sets out Elite REIT's corporate governance framework and practices with specific reference to the principles and the provisions of the Code, in accordance with Rule 710 of the Listing Manual, and where applicable, other relevant rules and provisions in the Listing Manual and the Companies Act 1967 of Singapore.

For the financial year ended 31 December 2024 (**"FY2024"**), save as stated in the CG Report, Elite REIT has complied with the core principles of corporate governance laid down by the Code and also, in all material respects, with the provisions that underpin the principles of the Code.

Where the Manager's practices vary from any provisions of the Code, it has provided appropriate explanations, which include the reason for the respective variations, as well as the practices adopted to be consistent with the intent and philosophy of the relevant principle in question.

Elite REIT has been included by the SGX-ST in the SGX Fast Track Programme list. The scheme recognises listed companies that have high corporate governance

# CORPORATE GOVERNANCE REPORT

standards and have maintained a good compliance track record, and accords prioritised response on selected corporate action submissions to SGX Exchange Regulation.

## (A) BOARD MATTERS

### The Board's Conduct of Affairs, Duties and Responsibilities

#### Principle 1

The Manager is headed by an effective Board which is collectively responsible and works with Management for the long-term success of Elite REIT.

#### Role of The Board

The Board is entrusted with the overall leadership and oversight of both Elite REIT's and the Manager's business, financial, investment and material operational affairs and performance objectives and their long-term success.

The key roles and responsibilities of the Board are to:

- set strategic objectives and direction, and provide guidance to the Management in executing those objectives;
- approve the business plans in relation to Elite REIT's properties;
- ensure that Management discharges its duties with integrity and accountability, and demonstrate the highest level of skill and professionalism;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed to safeguard the interests of the Unitholders and the assets of Elite REIT;
- consider sustainability issues such as environmental issues as part of its strategic formulation;
- ensure that Management maintains sound measures relating to corporate governance, financial regulation and internal policies including the Group-wide Code of Conduct and Ethics Policy ("**Code of Conduct**"); and
- consider the perceptions of stakeholders that would affect Elite REIT's reputation.

The Board has approved a list of matters reserved for the Board's decision-making. This sets clear directions for Management on matters that must be approved by the Board. The Board decides on these matters and clearly communicates this to Management in writing.

The list of matters reserved for the Board's approval includes, but is not limited to:

- long-term strategy and objectives of Elite REIT;
- annual budget and business plans in relation to Elite REIT's properties;
- policies to safeguard the interests of the Unitholders and the assets of Elite REIT;

- distribution policy;
- announcements and press releases concerning Elite REIT;
- Board membership and other appointments;
- Key Management Personnel ("**KMP**") appointment; and
- appointment and removal of the Company Secretary.

In fulfilling its responsibilities to Elite REIT, the Board has approved a set of financial controls which sets out approval limits for operating expenditures, capital expenditures, procurements, general and administrative expenses, as well as arrangements in relation to bank signatories. Appropriate delegation of authority and approval sub-limits are also provided at Management level to facilitate operational efficiency.

#### Culture

The Directors are to discharge their duties and responsibilities objectively as fiduciaries in the best interests of Elite REIT at all times and hold Management accountable for performance.

The Manager has in place a Code of Conduct which sets out general principles and standards of behaviour that the Manager expects from its employees in their dealings with fellow employees, customers, suppliers and business partners. This sets an appropriate tone from the top and desired organisational culture, and ensures proper accountability.

The Manager's Code of Conduct requires the Directors to observe the following key principles:

- Directors must carry out their responsibilities in compliance with all the applicable laws, rules and regulations and the Manager's policies and procedures.
- Directors are to exercise due care and maintain the confidentiality of information entrusted to them. The Directors' obligation to protect the confidential information continues after leaving the Manager.
- Directors must not trade in the securities of Elite REIT if, at the relevant time, they are in possession of non-public material price-sensitive or trade sensitive information. Directors are committed to fully complying with all anti-money laundering and countering the financing of terrorism laws throughout the world.

#### Board Composition and Board Committees

The Manager has nine Directors, five of whom (including the Chairman of the Board) are Independent Non-executive Directors ("**IDs**"). The NRC reviews, on an annual basis, the structure, size and composition of the Board and Board Committees, taking into account the Code and Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SF(LCB)R**"). The NRC has assessed that the current structure, size and composition of the Board and Board

# CORPORATE GOVERNANCE REPORT

Committees are appropriate for the scope and nature of Elite REIT's and the Manager's operations.

Datin Paduka Sarena Cheah was appointed as a Non-Independent Non-Executive Director ("**NINED**") on 1 January 2024, replacing Mr Evan Cheah Yean Shin as part of board renewal and succession planning. Dr Tan Kok Heng's appointment as an Alternate Director ceased upon the resignation of Mr Evan Cheah Yean Shin as a NINED of the Manager. In the same vein of board renewal and succession planning, Mr Tan Huay Lim stepped down as ID and Chairman of the Audit and Risk Committee on 6 August 2024. Mr Yezdi Phiroze Chinoy took on the Audit and Risk Committee Chairman role on 7 August 2024. Mr Tan Chin Hwee was appointed as the ID on the same date.

The Manager did not appoint a lead independent Director as the Chairman of the Board is not conflicted and is independent. No individual or group dominates the Board's decision-making process or has unfettered powers of decision-making.

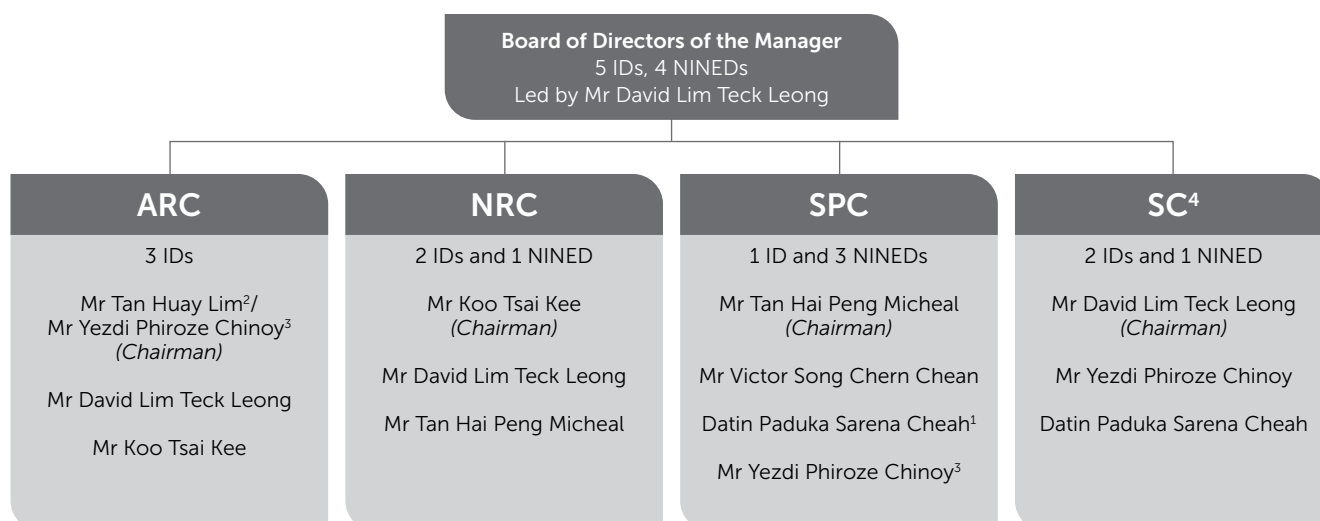
The Board has established four board committees to assist it in the discharge of its functions. These committees are the Audit and Risk Committee ("**ARC**"), the Nominating and Remuneration Committee ("**NRC**"), the Strategic Planning Committee ("**SPC**") and the Sustainability Committee ("**SC**") (collectively known as "**Board Committees**"). The ARC, NRC and SC are chaired by IDs while the SPC is chaired by a NINED.

Membership in the various Board Committees is managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered in determining the composition of the respective Board Committees.

Each of the Board Committees has its own clear written terms of reference, setting out their compositions, authorities and duties, including reporting back to the Board, and operates under delegated authority from the Board. The terms of reference sets out their compositions, authorities and duties, including reporting back to the Board. Notwithstanding that, the Board retains ultimate responsibility for all decisions made by the Board as a whole. Information on the ARC and NRC can be found in the "**Accountability and Audit**"; "**Board Membership**" and "**Board Performance**"; and "**Remuneration Matters**" sections of this CG Report, respectively. Terms of reference of the respective Board Committees, as well as other relevant information on the Board Committees, are disclosed in pages 102 to 111, 114, 121 to 125 of this CG Report.

Minutes of all Board Committees' meetings are circulated to the Board so that all Directors are aware of and kept updated as to proceedings, matters discussed and decisions made during such meetings, and to enable the Directors to weigh in on any key points under consideration.

The current composition of the Board and Board Committees is as follows:



## Notes:

1. Datin Paduka Sarena Cheah was appointed as a NINED on 1 January 2024, replacing Mr Evan Cheah Yean Shin as part of Board renewal and succession planning. Dr Tan Kok Heng's appointment as an Alternate Director ceased upon the resignation of Mr Evan Cheah Yean Shin as a NINED of the Manager.
2. Mr Tan Huay Lim stepped down as ARC Chairman of the Manager on 6 August 2024, as part of board renewal.
3. Mr Yezdi Phiroze Chinoy was appointed to the SPC on 16 February 2024 and as ARC Chairman of the Manager 7 August 2024.
4. Members of SC also comprise Mr Joshua Liaw (CEO), Mr Michael Tong (CFO), Mr Jonathan Edmunds (CIO) and Ms Pearl Lam (Assistant Vice President, Investor Relations).

# CORPORATE GOVERNANCE REPORT

## Board Meetings and Activities

Directors attend and actively participate in Board and Board Committees' meetings. The Board meets regularly, at least once every quarter, and as required by business imperatives or particular circumstances, to discuss and review business strategies and policies, including any significant acquisition and/or divestment, portfolio performance, business outlook, movement in Unitholdings, deliberate growth opportunities of Elite REIT, and approve the release of half-year and full-year financial results, and quarterly business updates. Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors.

As a general rule, Board and Board Committees' meeting notices and papers are required to be sent to the Directors and members of Board Committees, with ample time ahead of the meetings to review the papers. Where exigencies prevent a Director from attending a meeting in person, the constitution of the Manager allows the Director to participate in such Board or Board Committee meeting via audio or video conference. If a Director is unable to attend a Board or Board Committee meeting, he may provide his input to the Chairman of the Board or the relevant Board Committee, as the case may be, and raise queries on the agenda items ahead of the meeting. These comments are taken into consideration for deliberations. The Board and Board Committees may also make decisions by way of passing written resolutions.

Board papers are detailed and give the background, explanatory information, justification, risks and mitigation measures for each agenda item and mandate sought by Management, including, where applicable, relevant budgets, business plans, forecasts and projections. Directors can ask for additional information as needed to make informed decisions. However, papers containing price sensitive information may be tabled at the meetings themselves or discussed without any papers being distributed. All Board and Board Committees' papers are kept and disseminated via an electronic board portal, which has proven to be an effective, secure and sustainable form of communication.

External consultants or advisers who can provide additional insights into the relevant matters at hand may be invited to attend the meetings. These parties will not participate in any decision-making process.

The Management recognises that an on-going flow of information in an accurate, complete, adequate, and timely manner prior to meetings and on an on-going basis is critical to enable the Board to make informed decisions and be effective in discharging its duties and responsibilities.

At the Board and ARC meetings, Directors are updated on developments, challenges and changes in the operating environment, including changes in accounting standards, changes in laws and regulations governing the REIT industry, and other changes that have bearing on Elite REIT. Written updates on Elite REIT's operating and financial performance, strategic plans, regulatory and compliance updates and other matters will also be provided to facilitate discussions. On a quarterly basis, Management also provides the Board with an update on the operating performance of Elite REIT, as well as a set of management accounts and analysis, to enable the Board to exercise effective oversight over Elite REIT.

The Board is responsible for providing a balanced and understandable assessment of Elite REIT's performance, position and prospects.

The Directors have separate and independent access to Management, the company secretary of the Manager ("**Company Secretary**") and external advisors at all times, and they are entitled to request from Management additional information to make informed decisions. The Directors, either individually or as a group, may at the Manager's expense, seek independent professional advice where appropriate, to discharge his/her/their duties effectively.

The Company Secretary and/or her representative attends the Board and Board Committees' meetings and is responsible for ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The Company Secretary also periodically updates the Board on relevant changes to the listing rules affecting Elite REIT. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

In each meeting where matters requiring the Board's approval are to be considered, all members of the Board present participate in the discussions and deliberations; and resolutions in writing are circulated to all Directors for their consideration and approval. The exception is where a Director has a conflict of interest in a particular matter in which case, he/she will be required to recuse himself/herself from the discussions and deliberations, and abstain from voting on the matter. This principle of collective decisions adopted by the Board ensures that no individual influences or dominates the decision making process.

The Board's responsiveness allowed Management to manage Elite REIT's business and operations effectively in an increasingly competitive business environment. Individual Directors make themselves available and accessible to Management for discussion and consultation outside the formal framework of the Board and Board Committees' meetings.

# CORPORATE GOVERNANCE REPORT

The number of Board and Board Committees' meetings and general meetings held during FY2024, as well as the attendance of every Director and the Chief Executive Officer ("CEO") at these meetings are set out in the table below:

**FY2024 Attendance Table**

Meeting	Board	ARC	NRC	SPC	SC	Annual General Meeting <sup>1</sup>
No. of meetings held	4	5	1	21	2	1
Directors	No. of Meetings Attended					
Mr David Lim Teck Leong	4	5	1		2	1
Mr Tan Huay Lim <sup>2</sup>	3	4	-			1
Mr Koo Tsai Kee	4	5	1			1
Mr Nicholas David Ashmore	4	-	-			1
Mr Yezdi Phiroze Chinoy <sup>3</sup>	4	2 <sup>9</sup>	-	21	2	1
Mr Tan Hai Peng Micheal	4	-	1	20		1
Mr Victor Song Chern Chean	4	-	1 <sup>8</sup>	19		1
Mr Tan Dah Ching	4	-	-			1
Mr Evan Cheah Yean Shin <sup>4</sup>	-	-	-			1
Dr Tan Kok Heng <sup>5</sup>		-	-			1
Datin Paduka Sarena Cheah <sup>6</sup>	4	-	-	14	2	1
Mr Tan Chin Hwee <sup>7</sup>	1	-	-			-
Chief Executive Officer						
Mr Liaw Liang Huat Joshua	4	4	1	21	2	1

Notes:

1 Annual General Meeting was held on 29 April 2024.

2 Mr Tan Huay Lim stepped down as ARC Chairman of the Manager on 6 August 2024, as part of board renewal.

3 Mr Yezdi Phiroze Chinoy was appointed as ARC Chairman of the Manager on 7 August 2024. He attended one of the ARC meetings by invitation.

4 Mr Evan Cheah Yean Shin stepped down as a NINED of the Manager on 1 January 2024, as part of board renewal and succession planning.

5 Dr Tan Koh Heng was an Alternate Director to Mr Evan Cheah Yean Shin and ceased his directorship following the resignation of Mr Evan Cheah Yean Shin.

6 Appointed on 1 January 2024.

7 Appointed on 7 August 2024.

8 Mr Victor Song Chern Chean joined the NRC meeting by invitation.

Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Manager and Elite REIT. As disclosed on page 112, the NRC is satisfied that all Directors gave sufficient time and attention to the affairs of the Manager and were able to and have adequately carried out their duties as a director of the Manager in FY2024.

## Orientation for Directors

The NRC exercises oversight on the orientation, training and professional development of Directors, in order to ensure that they understand Elite REIT's business as well as their directorship duties (including their roles as executive, non-executive and independent directors, as the case may be).

Upon the appointment of each new Director, he/she is issued a formal letter of appointment setting out his/her duties, responsibilities and obligations.

The Board has a comprehensive and structured orientation framework. Newly appointed Directors will have to attend a familiarisation exercise whereby they undergo a tailored programme to enable them to have a good understanding of Elite REIT. The appropriate induction, and orientation sessions will be conducted to orientate the Directors in acting as a director of a manager of a publicly listed REIT.

The orientation exercise consists of management presentations on Elite REIT's strategic objectives, business, operations, responsibilities of key management personnel, and financial and governance practices and site visits to Elite REIT's properties.

The orientation exercise allows new Directors to get acquainted with Management and helps pave the way for Board interaction and direct access to Management.

The NRC also ensures that new Directors are aware of their duties and obligations, the Manager's policies relating to restrictions on dealings in Elite REIT's securities and disclosure of price-sensitive and trade-sensitive information.

In addition to the above, copies of the minutes of the latest Board and Board Committees' meetings will be made available to newly appointed Directors. They are also provided with other materials relating to the Board and Board Committees, including the terms of reference of the various Board Committees on which they are appointed as well as relevant guidelines and policies.

Any new Director appointed to the Board who has had no prior experience as director of a SGX-ST's listed issuer must undergo mandatory training on his or her roles and responsibilities as prescribed by the SGX-ST. Datin Paduka Sarena Cheah, who was elected to the Board in 2024, will

9 Mr Yezdi Phiroze Chinoy joined one ARC meeting by invitation.

# CORPORATE GOVERNANCE REPORT

complete the relevant mandatory training on her roles and responsibilities as a director of an issuer listed on the SGX-ST in 1H2025.

## Training for Directors

The Board also recognises the importance of continual training and development for the Directors so that they can perform their roles on the Board and Board Committees to the best of their abilities. The NRC is tasked with identifying important training topics for Directors and recommending them to the Board.

Directors are encouraged to participate in industry conferences, seminars, courses and training programmes which are relevant to their duties. Training programmes include those organised by the Singapore Institute of Directors ("SID") on corporate governance, leadership and industry-related subjects. The Manager funds the training and development programmes for the Board members.

In FY2024, various Directors attended training sessions relating to anti-money laundering and countering the financing of terrorism. All Directors will also undergo training on sustainability matters as prescribed by the SGX-ST. The Manager believes that the provision of continuing education opportunities to Directors will keep them updated on matters relevant to their appointments and responsibilities. A training register is maintained with respect to the courses/seminars attended by the Directors and such register is also tabled to the NRC for information at its meeting. All Directors have undergone training on sustainability matters as required under Rule 720(7) of the Listing Manual.

The Board is regularly updated on new developments in laws and regulations or changes in regulatory requirements, tax matters or financial reporting standards which are relevant to or may affect Elite REIT or the Manager either during Board meetings or at specially convened meetings (with the attendance of professional advisers, consultants, auditors and Management) or disseminated by way of handouts. Management also provides the Board with timely information through regular updates on financial results, relevant market, and business developments.

## Board Composition and Guidance

### Principle 2:

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of Elite REIT.

The Board reviews the size and composition of the Board annually, to ensure that the Board is of an appropriate size and has the appropriate mix of expertise, experience and other aspects of diversity. The Board works to avoid groupthink, and foster constructive debate, with a view to ensure effective decision making by taking into account the scope and nature of the operations of Elite REIT.

Profiles of the Directors are provided on pages 14 to 18 of this Annual Report. Key information on the Directors is also available on Elite REIT's website at [www.eliteukreit.com](http://www.eliteukreit.com).

## Review of Directors' Independence

The Board presently comprises nine Directors, five of whom are IDs. All the Directors are non-executive directors. The composition of the Board complies with Provision 2.3 of the Code which requires a majority of the board to be made up of non-executive directors. In addition to the Chairman of the Board being independent and non-executive, IDs make up the majority of the Board. This enables Management to benefit from their external, diverse and objective perspectives on issues that are brought before the Board. It would also enable the Board to interact and work with Management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles of the Chairman of the Board and the CEO, provide a healthy professional relationship between the Board and Management, with clarity of roles and robust oversight as they deliberate on the business activities of the Manager.

The NRC reviewed and assessed the independence of each ID in relation to the Code and SF(LCB)R. Pursuant to the Code and Regulation 13E of the SF(LCB)R, the Board and NRC ascertained the following for FY2024:

- (a) each ID had been independent from Management of the Manager and Elite REIT;
- (b) each ID had been independent from any business relationship with the Manager and Elite REIT;
- (c) each ID had been independent from every substantial shareholder of the Manager, and every substantial Unitholder of Elite REIT;
- (d) none of the IDs was a substantial shareholder of the Manager or a substantial Unitholder of Elite REIT; and
- (e) none of the IDs has served as a director of the Manager for a continuous period of nine years or longer.

Each of the IDs had recused himself from the deliberations of the NRC and Board on his independence.

## Board Diversity

The Manager embraces diversity, and believes that a balanced Board can provide diversity of viewpoints and insights that will enhance decision-making. The Board has established a Board Diversity Policy that seeks to have an appropriate level of size as well as diversity in its composition, including the dimensions of skills, knowledge and industry experiences, gender, age and tenure.

The NRC is responsible for:

- (a) reviewing the Board Diversity Policy;
- (b) setting qualitative and measurable quantitative objectives (where appropriate) for achieving board diversity;
- (c) monitoring and implementing the Board Diversity Policy, and taking the principles of the Board Diversity Policy into consideration when determining the optimal composition of the Board and/or Board



# CORPORATE GOVERNANCE REPORT

Committees, and recommending any proposed changes to complement Elite REIT's objectives and strategies; and

- d) reviewing the Manager's progress towards achieving the objectives under the Board Diversity Policy.

The Board will set certain measurable objectives and diversity targets (each a **"Target"**) based on the NRC's recommendation in order to achieve an optimal Board composition. The Targets will be reviewed by the NRC annually to ensure their appropriateness. The NRC will endeavour to ensure that the Targets are taken into consideration when assessing candidates for new Board appointments.

## Tenure

Elite REIT was listed on 6 February 2020. Most of the IDs were appointed on the same date prior to listing and their nine-year term will also expire on the same date. Not counting Mr Yezdi Phiroze Chinoy (ID), Datin Paduka Sarena Cheah (NINED) and Mr Tan Chin Hwee (ID) the average tenure of existing board members is about five years.

The Board believes diversity of tenure and progressive renewal of the Board are important so that there is continuity of experienced directors as well as the onboarding of new directors to provide fresh perspectives on an ongoing basis. The Board has added two new Board members during 2024, as part of Board succession planning. Datin Paduka Sarena Cheah, was appointed as NINED on 1 January 2024 in place of Mr Evan Cheah Year Shin, and Mr Tan Chin Hwee was appointed as ID on 7 August 2024 in place of Mr Tan Huay Lim.

All director appointments will be based on merit, having due regard to the overall balance and effectiveness of the Board. The NRC and the Board will continue to review the tenure of the Board members and plan for renewal gradually.

## Skills and Expertise

Currently, the Board and its Board Committees comprise Directors with an appropriate balance and diversity of skills and expertise. The Directors have diverse backgrounds in audit and accounting, business advisory, corporate finance, corporate governance, investment and fund management, construction, real estate and property development, management consulting and commercial litigation. The diversity of skills and expertise enrich the discussions and deliberations of the Board as the members bring their broad range of views, perspectives and breadth of experience to the table. Therefore, the Directors are well-equipped to engage in open and constructive debate, and regularly challenge the Management on its assumptions and proposals. This facilitates the effective oversight of the Management.

When considering new directors for appointment to the Board, candidates who have relevant skills, expertise and/or experience which would complement those already on the Board would be prioritised.

As of 31 December 2024, the Target for Skills and Expertise was met. Please refer to the Experience / Skills Matrix of the Directors below.

## Director Experience / Skills Matrix FY2024

	Real Estate Industry Experience	Strategic Planning	Senior Management	Legal	Audit & Accounting	Risk Management	Banking and Corporate Finance	Investment & Fund Management	Asset Management	Facilities Management	Operations Management	Capital Markets & Fundraising	Business Development	Human Resources
Mr David Lim Teck Leong	Y	Y	Y	Y		Y								Y
Mr Tan Huay Lim <sup>1</sup>	Y	Y	Y		Y	Y	Y	Y				Y		Y
Mr Koo Tsai Kee	Y	Y	Y			Y								Y
Mr Nicholas David Ashmore	Y	Y	Y							Y				Y
Mr Yezdi Phiroze Chinoy	Y	Y	Y	Y		Y	Y	Y				Y		
Mr Tan Hai Peng Micheal	Y	Y	Y									Y	Y	Y
Mr Victor Song Chern Chean	Y	Y	Y					Y	Y	Y	Y	Y	Y	Y
Mr Tan Dah Ching	Y	Y	Y				Y	Y				Y		
Datin Paduka Sarena Cheah <sup>2</sup>	Y	Y	Y										Y	
Mr Evan Cheah Year Shin <sup>3</sup>	Y	Y	Y					Y				Y		
Dr Tan Kok Heng <sup>4</sup>	Y	Y	Y					Y				Y		
Mr Tan Chin Hwee <sup>5</sup>	Y	Y	Y		Y	Y		Y	Y		Y	Y	Y	Y

### Notes:

1 Resigned on 6 August 2024

2 Appointed on 1 January 2024

3 Resigned on 1 January 2024

4 Alternate Director to Mr Evan Cheah Year Shin. Dr Tan ceased to be an Alternate Director to Mr Evan Cheah on 1 January 2024

5 Appointed on 7 August 2024

# CORPORATE GOVERNANCE REPORT

## Gender Representation

The NRC, the Board, together with the Sustainability Committee have agreed that it will be a medium to long term Target for the Board to achieve and maintain a 30% minimum representation of each gender on the Board by 2029. The Board is committed to the Target and has included the Target in its Board Diversity Policy.

With the appointment of Datin Paduka Sarena Cheah to the Board, the gender diversity composition of the Board is 11.1% – the first step towards achieving the targeted minimum representation of each gender on the Board.

The Board is of the view that gender is an important aspect of diversity and will strive to ensure that:

- (a) when seeking to identify a new Director for appointment, the NRC will request for female candidates to be fielded for consideration. If external search consultants are engaged, their recruitment brief will include this specific requirement; and
- (b) at least one female Director is appointed; and there is significant and appropriate female representation on the Board.

## Age Diversity

The Board comprises Directors falling within at least two out of three age groups, being:

- (i) 61-70
- (ii) 51-60
- (iii) 41-50

As of 31 December 2024, the ages of the Board members range from 46 to 70. The Target for age diversity was met. Please refer to the chart below.

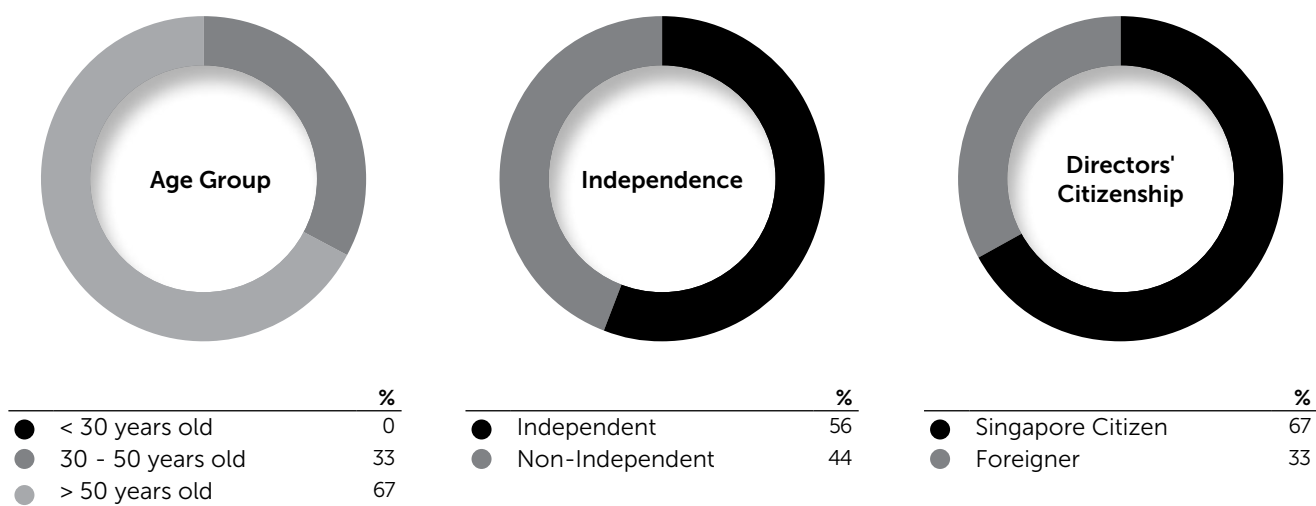
The Manager believes the age diversity would contribute beneficially to the Board’s deliberations.

## Diverse Board Nationalities

The Board comprises Directors of different nationalities. Coupled with their diverse backgrounds and competencies, this adds value to the Board’s capacity for strategic thinking and problem solving.

Please refer to the chart below.

## Composition of the Board in FY2024





# CORPORATE GOVERNANCE REPORT

The Board continues to seek to introduce greater diversity as it progressively reviews the composition of the Board and its Board Committees. As of 31 December 2024, the Board and Board Committees are of an appropriate size, and comprise Directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate.

## Meetings of Directors Without Management

The IDs, led by the Independent Chairman of the Board, regularly meet to discuss matters both formally and informally without the presence of the Management and the non-independent Directors.

The Audit and Risk Committee, which comprises three IDs, also meets with the external auditor and the internal auditor at least annually and without the presence of Management.

The Independent Chairman of the Board provides feedback and recommendations to the Board as appropriate.

## Chairman and Chief Executive Officer

### Principle 3:

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The positions of Chairman of the Board and CEO of the Manager are held by two different individuals to maintain effective segregation of duties, ensure an appropriate balance of power and authority, increased accountability, and to maintain effective checks and balances, and for more independent decision making. The Chairman of the Board is Mr David Lim Teck Leong, and the CEO of the Manager is Mr Joshua Liaw. In accordance with Regulation 13D(1) of the SF(LCB)R, the Chairman is a non-executive director and not a member of immediate family of the CEO. The Chairman leads the Board to ensure its effectiveness in all aspects of its role. He ensures that adequate time is given for discussion of all items at the Board meeting, in particular strategic issues. He also facilitates effective contribution of the Directors and encourages a culture of openness and debate at Board meetings. The Chairman also ensures that the Board works together with integrity and competency, and that the Board engages the Management in constructive debate on strategy, business operations, enterprise risk and other plans. The Chairman also has the discretion to hold meetings with the other IDs without the presence of the Management as he deems appropriate or necessary, and provides feedback and recommendations to the Board as appropriate. The Chairman presides over the Annual General Meeting ("AGM") each year and other general meetings of the Unitholders. The Chairman addresses, and/or requests the CEO and the CFO of the Manager to address the Unitholders' queries, and ensures that there is clear and open dialogue between all stakeholders.

The Management is led by the CEO. The CEO is principally responsible for execution of the strategies and policies

approved by the Board and conduct of the business of the Manager. He has full executive responsibilities over the business direction and operational decisions in managing Elite REIT. The CEO is accountable to the Board for the conduct and performance of Management.

The CEO also makes sure that the information that is shared with the Board is timely, appropriate and of the requisite quality so that the Board can discharge its duties and responsibilities effectively.

The Manager adopted terms of reference for the Chairman and the CEO which set out clearly their respective duties. The Chairman leads the Board and ensures the effectiveness of all aspects of its role. His responsibilities include, inter alia:

- (a) constructively determining and approving, with the full Board, the Manager's strategy;
- (b) ensuring that the Board is properly organised, functioning effectively, and meeting its obligations and responsibilities;
- (c) setting the agenda and ensuring adequate time is available for discussion of all agenda items, in particular, strategic issues;
- (d) fostering effective communication and constructive relations amongst the Directors, within Board Committees, between Unitholders, between the Directors and the Management;
- (e) encouraging the constructive exchange of views within the Board and between Board members and the Management;
- (f) facilitating the effective contributions of all Directors;
- (g) promoting a culture of openness and debate at the Board level and promoting high standards of corporate governance; and
- (h) establishing a relationship of trust with the CEO.

The CEO leads the Management and his responsibilities include, inter alia:

- (a) day-to-day running of the Manager's and Elite REIT's business in accordance with the business plans approved by the Board;
- (b) meeting or communicating with the Chairman on a regular basis to review key developments, issues, opportunities and concerns;
- (c) developing and proposing the Manager's strategies and policies for the Board's consideration;
- (d) implementing the strategies and policies approved;
- (e) assessing risks to the Manager and Elite REIT;
- (f) maintaining regular dialogue with the Chairman on important and strategic issues faced by the Manager and Elite REIT;
- (g) providing to the Board timely reports which contain relevant, accurate, timely and clear information necessary for the Board to fulfil its duties;
- (h) ensuring the Board is alerted to forthcoming complex, contentious or sensitive issues affecting the Manager and Elite REIT which it might otherwise not be aware;
- (i) overseeing the affairs of the Manager and Elite REIT in accordance with the practices and procedures adopted by the Board and promoting the highest standards of integrity, probity and corporate governance within the Manager and Elite REIT; and
- (j) communicating, on behalf of the Manager, with the Unitholders, government entities and the public.

# CORPORATE GOVERNANCE REPORT

Provision 3.3 of the Code recommends the appointment of an Independent Director to be the lead independent director, to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. As the Chairman, Mr David Lim Teck Leong, is independent, and most of the Board Committees are chaired by and comprise at least a majority of IDs, the Board is of the view that it is not necessary, for the time being, to appoint a lead independent director. In addition, the Group-wide Whistleblowing Policy provides an independent mechanism for employees and other persons to raise any concerns where normal channels of communication with the Chairman or Management are inappropriate or inadequate, and matters under the policy are reported directly to the ARC Chairman, who is also an ID of the Manager.

## Relationships between the Board and the CEO

The members of the Board and CEO are not related to one another, and none of the members of the Board has any business relationship with the CEO or vice versa.

## Board Membership

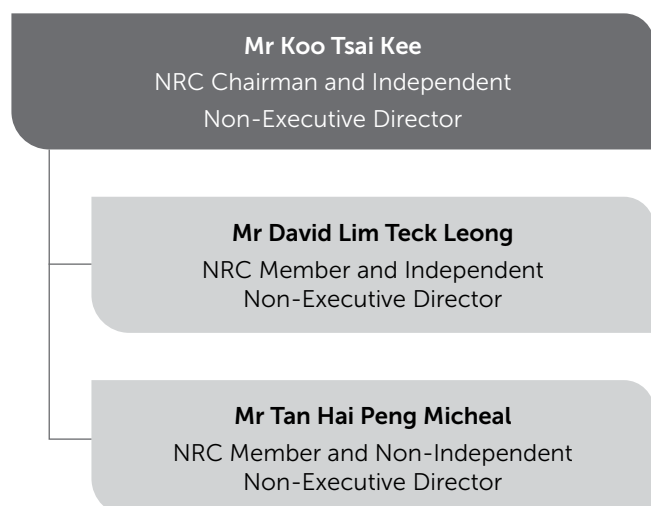
### Principle 4:

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

The Board has a formal process in place to evaluate the effectiveness of the Board and its Board Committees on an annual basis.

## Nominating and Remuneration Committee

The NRC members are appointed by the Board from among its members, and comprise three Directors, two of whom (including the NRC Chairman) are IDs. The members of the NRC are:



## Roles and Responsibilities of the NRC (in Relation to Nomination Matters)

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating and remuneration committee, including assisting the Board in matters relating to:

### Nomination

- reviewing and recommending to the Board a general framework of remuneration and succession plans for each director and executive officer, in particular the appointment and/or replacement of the Chairman, the CEO and KMPs;
- developing the process and criteria for evaluation of the performance of the Board as a whole and each of its Board Committees and Directors;
- reviewing the training and professional development programmes for the Board;
- establishing a formal and transparent process for the appointment and re-appointment of Directors (including alternate directors, if applicable), having regard to the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance, including, if applicable, as an ID;
- determining annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set forth in Provisions 2.1 and 2.2 of the Code and Rule 210 (5)(d) of the SGX-ST's Listing Manual;
- ensuring that new Directors are apprised of their duties and obligations;
- deciding if a Director is able to and has been adequately carrying out his/her duties as a director, taking into consideration the Director's other principal commitments and other listed company directorships;
- reviewing Elite REIT's obligations arising in the event of termination of Directors' and KMP's contracts of service and ensuring that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- implementation and monitoring of the Board Diversity Policy, and making recommendations to the Board on the diversity of skills, experience, gender, age, knowledge, size and composition of the Board; and
- such other duties as provided in the Code.

### Note:

The roles and responsibilities of the NRC with regard to remuneration matters are detailed in the section under *REMUNERATION MATTERS*.

The NRC administers nominations to the Board, reviews the structure, size and composition of the Board and reviews the performance and independence of the Directors.

The NRC is of the view that the members of the Board provide an appropriate balance and diversity of skills and

# CORPORATE GOVERNANCE REPORT

commercial experience. The NRC believes that a director's eligibility for selection, appointment and re-appointment goes beyond his or her attendance at meetings. The NRC takes into consideration a director's competencies, commitment, contribution and performance, and is committed to ensuring an appropriate balance and diversity of skills, experience and knowledge in the Board.

## Review of Directors' Independence by the NRC

The NRC formally assesses the independence of each Director in accordance with the circumstances set forth in the Code and the accompanying Practice Guidance, the Listing Manual and the CIS Code (collectively, the "**Relevant Regulations**") on an annual basis. Under the Code, an ID is one who is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, its substantial shareholders or its officers, or Elite REIT's substantial unitholders that could interfere, or be reasonably perceived to interfere, with the exercise of his/her independent business judgement in the best interests of Elite REIT.

Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be independent:

- (i) if he/she is employed or has been employed by the Manager or Elite REIT or any of its related corporations in the current or any of the past three financial years;
- (ii) if he/she has an immediate family member who is employed or has been employed by the Manager or Elite REIT or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the Manager; or
- (iii) if he/she has been a director of the Manager for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of Elite REIT.

There is currently no ID who has served on the Board for more than nine years.

The Board through the NRC assesses annually the independence of each ID based on his/her declaration of independence provided to the NRC/Board, taking into account the requirements and/or guidance set out in the Relevant Regulations.

As part of the rigorous process to evaluate the independence of each ID:

- (a) each ID provides information on his/her business interests and confirms that there are no relationships with the Manager, its related corporations, its substantial shareholders or its officers, Elite REIT's substantial unitholders which interfere with the exercise of his/her independent business judgement in the best interest of Unitholders as a whole. Such information is then reviewed by the NRC and the Board; and

- (b) the Board through NRC reflects on the respective IDs' conduct and contributions at Board and Board Committee meetings, and considers whether the relevant ID exercises independent judgement in discharging his/her duties and responsibilities.

The Board has considered the views of the NRC, and determined that Mr David Lim Teck Leong, Mr Koo Tsai Kee, Mr Nicholas David Ashmore, Mr Yezdi Phiroze Chinoy, and Mr Tan Chin Hwee have demonstrated independence in character and judgement in the discharge of their responsibilities as Directors in FY2024, and is satisfied that each of them has acted with independent judgement. The Board has also assessed the relationships or circumstances which are likely to affect, or could appear to affect, the Directors' judgement.

Mr Nicholas David Ashmore acts as a resident director of the following subsidiaries of Elite REIT incorporated in the UK:

- (a) Elite REIT Holdings Limited ("**ERHL**"). ERHL is listed on The International Stock Exchange;
- (b) Elite Kist Limited;
- (c) Elite UK Commercial Limited;
- (d) Elite Gemstones Properties Limited;
- (e) Elite Amphora Limited;
- (f) Elite Cask Limited; and
- (g) Elite Commercial REIT Management (UK) Limited.

The appointment of Mr Ashmore in the above entities is to satisfy the resident director requirement in the UK and he does not play any executive role in the above entities. The NRC, with the concurrence of the Board, is of the view that the appointment of Mr Ashmore as director of the above entities does not impede his independence as an ID. As at the last day of FY2024, the Board was satisfied and Mr Ashmore was able to act in the best interests of all the Unitholders as a whole despite not being independent under Regulation 13E(b)(i)(B). As at the last day of FY2024, Mr Ashmore was able to act in the best interest of the Unitholders as a whole.

In FY2024, based on the annual review of the Directors' independence conducted by the NRC, and the declarations by the IDs of their independence, the NRC and the Board are satisfied that Mr David Lim Teck Leong, Mr Koo Tsai Kee, Mr Nicholas David Ashmore, Mr Yezdi Phiroze Chinoy, and Mr Tan Chin Hwee are independent.

Except as disclosed above, none of the IDs had any management or business relationship with the Manager, its related companies, its substantial shareholders or its officers, as well as with Elite REIT and its substantial Unitholders that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of Elite REIT.

During FY2024, each of the IDs had been independent from the management of the Manager and Elite REIT, as well as from every substantial shareholder of the Manager, and every substantial Unitholder of Elite REIT. None of the IDs were a substantial shareholder of the Manager or a substantial unitholder of Elite REIT. These disclosures are made in accordance with Regulation 13E(b) (i) of the SF(LCB)R.

# CORPORATE GOVERNANCE REPORT

Each ID is also required to recuse himself from deliberating on his own independence. An ID is required to report to the Manager when there is any change of circumstances which may affect his independence. As and when circumstances require, the NRC and the Board will review the independence of an ID of the Manager.

## Review of Directors' Time Commitments

The Non-Independent Non-Executive Directors – Tan Hai Peng Micheal, Victor Song Chern Chean, Tan Dah Ching and Datin Paduka Sarena Cheah – are representatives of the Manager's shareholders. The Board is satisfied that as at the last day of FY2024, the Non-Independent Non-Executive Directors were able to act in the best interests of all Unitholders as a whole.

All Directors are required to commit sufficient time and attention to the affairs of Elite REIT and the Manager. The NRC will annually, and as required, assess the major commitments of the Directors, including their employment and listed company directorships, and whether the Director has and can suitably fulfill his or her duties as a director of the Manager. All the Directors are required to notify the Board of any changes in their directorships.

Provision 4.5 of the Code requires listed companies to disclose the number of listed company directorships and principal commitments of each director in the Annual Report and where a director holds a significant number of such directorships and commitments, it provides the Board a reasoned assessment of the ability of the director to diligently discharge his or her duties.

The Board believes that it is not practicable to impose a limit on the maximum number of listed company board representations each Director may hold or stipulate the amount of time that each Director should devote to the affairs of Elite REIT and the Manager. The effectiveness of the Board and contributions of each Director cannot be assessed solely on a quantitative basis. The number of listed company directorships and principal commitments of each Director, such as whether he or she is in full-time employment and the nature of his or her other responsibilities, are considered on a case-by-case basis and taken into account in the NRC's and the Board's assessment of the ability of each Director to diligently discharge his or her duties as a director of the Manager, without any potential or actual conflict of interest.

A Director with multiple directorships and significant commitments is expected to ensure that sufficient attention can be given to the affairs of Elite REIT and the Manager. A Director's capacity is determined by metrics such as his/her attendance (including preparedness and productive participation) at Board and Board Committee meetings and contributions to the effective supervision of Elite REIT.

Each Director is or has been a senior executive, and has knowledge about and/or experience in serving as a director of listed companies. Further, each Director confirms that he/she is able to devote sufficient time to

discharge his/her duties as a director of the Manager. Directors who hold more than five listed company directorships are required to provide the NRC and/or the Board additional assurance and representation in writing on how he/she is able to allocate sufficient time to properly discharge his/her duties.

Based on every Director's attendance record for Board and Board Committees' meetings (set out in page 105 and contributions outside of formal Board and Board Committees' meetings, the NRC is satisfied that all Directors have committed sufficient time and discharged their duties adequately for FY2024, and can commit sufficient time and discharge their duties adequately.

Key information regarding the Directors such as academic and professional qualifications, committee membership, date of appointment, other principal commitments and details about the present and past directorships of each Director are set out in pages 14 to 18 of this Annual Report. The Directors' unitholdings in Elite REIT are set out in page 177.

## Selection and Appointment of New Directors

The NRC will regularly review the existing attributes and competencies of the Board in order to determine the desired experience or expertise required to strengthen or supplement the Board. The NRC is in charge of making recommendations to the Board regarding the identification and selection of Directors for appointment and re-appointment.

In identifying candidates for appointment to the Board as part of the Board's renewal process, the following principles are applied by the NRC:

- the Board should comprise directors with a broad range of commercial and professional experience, including expertise in business management, real estate, finance, investments, risk management and legal matters;
- the Board should have diversity in terms of gender, age and relevant skillsets;
- a majority of the Board should comprise IDs if the Chairman is not an ID; and
- the candidate is fit and proper in accordance with MAS' fit and proper guidelines, taking into account his or her experience, skills, track record, capabilities and such other relevant experience as may be determined by the Board.

The Manager envisages to maintain at least five IDs on the Board to ensure that Directors are able to exercise independent business judgement in the best interest of Elite REIT.

To ensure the continuity of experienced Directors alongside new Director appointments, the NRC will continue its efforts to progressively refresh Board membership in an orderly manner. The Manager believes that Board renewal is a necessary and continual process, for good governance and ensuring that the Board has the skills, expertise and experience which are relevant to

# CORPORATE GOVERNANCE REPORT

the evolving needs of Elite REIT's business; renewal or replacement of a Director therefore does not necessarily reflect his/her performance or contributions to date.

The Manager has a policy which sets out a detailed process on the search, selection, nomination and appointment of Directors.

The NRC will take the lead in identifying, evaluating and selecting suitable candidates for new directorships based on selection criteria provided, taking into account, among other things, the scope and nature of the operations, business requirements. Potential candidates would be sourced from different channels, including existing networks of contacts and recommendations of Board members and business associates, director associations, advertisements, and from conducting an external search for candidates.

The NRC will then shortlist and interview the candidates. Shortlisted candidates are evaluated by the NRC on his/her skills, competencies and experience as well as the ability to contribute productively to discussions, deliberations and activities of the Board and Board Committees with an understanding of Elite REIT's and the Manager's business, industry, finance and other factors relevant to the success of Elite REIT. Once a candidate is selected for the Board, the NRC will conduct due diligence through reference checks before putting the appointment of such candidate up to the Board for approval.

The process for selection and appointment of IDs also takes into account the relevant requirements under the Listing Manual and SF(LCB)R.

## Succession Planning of the Board Chairman and Key Management Personnel

The NRC is cognisant of succession planning for key positions in the Manager and has in mind Elite REIT's strategic priorities and the factors affecting the long-term success of Elite REIT. The Board seeks to refresh its membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate governance. The NRC aims to maintain an optimal board composition by considering the trends affecting Elite REIT, reviewing the skills needed and identifying gaps, including considering whether there is an appropriate level of diversity of thought. The NRC considers different time horizons for purposes of succession planning. The NRC evaluates the Board's competencies on a long-term basis and identifies competencies needed to achieve Elite REIT's strategy and objectives. As part of medium-term planning, the NRC seeks to refresh the membership of the Board in an orderly manner. The NRC also considers contingency planning to prepare for sudden and unforeseen changes.

Board succession planning is carried out through the annual review of Board composition as well as when an existing Director gives notice of his/her intention to retire or resign. The outcome of such review will then be reported to the Board.

As part of contingent leadership planning, the NRC has identified one of the board members capable to take on the role of the acting CEO in the event circumstances call for it. For the other KMP's succession, the CEO will cover their duties in the interim while looking for a replacement.

The Manager is mindful of identifying and developing the potential next-in-line for succession of the respective KMP roles. For Board Chairman's succession, the NRC will identify one of the Board members to undertake the role if the circumstances so require.

## Board Performance

### Principle 5:

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NRC assesses and discusses the performance of the Board as a whole and its Board Committees on an annual basis. The NRC has in place a process to evaluate the effectiveness of the Board and its Board Committees, as well as the contributions of the Chairman and each individual Director. The review allows each Director to individually express his/her personal and confidential assessment of the Board's overall effectiveness in discharging its duties and responsibilities. It provides insights into the functioning of the Board and its Board Committees, whilst identifying areas that need strengthening or improvement.

## Board and Board Committees

On an annual basis, the Directors are required to complete evaluation questionnaires on the Board and its Board Committees. The individual Director's performance is assessed based on the Director's duties and performance, knowledge and interactive skills. The scope of evaluation in the evaluation questionnaires for the Board for FY2024 included (1) Board composition, (2) Board processes, (3) Internal control and risk management, (4) Board access to information, (5) Board accountability and committee effectiveness; and (6) Environmental, Social and Governance ("ESG") policy implementation. The evaluation questionnaires on the Board also required the Board to consider whether the creation of value for the Unitholders has been taken into consideration in its decision-making process.

The NRC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each Director to the Board. With stakeholders becoming increasingly aware of the importance of ESG, the NRC recommended and the Board approved the additional performance criteria on ESG during FY2024.

The scope of evaluation for the Board committees is mainly based on the understanding of the respective terms of reference and areas of expertise relevant to the respective Committees.



# CORPORATE GOVERNANCE REPORT

Each Director is given sufficient opportunity to bring to the Board his/her perspective to enable balanced and well-considered decisions to be made.

## Individual Directors

Each Director is required to complete an individual director self-assessment questionnaire. The questionnaire aims to assess whether each Director is willing and able to constructively challenge and contribute effectively to the Board, and demonstrates commitment to his/her roles on the Board and Board Committees.

The evaluation categories covered in the questionnaire include the Director's initiative, knowledge, skills, participation in constructive debate/discussion, declaration of conflicts of interest and disclosure of interested person transactions.

For FY2024, individual Directors, the Board, ARC, NRC, SPC and SC completed their respective evaluation forms and returned them to the Company Secretary for compilation of the summary of results of the evaluation.

The results of the evaluation questionnaires are first reviewed by the NRC and subsequently presented and deliberated upon by the Board. All necessary follow-up actions will be undertaken with a view to enhance the effectiveness of the Board and Board Committees in the discharge of its duties and responsibilities.

The Board, in consultation with the NRC, was satisfied with the Board, ARC, NRC, SPC and SC's performance evaluation results for FY2024, which indicated that each and every Director had demonstrated commitment and contributed to the effective functioning of the Board, ARC, NRC, SPC and SC. The formal annual assessment is conducted entirely by the NRC and does not rely on any external facilitator.

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

#### **Principle 6:**

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

### Level and Mix of Remuneration

#### **Principle 7:**

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of Elite REIT, taking into account the strategic objectives of Elite REIT.

## Disclosure on Remuneration

### **Principle 8:**

The Manager is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

## Roles and Responsibilities of the NRC (in Relation to Remuneration Matters)

The NRC plays an important role in ensuring the attraction, recruitment, motivation, and retention of talents through competitive remuneration and progressive policies so as to achieve Elite REIT's goals, and to deliver sustainable Unitholder value, distribution income, as well as growth in total returns. Terms of reference setting out the scope and authority in performing the function of the NRC have been put in place, and these include assisting the Board in matters relating to:

### Remuneration

- establishing a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and KMP;
- considering all aspects of remuneration, including termination terms, to ensure they are fair;
- reviewing and recommending the Directors' fees to the Board, for endorsement by the Board;
- reviewing and recommending a framework of remuneration for the Board and KMP (no member of the Board is involved in any decision of the Board relating to his or her own remuneration). The framework covers all aspects of remuneration, including fees, salaries, allowances, bonuses, award of Units and benefits in kind, as well as termination terms;
- reviewing and recommending specific remuneration packages for each Director and KMP;
- consulting independent professional consultancy firms where necessary in determining remuneration packages; and
- considering the various disclosure requirements on Directors' remuneration and ensuring that there is adequate disclosure in the financial statements to ensure and enhance transparency between Elite REIT and relevant interested parties.

The NRC seeks to ensure that a significant and appropriate proportion of executive Directors' (if any) and KMP's remuneration is structured so as to link rewards to the achievement of Elite REIT and individual performance targets. The Board sets performance targets with the purpose of motivating a high degree of business performance with emphasis on both short- and long-term quantifiable goals. The corporate and individual performance-related elements of remuneration have been established to align the interests of KMP with those of the Unitholders and other stakeholders with the aim of providing for the long-term interests of the Unitholders and to promote the long-term success of Elite REIT.



# CORPORATE GOVERNANCE REPORT

In addition, the NRC reviews the achievements of Elite REIT against the targets set to determine the overall performance taking into consideration qualitative factors such as the business environment, regulatory landscape and industry trends and approves a bonus pool that is commensurate with the performance achieved. The framework of remuneration is aligned with the interests of the Unitholders. The remuneration packages are also appropriately structured to attract, retain and motivate the Directors to provide good stewardship of the Manager and KMP to successfully manage Elite REIT for the long term.

The remuneration of the Directors, KMP (including the CEO) and employees of the Manager is not paid out of the deposited property of Elite REIT, but paid by the Manager.

## Remuneration Framework of Key Management Personnel

The remuneration of KMP is structured to take into account:

- the strategic objectives and goals of Elite REIT; and
- corporate and individual performance, both in terms of financial and non-financial performance of Elite REIT through the incorporation of appropriate key performance indicators ("KPIs") that are specific, measurable and result-oriented.

The KPIs used to determine the remuneration of the CEO and other KMP for FY2024, take into consideration, inter alia:

- Elite REIT's income available for distribution (and distribution per Unit);
- total Unitholders' return;
- investor relations management;
- asset enhancement initiatives; and
- other strategic initiatives as determined from time to time

These performance indicators are appropriate and meaningful measures which assess the Management's performance, whilst taking into account the risk policies of Elite REIT. Structuring the level of remuneration such that it aligns the interests of KMP with those of the Unitholders and other stakeholders and fosters the long-term success of Elite REIT. After the end of each financial year, the NRC reviews Elite REIT's achievements against the KPIs set for the KMP and determines the overall performance, taking into account factors such as the assets under management, the Unit price, the quality of earnings, the regulatory landscape and industry needs.

When determining the quantum of the variable component of remuneration for each KMP, the NRC will consider the overall business performance of Elite REIT and the Manager, individual performance as well as affordability of the variable component payout. The remuneration of the CEO and each of the KMP is reviewed by the NRC, which will then make recommendations to the Board for approval. Please refer to Variable Remuneration on page 116 for more details..

## Non-Executive Directors' Remuneration and Fee Structure

The NRC also ensures that the remuneration of Non-Executive Directors is appropriate for their respective levels of contribution, taking into account factors such as effort, time spent, and their responsibilities. The NRC ensures that the IDs are not over-compensated to the extent that their independence may be compromised. None of the Directors has any service contracts with the Manager.

The structure of Directors' fees takes into account the following:

- Directors' responsibilities and contributions; and
- industry practices and norms on remuneration, including the guidelines set out in the Statement of Good Practice issued by the SID.

Directors' fees for Non-Executive Directors comprise an annual base fee of S\$40,000 for serving as a Director and additional fee for serving as Chairman of the Board, ARC or NRC, as the case may be. The additional fee for chairmanship of the Board, ARC and NRC, as the case may be, is as set out below:

Chairmanship	Fee
Board	S\$45,000
Audit and Risk Committee	S\$25,000
Nominating and Remuneration Committee	S\$15,000

As set out below in Disclosure of Remuneration table, the Directors' fees are paid only in the form of cash and Directors' fees are reviewed and endorsed by the NRC.

## Industry Benchmarking and Engagement of Consultant

In determining the remuneration of its Directors and KMP, the Manager may engage an independent remuneration consultant to advise on compensation benchmarks and provide views on market practices and trends. The independent remuneration consultant will not be related to the Manager, its controlling shareholder, its related companies or any of its Directors. The Board has access to independent remuneration consultants for advice on remuneration matters as required.

The Manager applies the principle that remuneration matters are to be sufficiently structured and benchmarked to good market practices in order to attract suitably qualified talent, and to grow and manage Elite REIT. The Manager applies the principle that the remuneration for the Board and KMP should be viewed in totality.

In determining the mix of different forms of remuneration, the Board and NRC have reviewed and ensured that the level and structure of remuneration for the KMP and Non-Executive Directors are in alignment with the long-term interests and risk management policies of Elite REIT. The Board and NRC seek to ensure that the level and mix of fixed and performance-related remuneration are competitive, relevant and appropriate.

No external remuneration consultant was engaged for FY2024.

# CORPORATE GOVERNANCE REPORT

## Disclosure of Remuneration

### Directors' Fees

The fees paid to the Directors for FY2024 are as follows:

Board Members	Membership	Fees Paid for FY2024 <sup>1</sup>
Mr David Lim Teck Leong	Independent Non-Executive Chairman	S\$85,000
Mr Koo Tsai Kee	Independent Non-Executive Director and Chairman of the NRC	S\$55,000
Mr Yezdi Phiroze Chinoy <sup>1</sup>	Independent Non-Executive Director and Chairman of the ARC	S\$49,986
Mr Tan Huay Lim <sup>2</sup>	Independent Non-Executive Director and Chairman of the ARC	S\$39,035
Mr Nicholas David Ashmore <sup>3</sup>	Independent Non-Executive Director	S\$40,000
Mr Tan Chin Hwee	Independent Non-Executive Director	S\$15,978
Datin Paduka Sarena Cheah	Non-Independent Non-Executive Director	S\$40,000
Mr Victor Song Chern Chean	Non-Independent Non-Executive Director	S\$40,000
Mr Tan Dah Ching	Non-Independent Non-Executive Director	S\$40,000
Mr Tan Hai Peng Micheal	Non-Independent Non-Executive Director	S\$40,000

Notes:

1 Mr Chinoy was appointed as the Chairman of the ARC on 7 August 2024.

2 Mr Tan Huay Lim had stepped down as ID and Chairman of the ARC on 6 August 2024.

3 In addition to the Directors' fees paid by the Manager, Mr Ashmore is also paid an aggregate of £7,000 in FY2024 in respect of his directorships on the boards of the various subsidiaries of Elite REIT incorporated in the UK, as mentioned in page 111 of the Annual Report.

### Level and Mix of Remuneration of the CEO and Other Key Management Personnel

The Manager has adopted a performance-based remuneration system and has KPIs in place to measure the performance and value creation in determining the remuneration of the CEO and KMP. The Manager has established a long term incentive programme which will be included as part of the variable component.

The remuneration of the CEO and KMP of the Manager comprises fixed and variable components:

#### Fixed Remuneration

The fixed remuneration in the Manager's remuneration framework comprises base salary, fixed allowances and applicable statutory employer contribution to an employee's Central Provident Fund or other social security system. The fixed remuneration is to remunerate employees for the roles they perform.

#### Variable Remuneration

The variable remuneration is structured to align financial compensation to corporate and individual performance. The variable incentives are based on quantitative and qualitative targets, and overall performance will be determined at the end of the financial year and approved by the NRC.

The variable component is derived from the Variable Pay Plan ("VPP"). It is linked to the evaluation of the achievement of each Management's annual performance targets as set in the scorecard.

Under the scorecard design framework, Elite REIT's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the areas of Elite REIT's performance, the Manager Performance, People, Sustainability, Risk and Compliance.

The scorecard targets are reviewed and approved by the NRC and Board. After the close of the financial year, the NRC reviews the Group's achievements against the targets set in the scorecard and determines the overall performance taking into consideration qualitative factors such as the quality of earnings, operating environment and industry trends. In determining the potential payout quantum under the VPP, the NRC considers the overall business and individual performance as well as financial conditions of the Manager.

The VPP is delivered only in a combination of cash and deferred Units. Staff in the Executive and Management job grades will have cash and deferred Units components under the VPP, with Executive staff receiving a greater proportion of their VPP payout in deferred Units. These time-based Units are awarded pursuant to the Manager's Unit Incentive Plan. Once the Units are granted to Executive staff, the Units will vest in two tranches. The second tranche is dependent on the Total Unitholder Return of achieving a targeted level.

The following factors are considered when the NRC and Board decide whether to grant Units in Elite REIT as part of the discretionary bonuses to staff of the Group.

- Group performance metrics;
- Achievement by the individual staff of goals set under the scorecard for the financial year; and
- The individual's overall and relative performance.
- Recipients will receive fully paid Units, or their equivalent cash value, at no cost. These Units awards ensure ongoing alignment between remuneration and sustainable business performance.

The Manager will continue to be guided by the objective of delivering long-term sustainable returns to Unitholders while the remuneration of Management will continue to be aligned with the goal of value creation for Unitholders.

All fixed and variable remuneration are entirely paid by the Manager and are not an additional expense imposed on Elite REIT.

1 For the Directors' remunerations, there are no benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

# CORPORATE GOVERNANCE REPORT

KMP remuneration bands of S\$250,000, together with a breakdown of their respective remuneration components in percentage terms, are set out in the remuneration table below:

Remuneration Band and KMP Name	Fixed Remuneration	Variable Remuneration <sup>1</sup>	Total
<b>\$250,000 to \$500,000</b>			
Tong Meng Chong, Michael (CFO)	75%	25%	100%
Jonathan Edmunds (CIO)	82%	18%	100%

1 For the CEO's and KMPs' remunerations, there are no benefits in kind, and stock options granted.

## CEO's remuneration

Pursuant to Listing Rule 1207(10D), the CEO's remuneration in FY2024 was S\$557,409.39, comprising 75% remuneration and 25% variable remuneration. The CEO's variable remuneration comprises 60% cash bonus and 40% in granted units in 2024.

The Manager is cognisant of the requirements outlined in Principle 8 of the Code and the **"Notice to All Holders of a Capital Markets Services License for Real Estate Investment Trust Management"** (the **"Notice"**) to disclose: (i) the remuneration of its CEO and each individual Director on a named basis; (ii) the remuneration of at least the top five executive officers (who are neither Directors nor the CEO), on a named basis in bands of S\$250,000; and (iii) in aggregate the total remuneration paid to its top five KMP (who are not Directors or the CEO).

The Manager had two KMP in FY2024. The KMP were remunerated wholly in cash for their fixed remuneration for FY2024. Their variable remuneration comprises a portion in cash and a portion in deferred Units, if applicable. The Board has assessed and elected not to disclose the aggregate remuneration paid to its two KMP (who are not Directors or the CEO) for the following reasons:

- (i) competition for talent in the REIT management industry is very keen;
- (ii) important to minimise potential staff movement which would cause undue disruptions;
- (iii) important to retain competent and committed staff to ensure stability and continuity of business and operations;
- (iv) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosures could be prejudicial to the interests of the Unitholders;
- (v) the Manager is of the view that such non-disclosure will not be prejudicial to the interests of the Unitholders as the information provided regarding the Manager's remuneration policies is sufficient to enable Unitholders to understand the link between remuneration and performance; and
- (vi) there is no misalignment between the remuneration of the CEO and KMP and the interests of the Unitholders as their remuneration is paid out from the fees the Manager receives from Elite REIT, rather than borne by Elite REIT.

The Board is accordingly of the view that its practice is consistent with Principle 8 of the Code and the Notice as a whole.

There is no employee of the Manager who is a substantial shareholder of the Manager or a substantial Unitholder of Elite REIT, or an immediate family member of a Director, the CEO of the Manager, a substantial shareholder of the Manager or a substantial Unitholder of Elite REIT, and whose remuneration exceeded S\$100,000 during FY2024. According to the Listing Manual, **"immediate family"** refers to spouse, child, adopted child, step-child, brother, sister and parent.

The NRC has reviewed the Manager's remuneration framework and is satisfied that there is reasonable mitigation of any potential misalignment of interests of the Unitholders, taking into account (a) the NRC's discretion to determine whether the remuneration payable is in line with the remuneration framework, and (b) the substantial emphasis placed on the performance of Elite REIT which has been included as part of the KPIs. There are no termination, retirement or post employment benefits that are granted over and above what have been disclosed.

## (B) ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

#### Principle 9:

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of Elite REIT and its Unitholders.

### Role of the Board and ARC in Ensuring Effective Risk Management and Internal Controls

The Board recognises the importance of a sound system of risk management and internal controls to safeguard the Unitholders' interests and Elite REIT's assets. The Board affirms its responsibility for Elite REIT's system of risk management and internal controls, and for reviewing the adequacy and effectiveness of Elite REIT's risk management and internal control systems, including financial, operational, compliance and IT controls on an annual basis. The Board, with the support of the ARC, determines the nature and extent of the significant risks which Elite REIT is both willing and able to take in order to achieve strategic objectives and value creation. This involves the design, implementation and monitoring of risk policies, risk appetite and risk tolerances for Elite REIT.

The ARC assists the Board in examining the adequacy and effectiveness of internal controls policies and procedures to ensure that a robust risk management framework and internal control system is maintained while the Board reviews the adequacy and effectiveness of the risk management and internal control system.

# CORPORATE GOVERNANCE REPORT

## Formulation of Risk Management Framework and Internal Control System

In setting up the Enterprise Risk Management ("ERM") framework, the extent of risk tolerance and the key risk indicators based on Elite REIT's current operations and risk appetite have been set and approved by the ARC and the Board after taking into consideration Elite REIT's strategic objectives. The key risk indicators guide Management in managing the risks of Elite REIT and these key risk indicators will remain unchanged for as long as there is no change in Elite REIT's operating profile. The ERM framework enables the Manager to manage risks in a systematic, integrated and consistent manner. The ERM framework is reviewed by the ARC annually.

The ARC guides Management in the formulation of risk policies and processes in identifying, evaluating and managing key risks while the ownership of risk management lies with the CEO and he is supported by the respective managers. The nature and extent of risks are assessed regularly by Management and internal auditors, and reports are submitted to the ARC for review. The Management reports to the ARC on material findings and makes recommendations or seeks guidance from the ARC/Board in respect of any material risk issues.

Any findings on material non-compliance or weaknesses in internal controls and risk management by the internal auditors are reported to the ARC. The recommendations to further improve the internal control system and risk management system are reported to the ARC and actions are taken by Management.

## Assessment and Management of Material Risks

### Business Risk

In managing business risk, the Board considers the economic environment, asset-specific risks such as tenant lease break notices, capital management risks such as financing and refinancing requirements, and risks that are relevant to the UK's commercial real estate industry.

### IT Risk

In addressing information technology risk, Management, with the assistance of its IT vendor, has put in place a framework and processes to implement control measures for each IT system.

### Conflicts of Interest Risk

In managing conflicts of interest risk, the Manager has instituted the following:

- (i) The Manager will not manage any other REIT which invests in the same type of properties as Elite REIT.
- (ii) All KMP will be working exclusively for the Manager and will not hold other executive positions in other entities, save in any wholly owned subsidiaries of the Manager.
- (iii) All resolutions in writing of the Directors in relation to matters concerning Elite REIT must be approved by at least a majority of the Directors (excluding any interested Director), including at least one ID.

- (iv) At least one-third of the Board shall comprise Independent Directors, provided that where (1) the Chairman of the Board and the CEO are the same person, (2) the Chairman of the Board and the CEO are immediate family members, (3) the Chairman of the Board is part of the management team, or (4) the Chairman of the Board is not an ID, at least half the Board shall comprise IDs.
- (v) In respect of matters in which a Director or his associates (as defined in the Listing Manual) have an interest, direct or indirect, such Director will abstain from voting. In respect of matters in which the Sponsors and/or their subsidiaries have an interest, direct or indirect, for example, in matters relating to:
  - potential acquisitions of additional properties or property-related investments by Elite REIT in competition with the Sponsors and/or their subsidiaries;
  - competition for tenants between properties owned by Elite REIT and properties owned by the Sponsors and/or their subsidiaries; or
  - any nominees appointed by the Sponsors and/or their subsidiaries to the Board to represent their interests will abstain from deliberating and voting on such matters.
- (vi) Save as to resolutions relating to the removal of the Manager, the Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the Unitholders convened to approve any matter in which the Manager and/or any of its associates has a material interest.
- (vii) It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Elite REIT with a Related Party (as defined herein) of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of Elite REIT, has a *prima facie* case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors (including the IDs) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Elite REIT with a Related Party of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of the Unitholders and/or which is in the interests of the Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

# CORPORATE GOVERNANCE REPORT

More information on the ERM framework of the Manager can be found in pages 96 to 100 of this Annual Report.

## Internal Control System for Related Party and Interested Person Transactions

The Manager has established an internal control system to ensure that all Related Party Transactions, Interested Party Transactions (as defined in the Property Fund Appendix) and Interested Person Transactions (as defined in the Listing Manual) (collectively, "IPT"):

- will be undertaken on an arm's length basis and on normal commercial terms; and
- will not be prejudicial to the interests of Elite REIT and its Unitholders.

IPT have been disclosed in the financial statements of this Annual Report. As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The Manager maintains a register to record all IPT which are entered into by Elite REIT and the bases, including any quotations from unrelated parties and independent valuations obtained, on which they were entered into.

The ARC will monitor the procedures established to regulate IPT, including reviewing any IPT entered into from time to time, to ascertain that the guidelines and procedures established to monitor IPT have been complied with (including relevant provisions of the Listing Manual and Property Funds Appendix). If a member of the ARC has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction. The ARC will commission internal audit for IPT with an aggregate value equal to, or more than, 3.0% of Elite REIT's latest audited net tangible assets and which are more than S\$100,000 (other than those approved by the Unitholders and the Exempted Agreements). "Exempted Agreements" means the related party transactions for which fees and charges are payable by Elite REIT as set out in the Trust Deed (including pursuant to the Internal Asset Management Agreement) and the Lease Management Agreement (including the individual lease management agreement(s)).

In addition, the ARC will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The review will include the examination of the nature of the transaction and its supporting documents, or such other data deemed necessary to the ARC.

Further, the following will be adhered to:

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding S\$100,000 in value but less than 3.0% of the value of Elite REIT's net tangible assets will be subject to review by the ARC at regular intervals.

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Elite REIT's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if such transaction is conducted on an arm's length basis, on normal commercial terms and consistent with similar types of transactions made with third parties which are not interested parties.
- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 5.0% of the value of Elite REIT's net tangible assets will be reviewed and approved prior to such transaction being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transaction would have to be approved by Elite REIT's Unitholders at a meeting duly convened and held in accordance with the provisions of the Trust Deed.

Where matters concerning Elite REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Elite REIT with an interested party (which would include relevant associates thereof), the Trustee is required to ensure that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of Elite REIT and the Unitholders, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving an interested party. If the Trustee is to sign any contract with an interested party, the Trustee will review the contract to ensure that it complies with the requirements relating to IPT in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to IPT (as may be amended from time to time) as well as guidance prescribed by the MAS and SGX-ST.

Save for the IPT described under "**Related Party Transactions in Connection with the Setting Up of Elite REIT and the Offering**" and "**Exempted Agreements**" in the Initial Public Offering ("IPO") Prospectus, Elite REIT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person (as defined in the Listing Manual) during the same financial year, is 3.0% or more of the value of Elite REIT's net tangible assets.

Elite REIT has not obtained a Unitholders' mandate pursuant to Rule 920 of the Listing Manual for IPT.



# CORPORATE GOVERNANCE REPORT

There were no material contracts entered into by Elite REIT and/or its subsidiaries including the interests of the CEO, any Director or controlling Unitholder, either still subsisting at the end of FY2024 or entered into since the end of FY2023.

The Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party of the Manager or the Trustee.

If the Trustee is to sign any contract with a Related Party of the Manager or the Trustee, the Trustee will review the contract to ensure that it complies with the relevant requirements relating to Related Party Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to Elite REIT.

In accordance with Rule 907 of the Listing Manual of the SGX-ST, the IPT for FY2024 are as follows:

Name of the Interested Person	Nature of Relationship	Aggregate value of all IPT during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Unitholders' Mandate pursuant to Rule 920) £'000	Aggregate value of all IPT, conducted under Unitholders' Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) £'000
Elite UK REIT Management Pte. Ltd.	The Manager of Elite REIT		
Management fee paid and payable		1,845	–
Lease management fee paid and payable		244	–
Elite Real Estate Services UK Limited	Related corporation of the Manager		
Property management fee		229	–
Perpetual (Asia) Limited	Trustee of Elite REIT		
Trustee fees paid and payable		106	–

## Exempted Agreements

In the case of external managers for REITs, Related Party Transactions mostly relate to management fees and property management fees, leasing fees, development management fees and project management fees. These are paid annually in accordance with the terms disclosed in the IPO Prospectus and reported each year in the financial statements.

The entry into and the fees and charges payable by Elite REIT under the Trust Deed, the License Agreement and the leases set out in the section “**Other Related Party Transactions**” in the IPO Prospectus and/or Circular, to the extent that details of these have been specifically disclosed in the IPO Prospectus and/or Circular are deemed to have been approved by Unitholders upon purchase of the Units and/or in the relevant Extraordinary General Meeting and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Elite REIT.

All Related Party Transactions are regulated by Chapter 9 of the Listing Manual and the Property Funds Appendix. All Related Party Transactions are undertaken on normal commercial terms and are not prejudicial to the interests of Elite REIT and the Unitholders.

## Board's Comment on Internal Controls and Risk Management

The Board has received half-year and full-year written assurance from the CEO, CFO and CIO of the Manager, which assure that to the best of their knowledge, the accounting records have been properly maintained and the financial statements for FY2024 are drawn up so as to give a true and fair view of Elite REIT's operations and finances and that they are prepared in accordance with accounting standards.

The CEO, CFO and CIO of the Manager, also provided a written of assurance to the Board that Elite REIT's risk management and internal control systems, to the extent that they address the financial, operational, compliance and IT risks faced by Elite REIT in its current business environment, have been adequately designed and are operating effectively in all material aspects.

Based on the risk management and internal control systems established and adhered to by Elite REIT, the assurance received from the CEO, CFO and CIO, work performed by the internal auditor, external auditor and compliance manager, and reviews conducted by Management and various Board Committees, the Board is of the view that Elite REIT's internal controls (including financial, operational, compliance and information technology controls) and risk management system have been adequately designed



# CORPORATE GOVERNANCE REPORT

and are operating effectively in all material aspects as at 31 December 2024. Accordingly, Elite REIT complies with Rule 1207(10) of the Listing Manual.

The Board noted that the internal controls and risk management system established provides reasonable though not absolute assurance against material misstatement of loss and that Elite REIT will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The Board accepts that the internal control systems contain inherent limitations and notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human errors, fraud and other irregularities.

The ARC concurs with the Board's comments above on the internal controls and risk management system of Elite REIT.

## Role and Duties of Compliance Manager

The Manager has outsourced the compliance function to EPH, which has a centralised compliance function, and reports to the CEO, the ARC and the Board on matters pertaining to Elite REIT and the Manager.

The Manager is of the view that EPH's compliance team possesses the necessary skill and experience required to advise Elite REIT on its compliance matters.

The cost of such outsourcing of the role of compliance officer is borne by the Manager out of its own funds and not borne by Elite REIT.

The duties under the compliance function include:

- assisting the Manager in all matters concerning compliance with the SFA, the CIS Code (including Property Funds Appendix), the Listing Manual and all applicable laws, regulations and guidelines including notices issued by the MAS;
- ensuring all employees of the Manager are regularly apprised of the ongoing compliance requirements under the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual and relevant Singapore laws, regulations and guidelines;
- ensuring all employees of the Manager have fulfilled their regulatory obligations;
- ensuring the Manager has prepared returns and other documents accurately for submission to the MAS as required under the SFA; and
- highlighting any deficiencies or making recommendations with respect to the Manager's compliance processes; and assisting in the application process for the appointment of new directors to the Board.

## Audit and Risk Committee

### Principle 10:

The Board has an Audit and Risk Committee which discharges its duties objectively

## Audit and Risk Committee

The ARC comprises three Directors, all of whom (including the Chairman of the ARC) are IDs. The members of the ARC are:

### Mr Yezdi Phiroze Chinoy (w.e.f. 7 August 2024)

ARC Chairman and Independent  
Non-Executive Director<sup>1</sup>

### Mr David Lim Teck Leong

ARC Member and Independent  
Non-Executive Director

### Mr Koo Tsai Kee

ARC Member and Independent  
Non-Executive Director

The Board is of the view that the members of the ARC bring with them valuable and relevant managerial and professional expertise in accounting and related financial management domains to discharge their responsibilities. The Chairman of the ARC with effect from 7 August 2024, Mr Yezdi Phiroze Chinoy, is a financial services professional with over three decades of experience in multiple roles and responsibilities spanning the banking and financial services industry across business lines and geographies. He is a member of the International Compliance Association, a Certified Anti-Money Laundering Specialist and a certified professional in the financial industry, among other professional affiliations. The Board considers Mr David Lim Teck Leong and Mr Koo Tsai Kee as having sufficient recent and relevant accounting or related financial management knowledge, expertise or experience to discharge their responsibilities as members of the ARC.

None of the ARC members are former partners or directors of KPMG LLP, (a) within a period of two years commencing on the date of their ceasing to be a partner or director of KPMG LLP; and in any case, (b) for as long as they have any financial interest in KPMG LLP.

## Key Responsibilities and Activities of the ARC

The ARC's responsibilities include:

- reviewing the significant financial reporting and judgements so as to ensure the integrity of the financial statements of the Manager and Elite REIT and any formal announcements relating to Elite REIT's and/or the Manager's financial performance;
- reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

<sup>1</sup> As part of Board renewal and succession planning, Mr Tan Huay Lim stepped down as an Independent Non-Executive Director and Chairman of the Audit and Risk Committee on 6 August 2024.

# CORPORATE GOVERNANCE REPORT

- (iii) monitoring the procedures established to regulate IPT, including ensuring compliance with the provisions of the Listing Manual relating to IPT and the provisions of the Property Funds Appendix relating to IPT and reviewing transactions constituting IPT;
- (iv) deliberating on conflict of interest situations involving Elite REIT, including situations where the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Elite REIT with an Interested Person of the Manager and where the Directors, controlling shareholder(s) of the Manager, controlling Unitholder(s) and/or Associates are involved in the management of or have shareholding interests in similar or related business as the Manager, and in such situations, the ARC will monitor the investments by these individuals in Elite REIT's competitors, if any, and will make an assessment whether there is any potential conflict of interest;
- (v) assisting the Board to oversee the formulation, updating and maintenance work of adequate and effective internal controls and risk management framework and reviewing the statements included in Elite REIT's annual report on its internal controls and risk management framework;
- (vi) reviewing, on a regular basis, Elite REIT's lease concentration risks and if 20.0% of the leases (by Gross Rental Income) which are expiring within 12 months have not been renewed, to direct that timely announcements on SGX-ST are to be made;
- (vii) monitoring the procedures in place to ensure compliance with the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual and all applicable legislation, regulations and guidelines including notices issued by the MAS;
- (viii) monitoring the tax regimes applicable to Elite REIT (including the UK's CIR (as defined below) rules and anti hybrid rules);
- (ix) reviewing at least annually the adequacy and effectiveness of Elite REIT's system of internal controls, including financial, operational, compliance and IT controls and risk management processes;
- (x) reviewing the quarterly or, as the case may be, semi-annual and annual financial statements and the auditor's report on the annual financial statements before they are submitted to the Board for approval;
- (xi) reviewing external and internal audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the Management;
- (xii) advising the Board if changes are needed to improve the quality of future interim financial statements or financial updates;
- (xiii) reviewing internal audit reports at least once a year which will be commissioned for IPT with an aggregate value equal to, or more than 3.0% of Elite REIT's latest audited net tangible assets and which are more than S\$100,000 (other than those approved by the Unitholders or the Exempted Agreements) to ascertain that the guidelines and procedures established to monitor IPT have been complied with;
- (xiv) ensuring that the internal audit, accounting and compliance functions are adequately resourced and has appropriate standing with Elite REIT;
- (xv) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the internal audit function;
- (xvi) reviewing arrangements by which staff and external parties may, in confidence, raise probable improprieties in matters of financial reporting or other matters, with the objective that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action;
- (xvii) the appointment, re-appointment or removal of internal auditors (including the review of their fees and scope of work);
- (xviii) making recommendations to the Board on the proposals to Unitholders to appoint, re-appoint or remove external auditors, and on the remuneration and terms of engagement of the external auditors;
- (xix) reviewing the nature and extent of non-audit services performed by external auditors;
- (xx) reviewing and providing their views on all hedging policies and instruments to be implemented by Elite REIT to the Board;
- (xxi) meeting with external and internal auditors, without the presence of the executive officers, at least on an annual basis;
- (xxii) investigating any matters within the ARC's terms of reference, whenever it deems necessary; and
- (xxiii) reporting to the Board on material matters, findings and recommendations.

The ARC has explicit authority to investigate any matter within its terms of reference. The ARC has full access to and co-operation by Management and the internal and external auditors, and has full discretion to invite executive officers of the Manager and the Sponsors, external consultants or advisers to attend its meetings. The internal and external auditors have unrestricted access to the ARC.

During the year under review, five ARC meetings were held. The ARC has met separately with the internal auditor and external auditor, without the presence of the Management, at least annually, to discuss issues and to confirm that they had full access to and received co-operation and support from Management.

The ARC has conducted a review of all audit and non-audit services provided by KPMG LLP, the external auditor, during the year under review. The audit fees paid and payable to KPMG LLP were £287,000. There were no non-audit services provided for FY2024.

The ARC, having regard to the nature and performance of the work by KPMG LLP, is of the view that the auditor's independence and objectivity are not impaired or threatened.

# CORPORATE GOVERNANCE REPORT

In reviewing the nomination of KPMG LLP for appointment for the financial year ending 31 December 2025 ("FY2025"), the ARC had taken into consideration the Audit Quality Indicators Framework introduced by the Accounting and Corporate Regulatory Authority. The ARC also considered the adequacy and experience of the professional staff and audit engagement partner assigned, KPMG LLP's experience in the REIT sector and the size and complexity of the audit. The ARC is satisfied with the independence and work of the external auditors and has recommended to the Board the re-appointment of KPMG LLP as the external auditors of Elite REIT at the forthcoming annual general meeting. KPMG LLP had also provided confirmation of their independence to the ARC.

The Board confirms that Elite REIT complies with the requirements of Rule 712 and Rule 715 of the Listing Manual in respect of the suitability of the auditing firm for Elite REIT.

## Reviews Conducted by the ARC

The ARC reviewed and approved the audit plan and scope of the external auditors on the audit of the full-year financial statements. The ARC also reviewed the internal audit plan, including the scope of the internal auditor's work, and results of the internal audit procedures. In addition, the ARC reviewed the IPT to ensure compliance with the Listing Manual and the Property Funds Appendix.

During the year under review, the ARC performed independent reviews of the half-year and full-year financial results; and business updates for the first and third quarters of Elite REIT before recommending to the Board for approval the release of the financial statements and SGX announcements relating to Elite REIT's financial statements.

In the process, the ARC reviewed the significant financial reporting issues and judgements, including the appropriateness of the material accounting policies and the quality and completeness of disclosure to ensure the integrity of the financial statements. The ARC also reviewed, among other matters, the following significant financial reporting matters in relation to the financial statements for FY2024.

## ARC's Commentary on Significant Financial Reporting Matters

### Valuation of Investment Properties

The ARC reviewed the independence and competency of the external valuer and the appropriateness of the valuation methodology applied by the valuer in arriving at the fair value of the investment properties based on their existing use.

The ARC also reviewed the valuation reports of Elite REIT's investment properties and held discussions with the Management, the external auditors and the independent professional valuer, focusing on significant changes in fair value measurements and key drivers of changes.

The ARC noted that the valuation report has been prepared in accordance with the Royal Institution of Chartered Surveyors' RICS Valuation – Global Standards (incorporating the International Valuation Standards).

### Applicable Tax Regimes

The ARC also monitors the tax regimes applicable to Elite REIT (including the UK's Corporate Interest Restriction ("CIR") and anti-hybrid rule) annually.

ERHL, a wholly owned subsidiary of Elite REIT has been listed on The International Stock Exchange (the "TISE") since 26 August 2021. With the admission of ERHL on TISE, ERHL and its subsidiaries qualified as a UK REIT group and enjoy UK corporation tax exemption for its UK property rental business income and gains under the UK REIT regime. The listing of ERHL on TISE is a technical listing and 100% of the shares in ERHL are held by Elite REIT.

### Role and Duties of Internal Auditors

The role of the internal auditors is to assist the ARC to ensure that the Manager maintains a sound system of internal controls by regularly monitoring key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the ARC, and conducting regular in depth audits of business critical areas.

The ARC approves the hiring, removal, evaluation and compensation of the internal auditor, or the accounting/auditing firm or company to which the internal audit function is outsourced. Elite REIT and the Manager have engaged Ernst & Young Advisory Pte. Ltd. ("EY") as the internal auditor. EY adopts the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal auditor is independent of management and reports directly to the ARC.

The internal auditor plans the internal audit schedules in consultation with, but independent of the Manager. The audit plan is submitted to the ARC for approval prior to the commencement of the internal audit work.

The internal auditor has unfettered access to all the Manager's documents, records, properties and personnel, including access to the ARC, and has appropriate standing within the Manager. The ARC reviews the internal audit report and monitors the implementation of the improvements required on internal control weaknesses identified.

The findings and recommendations of the internal auditors, Management's responses and implementations have been reviewed and approved by the ARC.

# CORPORATE GOVERNANCE REPORT

For the year under review, the ARC was of the view that the internal audit function was adequately resourced and had appropriate standing within the Manager. The ARC has reviewed and is satisfied with the adequacy, independence and effectiveness of the internal audit function.

The ARC had recommended, and the Board had accepted the re-appointment of EY as the internal auditors of the Manager based on the rationale as follows:

- (i) engaging the same internal auditor will witness the continuous improvement journey of Elite REIT and the Manager; and
- (ii) the benefits of continuity from engaging the same firm in terms of the internal auditors' familiarity with the business of Elite REIT and the Manager.

### Strategic Planning Committee

To support Management in aligning the interests of stakeholders and enable faster decision making, the SPC was set up as a platform for Management and the Directors to discuss and set objectives for Elite REIT. The SPC also tracks the execution of the objectives set.

SPC helps the Board with its oversight responsibilities by:

- conceptualising and evaluating major strategic initiatives, including mergers and acquisitions or divestments, investments and management of property portfolio, asset enhancement initiatives and

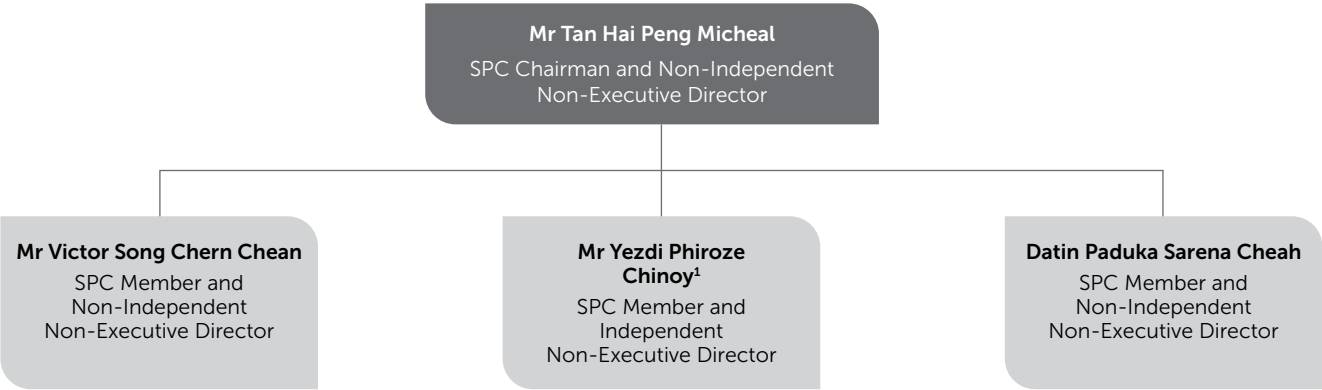
- recommending proposals to the Board which help to achieve the objectives of long-term value creation; and providing direction and guidance to the Management on strategic planning and matters of strategic implementation and monitoring the progress of such initiatives.

The SPC has written terms of reference setting out its duties and responsibilities, including:

- (i) providing guidance for the overall management of Elite REIT and the Manager based on the strategic plan set by the Board in accordance with the financial authority limits delegated to the SPC;
- (ii) reviewing the long-term objectives of Elite REIT and the Manager;
- (iii) reviewing and recommending any proposed mergers or acquisitions, divestments or investments to the Board;
- (iv) reviewing and recommending for adoption of the Board, annual budgets and long-term business plans to achieve the objectives of Elite REIT or the Manager;
- (v) providing guidance and advisory support to the Management at all stages of the strategic planning process upon request; and

such other duties or functions as may be delegated by the Board or required by regulatory authorities.

The SPC comprises:



Note:  
1. Appointed as a SPC member in February 2024.

# CORPORATE GOVERNANCE REPORT

## Sustainability Committee

The SC provides strategic oversight and direction for identifying, managing and implementing material ESG factors, including environmental issues concerning climate-related risks and opportunities.

The SC comprises two IDs, one NINED and four Executive Officers. The members of the SC are:



The SC's responsibilities include:

- (i) establishing ESG governance for the effective management of ESG issues;
- (ii) overseeing the management and implementation of strategy, policies and practices relating to material ESG factors;
- (iii) determining Elite REIT's material ESG factors, including climate-related environmental risks;
- (iv) reviewing and approving the environmental risk management framework for associated policies to manage the environmental risks of the assets' portfolio;

- (v) considering ESG factors and environmental risks and opportunities in the formulation of business strategy;
- (vi) considering key stakeholders' ESG expectations and concerns in developing strategy;
- (vii) ensuring Directors have an adequate understanding of environmental risks and the Manager is equipped with the essential expertise for managing environmental risks;
- (viii) reviewing and approving Elite REIT's sustainability reporting and climate-related performance disclosure; and
- (ix) reviewing the effectiveness of the Board in managing the material ESG factors, including the management of climate-related environmental risks.

## Whistleblowing Policy

The Manager has adopted Group-wide Whistleblowing Policy for which relevant employees and Directors of the Manager as well as external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters in good faith, with the confidence that the relevant persons making the reports will be treated fairly and be protected from reprisal. The objective of the Whistleblowing Policy is to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. The Whistleblowing Policy deals with defalcation, impropriety, or wrongdoing by employees in situations including but not limited to suspected fraud, corruption, and unlawful or dishonest conduct (collectively, "**Serious Breaches**").

Investigations of actual or suspected Serious Breaches will be carried out in an objective manner by an independent party who may or may not be within the Elite Partners Group. Where a Serious Breach is established following an investigation, appropriate disciplinary actions will be taken, up to and including termination of employment or contract. If the matter is substantiated, it will be referred to the Singapore Police Force, the Corrupt Practices Investigation Bureau, or other law enforcement agencies, as deemed appropriate. The Manager recognises that there will be times when a person makes a report in good faith which later proves to be unsubstantiated. However, the Manager will take action against those who intentionally or maliciously give false or misleading information against someone else.

To the extent that is lawful, and the investigative process allows, all reports received, including the identity of the whistleblower, will be handled in strict confidence. Whistleblowers are given the option to remain anonymous and may report via the email address: [whistleblow@eliteukreit.com](mailto:whistleblow@eliteukreit.com), or post to Elite REIT's office, addressing it to the Manager's Chairman of the Board, ARC Chairman or the CEO (collectively known as "**Designated Information Recipients**"). Establishing these processes reflects the Manager's commitment to conduct its business within a framework that fosters the highest ethical standards.

# CORPORATE GOVERNANCE REPORT

The ARC is responsible for oversight and monitoring of whistleblowing. Whistleblowing reports made to the Designated Information Recipients will be reviewed by a Review Committee, the composition of which will be determined by the ARC Chairman. This is to ensure that the whistleblower's concern is being reviewed in a fair, consistent and timely manner. Regardless of the significance of allegations or the outcome, all whistleblowing reports will be tabled and discussed at Review Committee meetings.

All qualifying disclosures shall be protected against any retaliation and victimisation in accordance with the Whistleblowing Policy. Whistleblowers acting in good faith and who have not themselves engaged in such concerns shall be protected from any form of discrimination, harassment, or reprisals. Any acts of retaliation and victimisation shall be reported to the ARC Chairman. The Manager will not tolerate retaliation against or victimisation of anyone who, in good faith, discloses any actual or suspected violations or participates in an investigation.

The Whistleblowing Policy is made available to all new employees when they join the Manager, and they are briefed on this together with the Code of Conduct.

The Whistleblowing Policy is also publicly disclosed on Elite REIT's website.

No whistleblowing incidents or complaints were reported or submitted in FY2024.

## Anti-Money Laundering and Countering the Financing of Terrorism Measures

As a holder of a capital markets services licence issued by the MAS, the Manager abides by the MAS' notices and guidelines on the prevention of money laundering and countering the financing of terrorism. Under these guidelines, the main obligations of the Manager are:

- (a) evaluation of risk;
- (b) customer due diligence;
- (c) suspicious transaction reporting;
- (d) record keeping;
- (e) employee screening and representative screening; and
- (f) training.

The Manager has developed and implemented a policy on the prevention of money laundering and terrorist financing and is alert at all times to suspicious transactions. Where there is a suspicion of money laundering or terrorist financing, the Manager performs due diligence checks on its counterparties in order to ensure that it does not enter into business transactions with terrorist suspects or other high-risk persons or entities. Suspicious transactions will also be reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department.

Under this policy, the Manager must retain all relevant records or documents relating to business relations with its customers or transactions entered into for a period of at least five years following the termination of such business relations or the completion of such transactions.

All prospective representatives of the Manager are screened against various lists of terrorist suspects issued by the MAS. Periodic training is provided to its Directors, employees and representatives to ensure that they are updated and aware of applicable anti-money laundering and terrorist financing regulations, the prevailing techniques and trends in money laundering and terrorist financing and the measures adopted by the Manager to combat money laundering and terrorist financing.

## (C) UNITHOLDER RIGHTS AND ENGAGEMENT

### Unitholder Rights and Conduct of General Meetings

#### **Principle 11:**

The Manager treats all Unitholders fairly and equitably in order to enable them to exercise Unitholders' rights and have the opportunity to communicate their views on matters affecting the Manager. The Manager gives Unitholders a balanced and understandable assessment of Elite REIT's performance, position and prospects.

### Engagement with Unitholders

#### **Principle 12:**

The Manager communicates regularly with Unitholders and facilitates the participation of Unitholders during general meetings and other dialogues to allow Unitholders to communicate their views on various matters affecting Elite REIT.

### Managing Stakeholder Relationships

#### Engagement with Stakeholders

#### **Principle 13:**

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of Elite REIT are served.

### General Meetings

The fourth Annual General Meeting ("**AGM 2024**") of Elite REIT was held on Monday, 29 April 2024 in a wholly physical format at Suntec Singapore Convention & Exhibition Centre, Nicoll 3 (Level 3), 1 Raffles Boulevard, Singapore 039593. In the conduct of AGM 2024, Management also took into account any guidance, where applicable, on the conduct of general meetings (the "**Guidance**").



# CORPORATE GOVERNANCE REPORT

An electronic copy of the Annual Report for FY2024 was published on the Manager's website at the URL <https://investor.eliteukreit.com/ar.html> and made available on the SGXNET website at the URL <https://www.sgx.com/securities/company-announcements>. Pursuant to the Guidance, the Annual Report, Notice of AGM and Proxy Form were made available to the Unitholders by electronic means via publication on Elite REIT's website and on SGXNET. For ease of reference by the Unitholders, A5 booklets containing a cover letter to the Unitholders with instructions on how to download the full Annual Report, the Notice of AGM, Proxy Form and Letter from Chairman and CEO were mailed out to the Unitholders. Unitholders who wished to have a printed copy of the Annual Report were informed that they could submit a request via email to Elite REIT's Unit Registrar.

The Unitholders are informed of AGMs or any other general meetings through notices and/or proxy forms mailed to Unitholders. The announcements and electronic copies of these materials are also issued via SGXNET and on Elite REIT's corporate website. The Board encourages active Unitholders' participation at the general meetings and the opportunity is given to every Unitholder to interact with the Directors and the Management, to communicate his/her views and ask questions on matters affecting Elite REIT. Prior to voting at an AGM or any other general meeting, the voting procedures will be made known to the Unitholders to facilitate their exercising of their votes. If any Unitholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meetings through proxy forms sent in advance.

Proxy forms must be deposited at the office of Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of Elite REIT, not less than 72 hours before the time appointed for holding the general meetings.

Each distinct issue is proposed as a separate resolution at the general meetings and the reasons and material implications are explained. Where there are issues which are interdependent, they may be linked so as to form one significant proposal. Where the resolutions are "bundled", the Manager will explain the reasons and material implications in the notice of meeting. This enables Unitholders to exercise their votes on an informed basis. All the resolutions at the general meetings are moved by voting by poll.

Each Unit is entitled to one vote. In support of greater transparency and to allow for a more efficient voting process, Elite REIT conducts electronic poll voting in respect of all resolutions tabled at the AGM. The voting and vote tabulation procedures are declared before the voting commences, and an independent scrutineer is appointed for the voting process. The voting results, showing the number of votes cast for and against each resolution and the respective percentages, are disclosed at the general meetings right after the votes are casted.

All Directors, KMP, and representatives of the Trustee are normally present to address the Unitholders' queries at the AGMs and EGMs, unless they are unable to attend due to exigencies. The external auditor will also be present to answer Unitholders' questions about the conduct of audit and the content of the auditors' report. All Directors attended the AGM 2024 as disclosed in page 105.

At AGMs, a presentation is made to Unitholders to update them on Elite REIT's performance, position and prospects. The presentation materials, together with the voting results, will be made available to the Unitholders on the SGXNET and Elite REIT's website.

The Manager publishes minutes of general meetings of Unitholders on SGXNET and its corporate website, as soon as practicable and within one month from the date of the meeting. The minutes of Unitholders' meetings will capture the attendance of Board members at the meetings, matters approved by the Unitholders, voting results as well as substantial and relevant comments or queries from the Unitholders relating to the agenda of the meetings, together with responses from the Board and Management.

The upcoming AGM to be held on 30 April 2025 ("AGM 2025") will be convened in a wholly physical format. Unitholders may submit questions in advance or raise them at the AGM 2025. A Unitholder who wishes to exercise his/her/its voting rights at the AGM 2025 may vote at the AGM 2025 in person or appoint proxy(ies) to vote on his/her/its behalf at the AGM 2025.

Elite REIT encourages Unitholders' participation and voting at general meetings.

## Absentia Voting

Provision 11.4 of the Code provides that Elite REIT's constitution (or other constitutive documents) allows for absentia voting at general meetings of Unitholders. Principle 11 of the Code provides, inter alia, that the Manager treats all Unitholders fairly and equitably in order to enable them to exercise Unitholders' rights and have the opportunity to communicate their views on matters affecting Elite REIT. Voting in absentia by email, mail or fax is not implemented currently, which constitutes a variation from Provision 11.4 of the Code. Having considered that the Unitholders who are unable to attend in person may vote by proxy or by attorney, or in the case of a corporation, by a representative, the Manager has decided, for the time being, to refrain from implementing absentia voting until security, integrity, and other pertinent issues are satisfactorily resolved.

## Distribution Policy

Elite REIT's distribution policy is to distribute at least 90.0% of its Annual Distributable Income (as defined in Elite REIT's IPO Prospectus dated 28 January 2020) on a semi-annual basis. The actual level of distribution will be determined at the Manager's discretion and may be greater than 90.0% of its Annual Distributable Income for each financial year. The actual proportion of Annual Distributable Income distributed to the Unitholders may be

# CORPORATE GOVERNANCE REPORT

greater than 90.0% to the extent that the Manager believes it to be appropriate, having regard to Elite REIT's funding requirements, other capital management considerations and the overall stability of distributions.

The Manager also has the discretion to distribute any additional amounts (including capital). In determining whether to distribute additional amounts (including capital), the Manager will consider a range of factors including but not limited to Elite REIT's funding requirements, its financial position, its growth strategy, compliance with relevant laws, regulations and covenants, other capital management considerations, the overall suitability of distributions and prevailing industry practice.

Elite REIT had on 28 June 2021 announced the establishment of a distribution reinvestment plan ("**DRP**") pursuant to which Unitholders may elect to receive fully paid new Units ("**New Units**") in respect of the cash amount of any distribution to which the **DRP** applies. The **DRP** may be applied from time to time to any distribution declared by Elite REIT as the Manager may determine in its absolute discretion. Participation in the **DRP** is optional.

Distributions are generally paid within the same calendar quarter of the relevant record date. Distributions will be declared in Pound sterling (£). Unitholders are provided the choice of receiving the distribution in either Pound sterling, Singapore Dollars or in fully paid new Units under the **DRP** at each period. Each Unitholder will receive his distribution in Singapore Dollars equivalent of the Pound sterling distribution declared, unless he elects to receive the relevant distribution in Pound sterling or receive New Units by submitting a "**Distribution Election Notice**" before the relevant cut-off date.

For the portion of the distributions to be paid in Singapore Dollars, the Manager will make the necessary arrangements to convert the distributions in Pound sterling into Singapore Dollars, at such exchange rate as the Manager may determine, taking into consideration any premium or discount that may be relevant to the cost of exchange.

The Central Depository (Pte) Limited, the Manager or Elite REIT shall not be liable for any loss arising from the conversion of distributions payable to the Unitholders from Pound sterling into Singapore Dollars. Save for approved depository agents (acting as nominees of their customers), each Unitholder may elect to receive his entire distribution in Singapore Dollars or Pound sterling and shall not be able to elect to receive distributions in a combination of Singapore Dollars and Pound sterling.

The Board has approved the application of **DRP** for Unitholders to participate in FY2024's distributions. The number of Units to be issued in lieu of receiving cash is based on the Unit price calculated at a 2.0% discount of the 10-day volume weighted average price as adjusted for any confirmed distribution in the cum distribution period.

For every distribution declaration made, the Unitholders will be notified via an announcement made through SGXNET.

## Timely Disclosure of Information

The Manager is committed to keeping all Unitholders, other stakeholders, analysts and the media informed of Elite REIT's performance and any changes in Elite REIT or its business which would likely materially affect the price or value of the Units.

For FY2024, the Manager provided Unitholders with full unaudited half-year and full-year financial statements within the relevant periods prescribed by the Listing Manual. These half-year and full-year financial statements were reviewed and approved by the Board prior to release to Unitholders via announcements on SGXNET. The release of half-year and full-year financial statements were accompanied by news releases issued to the media, which were also made available on SGXNET. In presenting the half-year and full-year financial statements to the Unitholders, the Board sought to provide Unitholders with a balanced, clear and comprehensible assessment of Elite REIT's performance, position and prospects.

In addition to the announcement of half-year and full-year financial statements in FY2024, in keeping with the Managers' commitment to provide its Unitholders with information promptly, the Manager also provided the Unitholders, on a voluntary basis, with business updates in between the announcement of half-yearly financial statements (i.e., first quarter and third quarter). Such business updates contain, among other things, information on Elite REIT's key operating and financial metrics. In addition to the release of financial statements and business updates, the Manager also keeps the Unitholders, stakeholders and analysts informed of the performance and/or changes in Elite REIT or its business which would likely materially affect the price or value of the Units on a timely and consistent basis, to assist the Unitholders in their investment decisions.

Elite REIT has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Unitholders. For more information on the avenues of communication provided by the Manager between the Board and all Unitholders as well as the strategy and key areas of focus in relation to the management of stakeholder relationships, please refer to the Investor Relations section, set out on pages 28 to 30.

## (D) ADDITIONAL INFORMATION

### Dealing In Units

Each Director and the CEO of the Manager is to give notice to the Manager of any acquisition of Units or of changes in the number of Units which he/she holds or in which he/she has an interest, within two business days after such acquisition or the occurrence of the events

# CORPORATE GOVERNANCE REPORT

giving rise to changes in the number of Units which he/she holds or in which he/she has an interest. All dealings in Units by the Directors and CEO of the Manager will be announced via SGXNET.

The Directors and employees of the Manager and EPH are encouraged, as a matter of internal policy, to hold Units but are prohibited from dealing in the Units:

- in the period commencing one month before the public announcement of Elite REIT's half year and full year financial results and property valuations, in a prescribed embargo period immediately preceding, and up to the time of, each public announcement of Elite REIT's financial results and property valuations during a financial year; or
- at any time while in possession of price-sensitive information.

The Directors and employees of the Manager and EPH are also prohibited from communicating price sensitive information to any person. Under this policy, Directors and employees of the Manager and EPH are also discouraged from trading on short-term or speculative considerations.

The Manager has complied with the Code of Best Practices on Securities Dealings in FY2024.

Pursuant to Section 137ZC of the SFA, the Manager is required to, inter alia, announce to SGX-ST the particulars of any acquisition or disposal of interest in Units by the Manager as soon as practicable, and in any case no later than the end of the business day following the day on which the Manager became aware of the acquisition or disposal.

## (E) ANTI-BRIBERY AND CORRUPTION POLICY

The Manager adopts a zero-tolerance position towards bribery and corruption. There are detailed guidelines and procedures listed in the Code of Conduct with regard to the giving and receiving of gifts (monetary or otherwise), kickbacks, concessionary offers, entertainment, and business dealings that may place the employee under any real or apparent obligation or indebtedness to any party. The Manager's zero tolerance policy towards bribery and corruption extends to its business dealings with third parties, hence the Manager requires that certain agreements incorporate anti-bribery and anti-corruption provisions.

In FY2024, to the best of its knowledge, the Manager (i) has received zero significant monetary fines or non-monetary sanctions incurred for non-compliance with environmental laws and regulations, (ii) has zero non-compliance with laws and regulations in the social and economic area, (iii) has received zero fines for non-compliance concerning product and service information labelling and (iv) has zero incidents of non-compliance concerning health and safety impacts of products and

services, (v) has zero incidents of reported corruption, (vi) has zero legal actions against it for anti-competitive behaviour and anti-trust of monopoly practices.

The Manager has adopted a Group-wide Third-Party Agent & Outsourcing Policy which provides guidance to address outsourcing and corruption risks arising from the engagement of third-party agents. Where there is a greater level of bribery or corruption risk attached to any particular area of business, or when working with a third-party agent, due diligence checks and processes are in place to adequately address and mitigate the risk(s). In FY2024, all of the Manager's employees received mandatory communication and training on anti-bribery and anti-corruption policies and procedures.

## (F) IT AND CYBER SECURITY POLICY

The technology landscape of financial sector is transforming at a rapid pace and the underlying IT infrastructure supporting financial services has grown in scope and complexity over the years. Many financial institutions, including Elite REIT, are riding the wave of digitalisation to increase operational efficiency and to deliver better services to customers. While digital transformation brings significant benefits to the financial ecosystem, it also increases Elite REIT's exposure to technology risks, including cyber risk and security risks (e.g. viruses, hacks and etc.).

The Manager has adopted a Group-wide IT and Cyber Security Policy to ensure sound and robust practices for the management of technology risk to achieve security, reliability and resilience of its information technology operating environment. A sound risk culture and cyber resilience would protect Elite REIT's confidential information.

## (G) BUSINESS CONTINUITY MANAGEMENT POLICY

The Manager has implemented a Business Continuity Management ("BCM") programme that puts in place measures to prevent, detect, mitigate and respond to adverse business interruptions or unforeseen events on Elite REIT's operations. Management has identified the critical business services and functions and put in place a Business Continuity Plan ("BCP") that details the actions Management and employees should take if such an event occurs. As part of the BCP, simulation testing on different scenarios and tabletop testing are carried out to stress-test the effectiveness of the processes, procedures and escalation protocols. This holistic approach serves to ensure organisational and staff preparedness and readiness to deal with adverse business disruptions such as cyber-attacks, data breaches and epidemics. This approach aims to minimise financial loss to Elite REIT, allow the Manager to continue to function as the manager of Elite REIT and mitigate any negative effects that the disruptions could have on the Manager's reputation, operations and ability to remain in compliance with relevant laws and regulations.