

GLM REIT MANAGEMENT SDN BHD

TERMS OF REFERENCE OF BOARD AUDIT & RISK MANAGEMENT COMMITTEE

1. To consider and recommend the nomination, appointment and/or re-appointment of a person or persons as external auditor(s), and to consider any resignation or dismissal of the external auditors.
2. To review the suitability, performance, independence and objectivity of the external auditors and their services, including non-audit services.
3. To review the external audit and non-audit fees.
4. To review, with the external auditors, the audit scope and plan.
5. To review, with the external auditors, the audit report and audit findings and the management's response thereto.
6. To review the assistance given by the Group's officers to the external auditors.
7. To review the quarterly reports and annual financial statements of the Company and of Tower Real Estate Investment Trust ("Tower REIT") prior to the approval by the Board.
8. To review the adequacy of the internal audit scope and plan, functions, competency and resources of the internal audit function.
9. To evaluate the annual performance appraisal of the Head of Internal Audit ("Head of IA").
10. To engage privately with the Head of IA on a regular basis (at least once annually) to provide opportunity for the Head of IA to discuss issues faced by the internal audit function.
11. To note significant disagreements between the Head of Internal Audit and the rest of the Senior Management team, irrespective of whether these have been resolved, in order to identify any impact the disagreements may have on the audit process or findings.
12. To review the report and findings of the Internal Audit ("IA") Department, including any findings of internal investigations and the management's response thereto.
13. To review the adequacy and integrity of internal control systems, including risk management and management information system.
14. To review the risk management framework adopted by the Company and the processes employed to identify, evaluate and manage key business risks.

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15. To review related party transactions that may arise within the Company or Tower REIT, where any one of the percentage ratios (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) of a related party transaction triggers the requirement of announcement to Bursa Malaysia Securities Berhad.
16. To review any conflict of interest or potential conflict of interest situations that may arise within the Company or Tower REIT, including any transaction, procedure or course of conduct that may raise questions of management integrity, and the measures taken or to be taken to resolve, eliminate, or mitigate such conflicts.
17. To assist the Board in the oversight of the management of compliance function:
 - reviewing the establishment of the compliance function and the position of the Compliance Officer (“CO”) to ensure the compliance function and CO are provided with appropriate standing, authority and independence.
 - reviewing compliance policies and overseeing the management’s implementation of the same.
 - discussing and deliberating compliance issues regularly and ensuring such issues are resolved effectively and expeditiously.
 - reviewing and advising on the appointment, remuneration (including annual increment, promotion and bonus) and removal of the CO.
 - evaluating the annual performance appraisal of the CO.
 - engaging privately with the CO on a regular basis (at least once annually) to provide opportunity for the CO to discuss issues faced by the compliance function.
 - updating the Board on all significant compliance matters including providing its views on the above compliance matters.
18. To assist the Board in leading Tower REIT’s sustainability direction and in overseeing the integration of sustainability into Tower REIT’s corporate governance structure:
 - reviewing Economic, Social and Governance (“ESG”) strategy, key action plans and standards from time to time.

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- reviewing ESG priorities and the overall direction of responsible business operations and risk management.
 - overseeing the development and progress of the sustainability strategy and management of ESG risks.
 - reviewing ESG disclosures, including but not limited to the timely reporting of any breaches of ESG practices and follow-up actions, the annual ESG/Sustainability Report and Sustainability Statement as well as any other relevant reports to ensure they have been prepared to meet the evolving expectations of investors, lenders and the public.
 - guiding the Sustainability Committee, as and when necessary in order to stay progressive through a robust feedback loop.
19. Other functions as may be delegated by the Board to the Board Audit & Risk Management Committee.