

SUNWAY REIT MANAGEMENT SDN BHD

Company No. 200801005046 (806330-X)

NON-AUDIT SERVICES POLICY

1. INTRODUCTION

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

2. NON-AUDIT SERVICE

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

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

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

The external auditors shall observe and comply with the By-Laws of the Malaysian Institute of Accountants in relation to the provision of non-audit services, which include amongst others, the following:-

- i) Services in relation to corporate exercises undertaken by the Manager or Sunway REIT;
- ii) Accounting treatment for new Malaysian Financial Reporting Standards (MFRS); and
- iii) External Auditor’s certification for tenders or renewal of license.
- iv) Any other certification required for operation and financing purposes.

3. APPROVAL OF NON-AUDIT SERVICES

All engagements of the external auditors to provide non-audit services in excess of 45% of the total audit fee are subject to the approval/endorsement of the Committee. Prior approval of the Committee must be obtained before commencement of the works.

The Chief Financial Officer of the Manager shall table the total non-audit fees incurred for the financial year to the Committee for approval/endorsement.

Management shall obtain confirmation from the external auditors that the independence of the external auditors will not be impaired by the provision of non-audit services.

4. ANNUAL ASSESSMENT

The Committee shall carry out annual assessment on the performance, suitability and independence of the external auditors in conducting the non-audit services in excess of 45% of the total audit fee.

The Committee may also request the Chief Financial Officer and Head of Group Internal Audit Department to perform the annual assessment of the external auditor.

5. REVIEW OF THE POLICY

The Committee will review the Policy periodically to ensure that it continues to remain relevant and appropriate.