

## Governance

### Corporate Governance Report

The Manager of Mapletree Logistics Trust ("MLT" or the "Trust") is responsible for the strategic direction and management of the assets and liabilities of MLT and its subsidiaries (collectively, the "Group"). As a REIT manager, the Manager is licensed by the Monetary Authority of Singapore (the "MAS") and holds a Capital Markets Services Licence for REIT management ("CMS Licence").

The Manager discharges its responsibility for the benefit of MLT and its unitholders ("Unitholders"), in accordance with the applicable laws and regulations as well as the trust deed constituting MLT (as amended) (the "Trust Deed"). To this end, the Manager sets the strategic direction of the Group and gives recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of MLT (the "Trustee"), on the acquisition, divestment and enhancement of assets of the Group.

The Manager's roles and responsibilities include:

- carrying on the Group's business to generate returns in a sustainable manner and conducting all transactions on normal commercial terms and on an arm's length basis;
- preparing annual budget proposal with forecast on gross revenue, property expenditure, capital expenditure and providing explanations on major variances against prior year's actual results and written commentaries on key issues and any other relevant assumptions. The purposes of such proposals and analyses are to chart the Group's business for the year ahead and to explain the performance of MLT's properties compared to the prior year; and

- ensuring compliance with applicable laws and regulations, including the Securities and Futures Act (Chapter 289 of Singapore), the Listing Manual of Singapore Exchange Securities Trading Limited (the "SGX-ST"), the Code on Collective Investment Schemes ("CIS Code") issued by the MAS (including Appendix 6 of the CIS Code, the "Property Funds Appendix"), the Singapore Code on Takeovers and Mergers, the Trust Deed, written directions, notices, codes and other guidelines that the MAS may issue from time to time and any tax rulings.

The Manager is committed to complying with the substance and spirit of the Code of Corporate Governance 2018 (the "Code"). The following describes the main corporate governance policies and practices of the Manager with reference to the Code and, where there are deviations from any of the provisions of the Code, explanations for such deviations are provided in this report including an explanation on how the practices adopted are consistent with the intent of the principles of the Code.

#### (A) Board Matters

##### The Board's Conduct of Affairs

##### Principle 1: Effective Board

##### Our Policy and Practices

The Manager adopts the principle that an effective Board of Directors (the "Board") for the Manager is one constituted with the right core competencies and diversity of experience, so that the collective wisdom of the Board can give guidance and provide insights as well as strategic thinking to the management team of the Manager ("Management").

The key roles of the Board are to:

- guide the corporate strategy and direction of the Manager;
- ensure that Management discharges business leadership and demonstrates the highest quality of management with integrity and enterprise; and
- oversee the proper conduct of the Manager.

In discharging their roles and responsibilities, all Directors of the Board are expected to act and have acted in the best interests of MLT.

The positions of Chairman and Chief Executive Officer ("CEO") are held by two separate persons in order to maintain effective oversight. The Board has also established the Audit and Risk Committee (the "AC") and the Nominating and Remuneration Committee (the "NRC"), each of which operates under delegated authority from the Board, to assist the Board in discharging its oversight function.

The Board comprises eleven directors (the "Directors"), of whom ten are Non-Executive Directors and six are Independent Non-Executive Directors.

The following sets out the composition of the Board as at 31 March 2020:

<b>Mr Lee Chong Kwee</b> Non-Executive Chairman and Director	<b>Mr Tarun Kataria</b> Lead Independent Non-Executive Director and Chairman of the NRC
<b>Mr Lim Joo Boon</b> Independent Non-Executive Director and Chairman of the AC	<b>Ms Lim Mei</b> Independent Non-Executive Director and Member of the NRC
<b>Mr Loh Shai Weng</b> Independent Non-Executive Director and Member of the AC	<b>Mr Tan Wah Yeow</b> Independent Non-Executive Director and Member of the AC
<b>Mr Wee Siew Kim</b> Independent Non-Executive Director and Member of the AC	<b>Mr Goh Chye Boon</b> Non-Executive Director
<b>Ms Wendy Koh Mui Ai</b> Non-Executive Director	<b>Mr Wong Mun Hoong</b> Non-Executive Director and Member of the NRC
<b>Ms Ng Kiat</b> Executive Director and CEO	

## Governance

### Corporate Governance Report

The Board comprises business leaders and distinguished professionals with banking, legal, real estate, strategic planning, management and accounting experience.

The diverse professional backgrounds of the Directors enable Management to benefit from their external, varied and objective perspectives on issues brought before the Board for discussion and deliberation. Each Director is appointed on the strength of his or her calibre,

experience, stature, and potential to give proper guidance to Management on the business of the Group. In addition, the Board considers additional factors such as the age, gender and educational background of its members. The profiles of the Directors are set out in pages 20 to 23 of this Annual Report. The Board is of the view that the present principal directorships included in their individual profiles are sufficient to inform Unitholders of their principal commitments. The Board meets regularly,

at least once every quarter, to review the business performance and outlook of the Group and deliberate on business strategy, including any significant acquisitions, disposals, fund-raising and development projects undertaken by the Group.

When exigencies prevent a Director from attending a Board or Board committee meeting in person, such Director can participate by audio or video conference.

The Directors' attendance for the meetings of the Board, the AC, the NRC and the general meetings of MLT held in FY19/20 is as follows:

		Board	AC	NRC	AGM <sup>2</sup>	EGM <sup>3</sup>
<b>Number of meetings held in FY19/20</b>		6	5	1	1	2
<b>Board Members</b>	<b>Membership</b>					
<b>Mr Lee Chong Kwee</b> (Appointed on 1 July 2016) (Last reappointment on 17 September 2019)	Non-Executive Chairman and Director	6	N.A. <sup>1</sup>	N.A. <sup>1</sup>	1	2
<b>Mrs Penny Goh</b> (Retired on 31 March 2020)	Lead Independent Non-Executive Director and Chairperson of the NRC	5	N.A. <sup>1</sup>	1	1	2
<b>Mr Tarun Kataria</b> (Appointed on 1 September 2013) (Last reappointment on 24 September 2018)	Lead Independent Non-Executive Director and Chairman of the NRC	6	N.A. <sup>1</sup>	1	1	2
<b>Mr Lim Joo Boon</b> (Appointed on 20 February 2017) (Last reappointment on 11 September 2017)	Independent Non-Executive Director and Chairman of the AC	6	5	N.A. <sup>1</sup>	1	2
<b>Ms Lim Mei</b> (Appointed on 5 March 2020)	Independent Non-Executive Director and Member of the NRC	1	N.A. <sup>1</sup>	N.A. <sup>1</sup>	N.A. <sup>1</sup>	N.A. <sup>1</sup>
<b>Mr Loh Shai Weng</b> (Appointed on 1 July 2018) (Last reappointment on 24 September 2018)	Independent Non-Executive Director and Member of the AC	6	5	N.A. <sup>1</sup>	1	1
<b>Mr Tan Wah Yeow</b> (Appointed on 1 November 2017) (Last reappointment on 24 September 2018)	Independent Non-Executive Director and Member of the AC	6	5	N.A. <sup>1</sup>	1	2
<b>Mr Wee Siew Kim</b> (Appointed on 1 April 2013) (Last reappointment on 24 September 2018)	Independent Non-Executive Director and Member of the AC	6	5	N.A. <sup>1</sup>	1	0
<b>Mr Hiew Yoon Khong</b> (Resigned on 1 January 2020)	Non-Executive Director and Member of the NRC	3	N.A. <sup>1</sup>	1	1	1
<b>Mr Chua Tiow Chye</b> (Resigned on 1 January 2020)	Non-Executive Director	3	N.A. <sup>1</sup>	N.A. <sup>1</sup>	1	1
<b>Mr Goh Chye Boon</b> (Appointed on 1 January 2020)	Non-Executive Director	2	N.A. <sup>1</sup>	N.A. <sup>1</sup>	N.A. <sup>1</sup>	0
<b>Ms Wendy Koh Mui Ai</b> (Appointed on 1 January 2020)	Non-Executive Director	2	2 <sup>4</sup>	N.A. <sup>1</sup>	N.A. <sup>1</sup>	1
<b>Mr Wong Mun Hoong</b> (Appointed on 15 July 2006) (Last reappointment on 24 September 2018)	Non-Executive Director and Member of the NRC	6	2 <sup>4</sup>	N.A. <sup>1</sup>	1	1
<b>Ms Ng Kiat</b> (Appointed on 2 October 2012) (Last reappointment on 24 September 2018)	Executive Director and CEO	6	5 <sup>4</sup>	N.A. <sup>1</sup>	1	2

#### Notes:

<sup>1</sup> Not applicable.

<sup>2</sup> Held on 15 July 2019.

<sup>3</sup> Held on 20 November 2019 and 21 February 2020.

<sup>4</sup> Attendance was by invitation.

The Board has also approved a set of delegations of authority which sets out approval limits for investments and divestments, development, operational and capital expenditures and treasury activities to be undertaken by the Group. Approval sub-limits are also provided at various management levels to facilitate operational efficiency as well as provide a system of checks and balances.

The Board's approval is required for material transactions undertaken by the Group. Such material transactions are also included in the set of delegations of authority which has been clearly communicated to Management in writing. These include:

- equity fund-raising;
- acquisition, development and disposal of properties above Board-prescribed limits;
- overall project budget variance and ad hoc development budget above Board-prescribed limits;
- debt fund-raising above Board-prescribed limits; and
- derivative contracts above Board-prescribed limits.

The Board recognises that the Directors are fiduciaries who are obliged at all times to act objectively in the best interests of MLT and hold the Management accountable for performance. In line with this, the Board has a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to MLT and his or her own interests. The Manager has a policy which provides that where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

The Manager has in place an internal code on general conduct and discipline which sets out the framework and guidelines on ethical values such as honesty and responsibility as well as the appropriate conduct expected of Management and employees. The Board sets the appropriate tone from the top in respect of the desired organisational culture and ensure proper accountability within the Manager.

Each Director is given a formal letter of appointment setting out his or her duties and obligations under the relevant laws and regulations governing the Manager and the Group. The Manager also has in place an orientation programme to brief new Directors on the Group's business, strategic directions, risk management policies, the regulatory environment in which the Group operates and the governance practices of the Group and the Manager, including in areas such as accounting, legal and industry-specific knowledge as appropriate. The Board is updated on any material change to relevant laws, regulations and accounting standards by way of briefings from professionals or updates issued by Management.

The Management provides the Board with timely and complete information prior to Board meetings, as well as when the need arises.

Management is required to provide adequate and timely information to the Board, which includes matters requiring the Board's decision, as well as ongoing reports relating to the operational and financial performance of the Group. Management is also required to furnish any additional information requested by the Board in a timely manner in order for the Board to make informed decisions.

Directors have separate and independent access to Management and the Company Secretary.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

The Company Secretary attends to the administration of corporate secretarial matters and advises the Board on governance matters. The Company Secretary also attends all Board and Board committee meetings and provides assistance to the Chairman in ensuring adherence to Board procedures.

The Board takes independent professional advice as and when necessary, at the Manager's expense, to enable it and/or the Independent Directors to discharge their responsibilities effectively. The AC meets the external and internal auditors separately at least once a year, without the presence of Management.

### **Board Composition and Guidance** **Principle 2: Appropriate level of independence and diversity of thought**

#### **Our Policy and Practices**

The Board reviews from time to time the size and composition of the Board and each Board Committee, to ensure that the size of the Board and each Board Committee is appropriate in facilitating effective decision making.

The Manager adopts the principle that a board composition with a strong and independent element as well as diversity of thought and background will allow the Directors to engage in robust deliberations with Management and provide external, diverse and objective insights on issues brought before the Board for discussion and deliberation. In particular, the Non-Executive Directors will also conduct periodic review of the investment mandate as well as the strategic focus of MLT with Management. Further, such a board composition, and the separation of the roles of the Chairman and the CEO, provides oversight to ensure that Management discharges its roles and responsibilities effectively and with integrity.

## Governance

### Corporate Governance Report

The Board assesses the independence of each Director in accordance with the requirements of the Code and Regulations 13D to 13H6 of the Securities and Futures (Licensing and Conduct of Business) Regulations ("SFLCB Regulations"). A Director is considered to be independent if he or she is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, its substantial shareholders or its officers

that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of MLT; and is independent from the management and any business relationship with the Manager and MLT, every substantial shareholder of the Manager and every substantial unitholder of MLT, is not a substantial shareholder of the Manager or a substantial unitholder of MLT and has not served on the Board for a continuous period of nine years or longer.

For FY19/20, each of the Independent Directors had carried out an assessment on whether there were any relationships or circumstances which may impact his or her independent status. Accordingly, each of the Independent Directors had either made a negative declaration or disclosed such relationships or circumstances as applicable. The declarations or disclosures made by each Independent Director had been reviewed by the NRC.

The Board of the Manager, after considering the relevant requirements under the SFLCB Regulations, specifically Regulation 13E(b)(i) of the SFLCB Regulations, and the Code, wishes to set out its views in respect of each of the Directors as follows:

Name of Director	(i) had been independent from the management of the Manager and MLT during FY19/20	(ii) had been independent from any business relationship with the Manager and MLT during FY19/20	(iii) had been independent from every substantial shareholder of the Manager and every substantial unitholder of MLT during FY19/20	(iv) had not been a substantial shareholder of the Manager or a substantial unitholder of MLT during FY19/20	(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY19/20
Mr Lee Chong Kwee <sup>1,12</sup>	✓			✓	✓
Mr Tarun Kataria <sup>2,12</sup>	✓		✓	✓	✓
Mr Lim Joo Boon	✓	✓	✓	✓	✓
Mrs Penny Goh <sup>3,12</sup> (retired on 31 March 2020)	✓			✓	✓
Ms Lim Mei <sup>4,12</sup>	✓		✓	✓	✓
Mr Loh Shai Weng <sup>5,12</sup>	✓	✓	✓	✓	✓
Mr Tan Wah Yeow <sup>6,12</sup>	✓	✓		✓	✓
Mr Wee Siew Kim <sup>7,12</sup>	✓			✓	✓
Mr Goh Chye Boon <sup>8,12</sup>				✓	✓
Ms Wendy Koh Mui Ai <sup>9,12</sup>				✓	✓
Mr Wong Mun Hoong <sup>10,12</sup>				✓	
Ms Ng Kiat <sup>11,12</sup>				✓	✓

#### Notes:

<sup>1</sup> Mr Lee Chong Kwee is currently a Director, Chairman of the Audit and Risk Committee and the Transaction Review Committee of Mapletree Investments Pte Ltd ("Sponsor") and a Corporate Advisor to Temasek Holdings (Private) Limited ("Temasek"). Temasek is a related corporation of the Manager as it wholly-owns the Sponsor which in turn wholly-owns the Manager and is a substantial unitholder of MLT. Pursuant to the SFLCB Regulations, during FY19/20, Mr Lee is deemed not to be (a) independent from any business relationship with the Manager and MLT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MLT, by virtue of his directorship on the Sponsor and appointment at Temasek. The Board is satisfied that, as at 31 March 2020, Mr Lee was able to act in the best interests of all Unitholders of MLT as a whole.

<sup>2</sup> Mr Tarun Kataria is a Non-Executive Director of HSBC Bank (Singapore) Limited and the Chairman of its audit committee. In connection with the equity fund raising exercise undertaken in October 2019, MLT paid underwriting and incentive fees in excess of S\$200,000 to The HongKong and Shanghai Banking Corporation Limited, Singapore Branch ("HSBC Singapore Branch") (which was appointed as one of the joint global coordinators and bookrunners for the equity fund raising exercise) in FY19/20.

Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he is, among others, a director of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant. Pursuant to the SFLCB Regulations, during FY19/20, Mr Kataria is deemed to have a business relationship with the Manager and MLT, by virtue of the underwriting and incentive fees paid by MLT to HSBC Singapore Branch, as Mr Kataria is a Non-Executive Director of HSBC Bank (Singapore) Limited (a related entity of HSBC Singapore Branch). The Board would also like to mention that Mr Kataria currently receives fees for being the Independent Chairman of the investment committee of MUSEL Private Trust, which is a private real estate trust managed by a wholly-owned subsidiary of the Sponsor.

Notwithstanding the above, the Board takes the view that his Independent Director status is not affected as (a) Mr Kataria is not involved in the management of the business of HSBC Singapore Branch, (b) the underwriting and incentive fees paid by MLT to HSBC Singapore Branch for the equity fund raising exercise was agreed on an arm's length basis and on normal commercial terms and (c) Mr Kataria is appointed as the Independent Chairman of the investment committee of MUSEL Private Trust and he is not under an obligation to act in accordance with the directions, instructions or wishes of the Sponsor in such capacity. The Board is



satisfied that, as at 31 March 2020, Mr Kataria was able to act in the best interests of all Unitholders of MLT as a whole.

- <sup>3</sup> Mrs Penny Goh was formerly the Co-Chairman and Senior Partner of Allen & Gledhill LLP ("A&G"). She is now Senior Adviser of A&G with effect from 1 January 2020. MLT paid fees in excess of S\$200,000 to A&G for legal services in FY19/20. Mrs Goh was also appointed as an Independent Non-Executive Director of HSBC Bank (Singapore) Limited on 12 August 2019. In connection with the equity fund raising exercise undertaken in October 2019, MLT paid underwriting and incentive fees in excess of S\$200,000 to HSBC Singapore Branch (which was appointed as one of the joint global coordinators and bookrunners for the equity fund raising exercise) in FY19/20.

Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he is, among others, a partner or director of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY19/20, Mrs Goh is deemed to have a business relationship with the Manager and MLT, by virtue of (i) the payments made by MLT to A&G, where Mrs Goh was the Co-Chairman and Senior Partner (up until 1 January 2020) and (ii) the underwriting and incentive fees paid by MLT to HSBC Singapore Branch, as Mrs Goh is an Independent Non-Executive Director of HSBC Bank (Singapore) Limited (a related entity of HSBC Singapore Branch). Mrs Penny Goh is also an Independent and Non-Executive Director of Keppel Corporation Limited, and the Chairman and Non-Independent Director of Keppel REIT Management Limited (the manager of Keppel REIT), both of which are associated corporations of Temasek. Pursuant to the SFLCB Regulations, during FY19/20, Mrs Goh is deemed not to be independent from every substantial shareholder of the Manager and every substantial unitholder of MLT by virtue of her directorships on Keppel Corporation Limited and Keppel REIT Management Limited.

Notwithstanding the above, the Board takes the view that her Independent Director status is not affected as (a) Mrs Goh has declared that she did not hold a substantial partnership interest in A&G and the legal fees which A&G receives from MLT and Mapletree Group are insubstantial in relation to A&G's overall revenue, (b) Mrs Goh does not personally represent MLT in relation to A&G's legal work for MLT, (c) Mrs Goh is not involved in the selection and appointment of legal counsels for MLT and the fees were agreed on an arm's length basis and on normal commercial terms, (d) Mrs Goh is not involved in the management of the business of HSBC Singapore Branch and the underwriting and incentive fees paid by MLT to HSBC Singapore Branch for the equity fund raising exercise was agreed on an arm's length basis and on normal commercial terms, (e) Mrs Goh serves on Keppel Corporation Limited and Keppel REIT Management Limited in her personal capacity as Independent and Non-Executive Director (of Keppel Corporation Limited) and as Chairman and Non-Independent Director (of Keppel REIT Management Limited) respectively, and not as a representative or nominee of Temasek and (f) she is not in any employment relationship with the Mapletree Group or Temasek and is not under any obligation to act in accordance with the directions, instructions or wishes of the Mapletree Group or Temasek. The Board is satisfied that, as at 31 March 2020, Mrs Goh was able to act in the best interests of all Unitholders of MLT as a whole. Mrs Penny Goh has retired from the Board as Lead Independent Non-Executive Director and Chairperson of the NRC with effect from 31 March 2020.

- <sup>4</sup> Ms Lim Mei is currently the Co-Head of the Corporate Mergers and Acquisitions Department at A&G. MLT paid fees in excess of S\$200,000 to A&G for legal services in FY19/20. Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he is, among others, a partner of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY19/20, Ms Lim is deemed to have a business relationship with the Manager and MLT, by virtue of the payments made by MLT to A&G, where Ms Lim is a partner. Notwithstanding the above, the Board takes the view that her Independent Director status is not affected as (a) Ms Lim has declared that she did not hold a substantial partnership interest in A&G and the legal fees which A&G receives from MLT and Mapletree Group are insubstantial in relation to A&G's overall revenue, (b) Ms Lim does not personally represent MLT in relation to A&G's legal work for MLT, (c) Ms Lim is not involved in the selection and appointment of legal counsels for MLT and the fees were agreed on an arm's length basis and on normal commercial terms. The Board is satisfied that, as at 31 March 2020, Ms Lim was able to act in the best interests of all Unitholders of MLT as a whole.

- <sup>5</sup> The Board would like to mention that Mr Loh Shai Weng currently receives fees for being the Independent Chairman and a member of the investment committees of Mapletree China Opportunity II Fund and Mapletree India China Fund respectively, both of which are private real estate funds managed by wholly-owned subsidiaries of the Sponsor (the "Mapletree Private Funds"). Notwithstanding the foregoing, the Board takes the view that Mr Loh's status as an Independent Director is not affected as (a) he is appointed as the Independent Chairman and independent member of the investment committees of the Mapletree Private Funds and (b) Mr Loh is not

under an obligation to act in accordance with the directions, instructions or wishes of the Sponsor in such capacity. The Board is satisfied that, as at 31 March 2020, Mr Loh was able to act in the best interests of all Unitholders of MLT as a whole.

- <sup>6</sup> Mr Tan Wah Yeow is currently an Independent Director of Sembcorp Marine Ltd which is an associated corporation of Temasek. Pursuant to the SFLCB Regulations, during FY19/20, Mr Tan is deemed not to be independent from every substantial shareholder of the Manager and every substantial unitholder of MLT by virtue of his directorship on Sembcorp Marine Ltd. Notwithstanding this, the Board takes the view that his Independent Director status is not affected as (a) Mr Tan serves on Sembcorp Marine Ltd in his personal capacity as an Independent Director, and not as a representative or nominee of Temasek; and (b) he is not in any employment relationship with Temasek and is not under any obligation to act in accordance with the directions, instructions or wishes of Temasek. The Board is satisfied that, as at 31 March 2020, Mr Tan was able to act in the best interests of all Unitholders of MLT as a whole.
- <sup>7</sup> Mr Wee Siew Kim is currently an Independent Director of SIA Engineering Company Limited which is a related corporation of the Manager as it is a subsidiary of Temasek. Pursuant to the SFLCB Regulations, during FY19/20, Mr Wee is deemed not to be (a) independent from any business relationship with the Manager and MLT and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MLT by virtue of his directorship on SIA Engineering Company Limited. Notwithstanding this, the Board takes the view that his Independent Director status is not affected as (a) Mr Wee serves on SIA Engineering Company Limited in his personal capacity as an Independent Director and not as a representative or nominee of Temasek; and (b) he is not in any employment relationship with Temasek and is not under any obligation to act in accordance with the directions, instructions or wishes of Temasek. The Board is satisfied that, as at 31 March 2020, Mr Wee was able to act in the best interests of all Unitholders of MLT as a whole.
- <sup>8</sup> Mr Goh Chye Boon is currently the Regional Chief Executive Officer of China of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MLT. Pursuant to the SFLCB Regulations, during FY19/20, Mr Goh is deemed not to be (a) independent from management relationship with the Manager and MLT by virtue of his employment with the Sponsor; (b) independent from any business relationship with the Manager and MLT by virtue of payments which the Sponsor had received from the Manager and/or the trustee of MLT during FY19/20; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MLT by virtue of his directorships on related corporations of the Sponsor. The Board is satisfied that, as at 31 March 2020, Mr Goh was able to act in the best interests of all Unitholders of MLT as a whole.
- <sup>9</sup> Ms Wendy Koh Mui Ai is currently the Group Chief Financial Officer of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MLT. She is also a Non-Executive Director of Mapletree Commercial Trust Management Ltd. (the manager of Mapletree Commercial Trust), Mapletree Industrial Trust Management Ltd. (the manager of Mapletree Industrial Trust) and Mapletree North Asia Commercial Trust Management Ltd. (the manager of Mapletree North Asia Commercial Trust), all of which are related corporations of the Sponsor. Pursuant to the SFLCB Regulations, during FY19/20, Ms Koh is deemed not to be (a) independent from management relationship with the Manager and MLT by virtue of her employment with the Sponsor; (b) independent from any business relationship with the Manager and MLT by virtue of payments which the Sponsor had received from the Manager and/or the trustee of MLT during FY19/20; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MLT by virtue of her directorships on related corporations of the Sponsor. The Board is satisfied that, as at 31 March 2020, Ms Koh was able to act in the best interests of all Unitholders of MLT as a whole.
- <sup>10</sup> Mr Wong Mun Hoong is currently the Regional Chief Executive Officer of Australia & North Asia of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MLT. Pursuant to the SFLCB Regulations, during FY19/20, Mr Wong is deemed not to be (a) independent from management relationship with the Manager and MLT by virtue of his employment with the Sponsor; (b) independent from any business relationship with the Manager and MLT by virtue of payments which the Sponsor had received from the Manager and/or the trustee of MLT during FY19/20; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MLT by virtue of his directorships on related corporations of the Sponsor. The Board is satisfied that, as at 31 March 2020, Mr Wong was able to act in the best interests of all Unitholders of MLT as a whole.
- <sup>11</sup> Ms Ng Kiat is currently the Executive Director and Chief Executive Officer of the Manager. Pursuant to the SFLCB Regulations, during FY19/20, Ms Ng is deemed not to be (a) independent from management relationship with the Manager and MLT by virtue of her employment with the Manager; (b) independent from any business relationship with the Manager and MLT by virtue of payments which the Manager had made to the Sponsor and/or received from the trustee of MLT during FY19/20; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MLT by virtue of her employment with the Manager, which is a related corporation of the Sponsor. The Board is satisfied that, as at 31 March 2020, Ms Ng was able to act in the best interests of all Unitholders of MLT as a whole.
- <sup>12</sup> For the purposes of Regulation 13E(b)(ii) of the SFLCB Regulations, as at 31 March 2020, each of the abovementioned Directors was able to act in the best interests of all Unitholders of MLT as a whole.

## Governance

### Corporate Governance Report

Based on a review of the relationships between the Directors and the Group in accordance with the requirements of the Code and the SFLCB Regulations and declarations of independence by the Independent Directors, the Board considers the following Directors to be independent:

- Mrs Penny Goh  
(retired from the Board on 31 March 2020);
- Mr Tarun Kataria;
- Mr Lim Joo Boon;
- Ms Lim Mei;
- Mr Loh Shai Weng;
- Mr Tan Wah Yeow; and
- Mr Wee Siew Kim.

In view of the above and notwithstanding Mrs Goh's retirement from the Board, more than half of the Board comprises Independent Directors. Non-Executive Directors make up a majority of the Board.

The Board is of the opinion that its current size is appropriate, taking into account the scope and nature of operations of the Manager and the Group, for effective decision-making and constructive debate. The Board comprises Directors who collectively have the core competencies, such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board to be effective in all aspects of its roles.

Provision 2.4 of the Code requires the disclosure of the Manager's board diversity policy and progress made towards implementing a board diversity policy. Given that the Code only recently took effect to apply to annual reports covering financial years commencing from 1 January 2019, the Manager has not formalised a board diversity policy. Nonetheless, the NRC is of the view that it has been and continues to ensure that the Board and board committees have 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 the Group as explained in other parts of this report.

#### Chairman and CEO

##### Principle 3: Clear division of responsibilities

##### Our Policy and Practices

The Board and the Manager adopts the principle of clear separation of the roles and division of responsibilities between the Chairman of the Board and the CEO of the Manager (which has been set out in writing) and that no one individual has unfettered powers of decision-making. The Chairman and the CEO are not related to each other so as to maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Chairman is a Non-Executive Director who is responsible for the overall management of the Board as well as ensuring that the Directors and Management work together with integrity and competency, and he guides the Board in constructive debates on the Group's strategic direction, management of its assets and governance matters.

The CEO is responsible for the running of the Manager's business operations. She has full executive responsibilities over the business and operational decisions of the Group. The CEO is also responsible for ensuring the Group's compliance with the applicable laws and regulations in its day-to-day operations.

As the Chairman is not an Independent Director, in accordance with Provision 3.3 of the Code, Mr Tarun Kataria has been appointed as Lead Independent Non-Executive Director of the Manager. The principal responsibilities of the Lead Independent Non-Executive Director are to act as Chairman of the Board when matters concerning the Chairman are to be considered, and to be available to the Board and Unitholders for communication of Unitholders' concerns when other channels of communication through the Chairman or the CEO are inappropriate, as well as for leading all deliberations on feedback regarding performance of the CEO and any interested party transactions.

Mr Kataria also has the discretion to hold meetings with the other Independent Directors without the presence of the Management as he deems appropriate or necessary and to provide feedback to the Chairman after such meetings.

#### Board Membership

##### Principle 4: Formal and transparent process for appointments

##### Our Policy and Practices

The Manager adopts the principle that Board renewal is an ongoing process to ensure good governance and to remain relevant to the changing needs of the Manager and the Group's business.

The Board established the Nominating and Remuneration Committee ("NRC") in January 2016 and it comprises three Directors, being Mr Tarun Kataria, Ms Lim Mei and Mr Wong Mun Hoong, all non-executive and the majority of whom (including the Chairman) are independent. Mr Tarun Kataria is the Chairman of the NRC and also the Lead Independent Non-Executive Director of the Manager.

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

- the appointment and re-appointment of Board and committee members;
- the appointment of the Executive Director and CEO and the framework for the appointment of key management personnel of the Manager, as well as the succession plan and framework for the Executive Director, CEO and the key management personnel of the Manager;
- training and professional development programmes for the Board;
- the process and criteria for evaluating the performance of the Board, the Board committees and the Directors; and

- the determination, on an annual basis and as and when circumstances require, of the independent status of a Director, bearing in mind the relevant principles and provisions of the Code and the SFLCB Regulations, as well as any other applicable regulations and guidelines and salient factors.

The composition of the Board is determined based on the following principles:

- the Chairman of the Board should be a non-executive director of the Manager;
- the Board should comprise directors with a broad range of commercial experience including expertise in funds management, law, finance, audit, accounting and real estate;
- independent directors make up a majority of the Board if the Chairman is not an independent director; and
- non-executive directors make up a majority of the Board.

The Board adheres to the principle of progressive renewal and seeks to ensure its composition provides for appropriate level of independence and diversity of thought and background. In identifying suitable candidates for appointment to the Board, the Board prioritises the needs of the Group and takes into account the industry and business experience, skills, expertise and background of the candidates. In addition, the Board will give due regard to the requirements in the Listing Manual and the Code. The Board will also consider the candidate's ability to commit sufficient time to the affairs of the Group so as to diligently fulfil director's duties. The Board has the option to engage external consultants if necessary to assist the Board in identifying suitable candidates.

As at least half of the Board comprises Independent Directors, the Manager will not be voluntarily subjecting any appointment or reappointment of directors to voting by Unitholders.

The Manager does not, as a matter of policy, limit the maximum number of listed company board representations its Board members may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Group, including attending Board and Board committee meetings and contributing constructively to the management of the Manager and the Group. The Manager believes that each Director is best placed to decide whether he or she has sufficient capacity to discharge his or her duties and responsibilities as Director in the best interests of the Manager and Unitholders. Taking into account the meeting attendance records of the Directors in FY19/20, as well as the contribution and performance of each individual Director at such meetings, the Board is satisfied that all the Directors have been able to adequately carry out their duties as Director notwithstanding their principal commitments.

In keeping with the principle that a Director must be able to commit his or her time and attention to the affairs of the Group, the Board will generally not approve the appointment of alternate directors. There were no alternate directors appointed in FY19/20.

The NRC reviews and makes recommendations of nominations and/or re-nominations of Directors on the Board and Board Committees to the Board for approvals. As a principle of good corporate governance, all Board members are required to submit themselves for re-nomination and re-election at regular intervals during the annual general meeting of the Manager.

## Board Performance

### Principle 5: Formal assessment of the effectiveness of the Board

#### Our Policy and Practices

The Manager adopts the principle that the Board's performance is ultimately reflected in the performance of the Manager and the Group.

To assess the performance of the Board and the Board committees, the Manager conducts annual confidential board effectiveness surveys. The survey of the effectiveness of the Board, the AC and the NRC in respect of FY19/20 was undertaken in May 2020.

To this end, the NRC will assist the Board in the assessment of the effectiveness of the Board, its Board committees, as well as the contribution by the Chairman and each Director, by reviewing the performance evaluation process and making recommendations to the Board. The evaluation results will be reviewed by the NRC and then shared with the Board. As part of the assessment, the NRC considers the adequacy of Board composition, the Board's performance and areas of improvement, level of strategic guidance to Management and the overall effectiveness of the Board, as well as each individual Director's attendance, contribution and participation at the Board and Board committee meetings. The Board also believes that performance evaluation is an ongoing process and strives to maintain regular feedback and interactions between Directors and Management.

## (B) Remuneration Matters

### Procedures for Developing Remuneration Policies

**Principle 6: Formal and transparent procedure for fixing the remuneration of Directors and key management personnel**

#### Level and Mix of Remuneration

**Principle 7: Appropriate level of remuneration**

#### Disclosure on Remuneration

**Principle 8: Clear disclosure of remuneration matters**

## Governance

### Corporate Governance Report

#### Our Policy and Practices

The Manager adopts the principle that remuneration matters should be sufficiently structured and benchmarked with good market practices to attract qualified talent to grow and manage its business.

The Manager adopts the principle that remuneration for the Board and Management should be viewed in totality. The remuneration structure supports the continuous development of the management bench strength to ensure robust talent management and succession planning.

Pursuant to the Guidelines to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (Guideline No: SFA04-G07), the Manager has disclosed in this report information on its NRC as set out below.

Additional information on remuneration matters are disclosed in accordance with the Alternative Investment Fund Managers Directive (the "AIFMD") in compliance with the requirements of the AIFMD.

#### Nominating and Remuneration Committee

The Manager has an established NRC which consists of a minimum of three members and is constituted in a way that enables it to exercise its judgment and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business.

The current members are: Mr Tarun Kataria, Lead Independent Non-Executive Director and Chairman of the NRC, Ms Lim Mei, Independent Non-Executive Director and Mr Wong Mun Hoong, Non-Executive Director. The NRC met once during FY19/20 and was guided by an independent remuneration consultant Willis Towers Watson, who has no relationship with the Manager, the controlling shareholders of the Manager or its related entities and the Board of Directors that would interfere with its ability to provide independent advice to the NRC.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating

and remuneration committee, which include, but are not limited to, assisting the Board in matters relating to:

- reviewing and recommending to the Board all nominations for the appointment and re-appointment of Directors and of members to the various Board committees;
- reviewing and recommending to the Board the succession plan for the Executive Director and CEO of the Manager;
- the remuneration framework for the Directors, the Executive Director and CEO, and Management of the Manager, including all option plans, stock plans and the like, as well as the performance hurdles of such plans;
- the specific remuneration package for the Directors and key management personnel; and
- the termination payment, gratuities, severance payment and other similar payments to the Executive Director and CEO of the Manager.

#### Decision-making Process for Determining the Remuneration Policy

The NRC is responsible for the annual review of the remuneration policy (including termination terms), its implementation and ensuring that such terms of remuneration are fair and in compliance with relevant legislation and regulation. The NRC makes remuneration decisions for employees annually in May following the end of the performance year. This timing allows full-year financial results to be considered along with the other non-financial goals and objectives. The NRC developed the Manager's remuneration policy with a number of principles in mind (the "Remuneration Principles"). The overarching policy is to promote sustainable long-term success of MLT. The remuneration policy should:

- Align with Unitholders: A proportion of variable remuneration is deferred and delivered in the form of deferred awards over MLT phantom units, thereby aligning the interests of employees and Unitholders;

- Align with performance and value creation: Total variable compensation is managed and structured taking into consideration the level of performance and value creation attained which is being assessed holistically and determined based on financial performance and achievement of non-financial goals;
- Encourage retention: Deferred variable compensation does not give rise to any immediate entitlement. Awards normally require the participant to be employed continuously by the Manager until at least the third anniversary of the grant in order to vest in full; and
- Be competitive: Employees receive competitive compensation and benefits packages, which are reviewed annually and benchmarked by an independent remuneration consultant to the external market.

In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives, financial performance of MLT and the individual performance and contributions to MLT during the financial year. Particularly for Management and key management personnel, a portion of their variable compensation is deferred and subjected to downside risks to prevent excessive risk taking.

Directors' fees are paid entirely in cash.

Guided by the Remuneration Principles, the key objectives and features of the Manager's policy on the remuneration of its Directors are as follows:

- the level of directors' fees should be appropriate (but not excessive) to attract and retain the Directors to provide good stewardship of the Manager and the Group;
- directors' fees are reviewed annually and subject to the approval of the Manager's shareholder;



- to ensure that each Director's fees are commensurate with his or her responsibilities and time spent, each Director is paid a basic retainer and Directors who perform additional services through the Board committees are paid additional fees for such services;
- Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors, and the CEO also does not receive any director's fees in her capacity as a Director; and
- no Director is involved in deciding his or her own remuneration.

Guided by the Remuneration Principles, the key objectives and features of the Manager's policy on the remuneration of its executives are as follows:

- the level and structure of executive remuneration should be competitive (but not excessive) to attract, motivate and retain a pool of talented executives for the present and future growth of the Manager; and
- executive remuneration should be performance-related with a view to promoting the long-term success and sustainability of the Manager.

The CEO is not present during the discussions relating to her own compensation and terms and conditions of service, and the review of her performance. However, the Board, with the assistance of the NRC, reviews the CEO's performance and the NRC Chairman, or his designate, will share with the CEO their views of her performance. In accordance with the directions and guidelines from the MAS on the remuneration of key executive officers of REIT managers, the Board, with the assistance of the NRC, reviews the CEO's specific remuneration package to ensure its compliance with the substance and spirit of such directions and guidelines from the MAS.

The remuneration of the Board and the employees of the Manager is paid by the Manager, and not paid by MLT. The Manager has set out in the table below information on the fees paid to the Directors for FY19/20:

Board Members	Membership	Fees Paid for FY19/20
<b>Mr Lee Chong Kwee</b>	Non-Executive Chairman and Director	S\$136,500
<b>Mrs Penny Goh</b> (Retired on 31 March 2020)	Lead Independent Non-Executive Director and Chairperson of the NRC	S\$96,500
<b>Mr Tarun Kataria</b> (Re-designated as Lead Independent Non-Executive Director and Chairman of the NRC on 31 March 2020)	Lead Independent Non-Executive Director and Chairman of the NRC	S\$81,500
<b>Mr Lim Joo Boon</b>	Independent Non-Executive Director and Chairman of the AC	S\$106,500
<b>Ms Lim Mei</b> (Appointed as Independent Non-Executive Director on 5 March 2020 and Member of the NRC on 31 March 2020)	Independent Non-Executive Director and Member of the NRC	N.A. <sup>1</sup>
<b>Mr Loh Shai Weng</b>	Independent Non-Executive Director and Member of the AC	S\$121,500 <sup>2</sup>
<b>Mr Tan Wah Yeow</b>	Independent Non-Executive Director and Member of the AC	S\$91,500
<b>Mr Wee Siew Kim</b>	Independent Non-Executive Director and Member of the AC	S\$91,500
<b>Mr Hiew Yoon Khong</b> (Resigned on 1 January 2020)	Non-Executive Director and Member of the NRC	Nil <sup>3</sup>
<b>Mr Chua Tiow Chye</b> (Resigned on 1 January 2020)	Non-Executive Director	Nil <sup>3</sup>
<b>Mr Goh Chye Boon</b> (Appointed on 1 January 2020)	Non-Executive Director	Nil <sup>3</sup>
<b>Ms Wendy Koh Mui Ai</b> (Appointed on 1 January 2020)	Non-Executive Director	Nil <sup>3</sup>
<b>Mr Wong Mun Hoong</b> (Appointed as Member of the NRC on 1 January 2020)	Non-Executive Director and Member of the NRC	Nil <sup>3</sup>
<b>Ms Ng Kiat</b>	Executive Director and CEO	Nil <sup>4</sup>

**Notes:**

<sup>1</sup> Not applicable.

<sup>2</sup> This includes attendance fees for Mr Loh Shai Weng being a director who is not residing in Singapore.

<sup>3</sup> Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors.

<sup>4</sup> The CEO does not receive any director's fees in her capacity as a Director.

## Governance

### Corporate Governance Report

#### Link between Pay, Performance and Value Creation

Employee remuneration at the Manager comprises fixed pay, variable incentive, allowances and benefits. Fixed pay comprises a salary and an annual wage supplement. All employees receive a salary that reflects their responsibilities and the level of experience and expertise needed to undertake their roles. Allowances and benefits include statutory provident contributions and benefits-in-kind to enable employees to undertake their roles by ensuring their wellbeing.

Variable incentive is a material component of total remuneration and comprises Performance Target Bonus ("PTB"), Variable Bonus ("VB") and Long-term Incentive ("LTI") award. The PTB amount is determined based on the achievement of non-financial Key Performance Indicators ("KPIs") which are critical to improving the organisational effectiveness and operating efficiency of the Manager, e.g. improving workflow and processes by implementing e-workflow/e-Approval system, high participation rate in active and healthy lifestyle activities, participation in Corporate Social Responsibility ("CSR") events, investors and tenants engagement, raising the capability of the workforce through increased participation in learning and development. The VB amount is assessed based on the achievement of financial KPIs such as Net Property Income ("NPI"), Distribution per Unit ("DPU") and Weighted Average Lease Expiry ("WALE") which measure the financial metrics essential to the

Unitholders. KPIs and their weightages may change from year to year. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MLT's Total Shareholder Return ("TSR") targets and value of a notional investment in MLT.

To this end, the NRC has reviewed the performance of the Manager for FY19/20 and is satisfied that all KPIs have been achieved.

For Management, a significant proportion of their variable incentive is deferred under the Manager's VB banking mechanism and vesting schedule of LTI award. Deferral of these two components is a key mechanism to building sustainable business performance. Under the VB banking mechanism, only a portion of a VB award declared in the financial year will be paid out while the rest of the VB award will be deferred and paid out in the subsequent years. The deferred VB award will be subjected to downside risks depending on future performance. This ensures alignment between remuneration and sustaining business performance in the longer term. For the LTI award, it is subject to three to five years vesting schedule. The settlement value of the LTI award is linked to the value of MLT's units at the time of vesting.

Employees of the Manager are eligible to be considered for variable pay each year. Variable pay for all employees takes into account MLT, the Manager and the

individual's performance against agreed financial and non-financial objectives similar to that of the senior management.

However, in execution, the PTB and VB are combined to form consolidated variable pay for the employees.

The Manager will continue to be guided by the objective of delivering long term sustainable returns to Unitholders. The remuneration of the senior management team will continue to be aligned with the goal of value creation for Unitholders. The performance will be measured over the next 5-year period, with an interim review at the end of the third year.

All fixed pay, variable incentives and allowances are payable wholly in cash. All payments are entirely paid by the Manager and not as an additional expense imposed on MLT.

To assess the individual performance, a 5-point rating scale is used by the supervisors to provide an overall assessment of an employee's performance, and employees are required to perform a self-evaluation. The Manager has ensured that this has been adhered to. The overall final rating is reconciled during each employee's performance appraisal.

The remuneration for the CEO in bands of S\$250,000, and a breakdown of the remuneration of the CEO and the top 5 key management personnel of the Manager in percentage terms, are provided in the remuneration table below.

Total Remuneration Bands of CEO and Key Management Personnel for FY19/20

	Salary, Allowances and Statutory Contributions	Bonus <sup>1</sup>	Long-term Incentives <sup>2</sup>	Benefits	Total
<b>Above S\$1,250,000 to S\$1,500,000</b>					
Ng Kiat	29%	46%	25%	N.M. <sup>3</sup>	100%
<b>Other Key Management Personnel</b>					
Charmaine Lum <sup>4</sup>	39%	44%	17%	N.M. <sup>3</sup>	100%
Jean Kam	49%	38%	13%	N.M. <sup>3</sup>	100%
Fion Ng	56%	34%	10%	N.M. <sup>3</sup>	100%
David Won	54%	36%	10%	N.M. <sup>3</sup>	100%
Yuko Shimazu	57%	35%	8%	N.M. <sup>3</sup>	100%

#### Notes:

<sup>1</sup> The amounts disclosed are bonuses declared during the financial year.

<sup>2</sup> The amounts disclosed include the grant of the LTI award. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MLT's TSR targets and fulfillment of vesting period of up to five years.

<sup>3</sup> Not meaningful.

<sup>4</sup> Charmaine Lum joined the Manager on 1 January 2020. Total remuneration disclosed is pro-rated accordingly.

The total remuneration for the CEO and the key management personnel in FY19/20 was S\$2.93 million.

The Manager is cognisant of the requirements as set out under Provision 8.1 of the Code and the "Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" to disclose: (a) the remuneration of its CEO and each individual Director on a named basis; (b) the remuneration of at least its top five executive officers (who are neither Directors nor the CEO), on a named basis, in bands of S\$250,000; and (c) in aggregate the total remuneration paid to its top five key management personnel (who are not Directors or the CEO), and in the event of non-disclosure, the Manager is required to provide reasons for such non-disclosure.

The Board had assessed and decided not to disclose (i) the remuneration of the CEO in exact quantum; (ii) the remuneration of at least its top five key management personnel (who are neither Directors nor the CEO), on a named basis, in bands of S\$250,000; and (iii) the aggregate remuneration paid to its top five key management personnel (who are not Directors or the CEO) as the Manager is of the view that remuneration details are commercially sensitive due to the confidential nature of remuneration matters and with keen competition for management staff in the REIT industry, such disclosure may result in talent retention issues. The Board is of the view that despite the deviation from Provision 8.1 of the Code, the Manager has been transparent on remuneration matters in line with the intent of Principle 8 of the Code, as information on the Manager's remuneration policies, level and mix of remuneration, procedure for setting remuneration and the relationships between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs.

Since the remuneration of the CEO and key management personnel of the Manager are not separately billed but paid by the Manager, the Manager is also of the view that the interest of the Unitholders would not be prejudiced as the indicative range of the CEO's remuneration, as well as the total remuneration for the CEO and key management personnel of the Manager, have been provided.

There were no employees of the Manager who were substantial shareholders of the Manager, substantial unitholder of MLT or immediate family members of a Director, the CEO, a substantial shareholder of the Manager or a substantial unitholder of MLT and whose remuneration exceeded S\$100,000 during FY19/20.

In solidarity with its stakeholders in overcoming the challenges posed by COVID-19, the senior management and Board of the Manager have elected to take a reduction in their base salary and basic retainer fee by between 5% to 10% for FY20/21. This will be subject to review when the COVID-19 situation stabilizes.

#### Quantitative Remuneration Disclosure Under AIFMD

The Manager is required under the AIFMD to make quantitative disclosures of remuneration. Disclosures are provided in relation to (a) the employees of the Manager; (b) employees who are senior management; and (c) employees who have the ability to materially affect the risk profile of MLT.

All individuals included in the aggregated figures disclosed are rewarded in line with the Manager's remuneration policies.

The aggregate amount of remuneration awarded by the Manager to its staff in respect of the Manager's financial year ended 31 March 2020 was S\$10.67 million. This figure comprised fixed pay of S\$6.16 million, variable pay of S\$4.04 million and allowances/benefits-in-kind of S\$0.47 million. There were a total of 59 beneficiaries of the remuneration described above.

In respect of the Manager's financial year ended 31 March 2020, the aggregate amount of remuneration awarded by the Manager to its senior management (who are also members of staff whose actions have a material impact on the risk profile of MLT) was S\$5.14 million, comprising 13 individuals identified having considered, among others, their roles and decision making powers.

### (C) Accountability and Audit Risk Management and Internal Controls Principle 9: Sound system of risk management and internal controls

#### Our Policy and Practices

The Manager adopts the principle that a sound system of internal controls and risk management is necessary for the Group's business.

The Manager, working with the Sponsor, has established internal controls and risk management systems that address key operational, financial, compliance and information technology risks relevant to the Group's business and operating environment. These systems provide reasonable but not absolute assurance on the achievement of their intended internal controls and risk management objectives.

The key elements of the Group's internal controls and risk management systems are as follows:

#### Operating Structure

The Manager has a well-defined operating structure with clear lines of responsibility and delegated authority, as well as reporting mechanisms to Management and the Board. This structure includes certain functions, such as Human Resource, Information Systems & Technology, Internal Audit, Legal and Risk Management, which are outsourced to the Sponsor. The Manager also conducts an annual review of such outsourced functions to ensure required performance standards are met.

## Governance

### Corporate Governance Report

#### Policies, Procedures and Practices

Controls are detailed in formal procedures and manuals. For example, the Board has approved a set of delegations of authority which sets out approval limits for investments and divestments, development, operational and capital expenditures and treasury activities. Approval sub-limits are also provided at various management levels to facilitate operational efficiency, as well as provide a system of checks and balances.

The Board's approval is required for material transactions, including the following:

- equity fund-raising;
- acquisition, development and disposal of properties above Board-prescribed limits;
- overall project budget variance and ad hoc development budget above Board-prescribed limits;
- debt fund-raising above Board-prescribed limits; and
- derivative contracts above Board-prescribed limits.

The Group's procedures and practices are regularly reviewed and revised where necessary to enhance controls and efficiency. The Group has implemented a Control Self-Assessment programme to reinforce risk awareness and compliance with internal controls within the Group, by fostering accountability, control and risk ownership.

The internal audit function, which is outsourced to the Sponsor, reviews the Group's compliance with the controls procedures and policies established within the internal control and risk management systems. The internal audit function is also involved in the validation of the results from the Control Self-Assessment programme.

#### Whistle-blowing Policy

To reinforce a culture of good business ethics and governance, the Manager has a Whistle-blowing Policy to encourage the reporting, in good faith, of any suspected improper conduct, including possible

financial irregularities, while protecting the whistle-blowers from reprisals. Any reporting concerning the Group or the Manager is notified to the AC Chairman of the Sponsor as well as the AC Chairman of the Manager for investigation and to the AC of the Manager on the findings.

For queries or to make a report, please write to [reporting@mapletree.com.sg](mailto:reporting@mapletree.com.sg).

#### Risk Management

Risk management is an integral part of the Manager's business strategy. In order to safeguard and create value for Unitholders, the Manager proactively manages risks and embeds the risk management process into the Manager's planning and decision-making process.

The risk management function which is outsourced to the Sponsor's Risk Management Department oversees the Enterprise Risk Management ("ERM") framework, which is adapted from the International Organisation for Standardisation under (ISO) 31000 Risk Management. It reports key risk exposures, portfolio risk profile and activities in respect of significant risk matters to the AC and the Board independently on a quarterly basis.

The risk management system established by the Manager, which encompasses the ERM framework and the risk management process, is dynamic and evolves with the business. The Manager has identified key risks, assessed their likelihood and impact on MLT's business, and established corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The Risk Management Department works closely with the Manager to review and enhance the risk management system in accordance with market practices and regulatory requirements, under the guidance and direction of the AC and the Board.

The Manager's policies and procedures relating to risk management can be found on pages 123 to 125 of this Annual Report.

#### Information Technology Controls

As part of the Group's risk management process, information technology controls and cybersecurity measures have been put in place and are periodically reviewed to ensure that information technology risks and cybersecurity threats are identified and mitigated. In addition, as part of the Manager's business continuity plan, information technology disaster recovery planning and tests are conducted to ensure that critical information technology systems remain functional in a crisis situation.

On annual basis, external specialists are engaged to perform a Vulnerability and Penetration Test on the Group's networks and devices as part of cybersecurity measures.

In addition, an annual review of the information technology controls was conducted by the Sponsor's Internal Audit Department as part of the FY19/20 annual Control Self-Assessment programme. The audit findings were submitted to the AC and the Board for review and appropriate remedial actions were implemented as at 31 March 2020.

#### Financial Reporting

The Board is updated on a quarterly basis on the Group's financial performance. The Manager reports on significant variances in financial performance, in comparison with budgets and financial performance of corresponding periods in the preceding year and provides an updated full year forecast. In addition, the Board is provided with quarterly updates on key operational activities of the Group.

A management representation letter is provided by the Manager to the AC and Board quarterly in connection with the preparation of the Group's financial statements. The representation letter is supported by declarations made individually by the various Heads of Department. Compliance checklists on announcement of financial statements, which are required for submission to the SGX-ST, are reviewed and confirmed by the Chief Financial Officer ("CFO") of the Manager.



The Group's financial results are prepared in accordance with the Singapore Financial Reporting Standards (International) and are reported to Unitholders in accordance with the requirements of the SGX-ST. These results announcements provide analyses of significant variances in financial performance and commentary on the industry's competitive conditions in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next twelve months.

Detailed disclosure and analysis of the full-year financial performance of the Group can be found on pages 29 to 34 and pages 145 to 244 of this Annual Report.

### Financial Management

As a matter of financial and operational discipline, Management reviews on a monthly basis the performance of the MLT portfolio properties.

The key financial risks which the Group is exposed to include interest rate risk, foreign exchange rate risk, liquidity risk, and credit risk. Where appropriate, the Manager procures hedging transactions to be entered into so as to protect the Group against interest rate and foreign exchange rate fluctuations. In addition, the Manager proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained for the Group. The Manager's capital management strategy can be found on pages 35 to 37 of this Annual Report. The Manager also has in place credit control procedures for managing tenant credit risk and monitoring of arrears collection.

### Internal Audit

The internal audit function, which is outsourced to the Sponsor's Internal Audit Department, prepares a risk-based audit plan annually to review the adequacy and effectiveness of the Group's system of internal controls and this audit plan is approved by the AC before execution. The Sponsor's Internal Audit Department is also involved during the year in conducting ad hoc audits and reviews that may be requested by the AC or Management on specific areas of concern, including validating the responses under the Manager's Control Self-Assessment programme. In doing so, the Sponsor's Internal Audit Department is able to obtain assurance that business objectives for the internal control processes under review are being achieved and key control mechanisms are in place.

Upon completion of each review, a formal report detailing the audit findings and the appropriate recommendations is issued to the AC. The Sponsor's Internal Audit Department monitors and reports on a quarterly basis the timely implementation of the action plans to Management and the AC.

The external auditors also provide an independent perspective on certain aspects of the internal financial controls system arising from their work and report their findings to the AC on an annual basis. The external auditors are also updated on the findings of the Manager's Control Self-Assessment programme.

### Interested Person Transactions

All interested person transactions are undertaken on normal commercial terms and the AC regularly reviews all interested person transactions to ensure compliance with the internal control system, as well as with relevant provisions of the Listing Manual and the Property Funds Appendix. In addition, the Trustee has the right to review such transactions to ascertain that the Property Funds Appendix has been complied with.

The following procedures are also undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the value of the Group's net tangible assets will be subject to review by the AC at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of the Group's net tangible assets will be subject to the review and prior approval of the AC. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of the Group's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the AC 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 transactions would have to be approved by the Unitholders at a meeting of the Unitholders.

## Governance

### Corporate Governance Report

The interested person transactions undertaken by the Group in FY19/20 are set out on page 247 of this Annual Report. For the purpose of the disclosures, the full contract sum is taken as the value of the transaction where the interested person transaction has a fixed term and contract value, while the annual amount incurred and/or accrued is taken as the value of the transaction where an interested person transaction has an indefinite term or where the contract sum is not specified.

#### Dealing in MLT Units

The Manager adopts the best practices on dealings in securities set out in the Listing Manual. All Directors are required to disclose their interests in MLT and are also provided with disclosures of interests by other Directors, as well as reminders on trading restrictions.

On trading in MLT units, the Directors and employees of the Manager are reminded not to deal in MLT units on short term considerations and are prohibited from dealing in MLT units:

- in the period commencing one month before the public announcement of the Group's annual results;
- in the period commencing two weeks before the public announcement of the Group's quarterly and semi-annual results; and
- at any time whilst in possession of price-sensitive information.

Each Director is required to notify the Manager of his or her acquisition of MLT units or of changes in the number of MLT units which he or she holds or in which he or she has an interest, within two business days of such acquisition or change of interest. In addition, employees of the Manager and the Sponsor are to give pre-trading notifications before any dealing in MLT units.

#### Role of the Board and AC

The Board recognises the importance of maintaining a sound internal controls and risk management system to safeguard the assets of the Group and Unitholders' interests, through a framework that enables risks to be assessed and managed.

The AC provides oversight of the financial reporting, accounting policies and the adequacy and effectiveness of the Group's internal controls and risk management systems, as well as its compliance processes.

The Board and the AC also take into account the results from the Control Self-Assessment programme, which requires various departments to review and report on compliance with key control processes. As part of the Control Self-Assessment programme, the Internal Audit function performs a validation of Management's self-assessment responses on a sampling basis, after which the validated self-assessment results are reported to the AC and the Board.

It should be recognised that all internal controls and risk management systems contain inherent limitations and, accordingly, the internal controls and risk management systems can only provide reasonable but not absolute assurance.

The Board has received written assurance from the CEO and the CFO that the Group's financial records have been properly maintained and the Group's financial statements give a true and fair view of the Group's operations and finances. It has also received assurance from the CEO, the CFO and other relevant key management personnel, who have responsibility regarding various aspects of the risk management and internal controls systems, that the systems of risk management and internal controls in place for the Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) that the Manager considers relevant and material to the current business environment.

#### Comment and Opinion on Internal Controls

Based on the internal controls and risk management systems established and maintained by the Manager and the Sponsor, work performed by the Sponsor's Internal Audit and Risk Management Departments, as well as by the external auditors, reviews performed by Management and the above-mentioned assurance from the CEO, the CFO and other key management personnel, the Board is of the opinion that the Group's internal controls and risk management systems, addressing key financial, operational, compliance, information technology and risk management objectives and which the Group considers relevant and material to its operations, were adequate and effective to meet the needs of the Group in its business as at 31 March 2020. However, the Board also notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The AC concurs with the Board's comments provided in the foregoing. For the financial year ended 31 March 2020, the Board and the AC have not identified any material weaknesses in the Group's internal controls and risk management systems.

## Audit and Risk Committee

**Principle 10: The Board has an AC which discharges its duties objectively**

### Our Policy and Practices

The Board is supported by the AC which provides additional oversight of financial, risks and audit matters, so as to maximise the effectiveness of the Board and foster active participation and contribution.

The Manager adopts the principle that the AC shall have at least three members, all of whom must be non-executive and the majority of whom, including the AC Chairman, must be independent. The Board is of the view that the AC members collectively have recent and relevant expertise or experience in financial management and are appropriately qualified to discharge their responsibilities.

The AC consists of four members, all of whom are independent and are appropriately qualified to discharge their responsibilities. They are:

- Mr Lim Joo Boon, Chairman;
- Mr Loh Shai Weng, Member;
- Mr Tan Wah Yeow, Member; and
- Mr Wee Siew Kim, Member.

None of the AC members is a partner or director of the incumbent external auditors, member firms of PricewaterhouseCoopers International Limited ("PwCIL"), within the previous two years, nor does any of the AC members have any financial interest in PwCIL.

The AC has written terms of reference setting out its scope and authority, which include:

- examination of interested person transactions;
- review and approval of the scope of internal audit activities;
- review of the adequacy, effectiveness, independence, scope and audit findings of internal and external auditors as well as Management's responses to them and the implementation of remedial actions to address such findings;
- evaluation of the nature and extent of non-audit services performed by external auditors. In this regard, for FY19/20, MLT paid S\$831,000 to the network of member firms of PwCIL, of which S\$736,000 was for audit services and S\$95,000 was for non-audit services relating to advisory services for the Group. The AC has undertaken a review of all non-audit services provided by PwCIL and is of the opinion that such non-audit services would not affect the independence of PwCIL as the external auditors;
- review of the quality and reliability of information prepared for inclusion in financial reports;
- authority to investigate any matters within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- making recommendation to the Board on the appointment and re-appointment of external auditors; and
- making recommendations to the Board on the remuneration and terms of engagement of external auditors.

In addition, the AC also:

- reviews significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
- reviews at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems;
- reviews the assurance from the CEO and the CFO on the financial records and financial statements;
- meets with the external and internal auditors, without the presence of Management, at least once a year to review and discuss the financial reporting process, system of internal controls (including financial, operational, compliance and information technology controls), and significant concerns, audit comments and recommendations;
- reviews and, if required, investigates the matters reported via the whistle-blowing mechanism, by which employees may, in confidence, raise concerns about suspected improprieties including financial irregularities. The objective of the whistle-blowing mechanism is to ensure that arrangements are in place for independent investigations of any reported matters and reviews of such investigations, to ensure appropriate follow-up actions are taken; and
- discuss during the AC meetings any changes to accounting standards and issues which have a direct impact on the financial statements.

## Governance

### Corporate Governance Report

In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The AC has reviewed, in discussion with the Management, the following key audit matter as reported by the external auditor:

Key Audit Matter	How this issue was addressed by AC
<b>Valuation of investment properties</b>	<p>The AC considered the selection of valuers based on their independence, expertise and relevant experience in valuing the logistics properties. The independent valuer should not value the same property for more than two consecutive financial years as required by the CIS Code. The AC reviewed the valuation methodologies, assumptions and outcomes and discussed the detailed analysis of asset valuation by country with Management.</p> <p>The AC considered the findings of the external auditor, including their assessment of the appropriateness of the valuation methodologies and key assumptions applied in the valuation of the investment properties.</p> <p>The AC was satisfied with the appropriateness of the valuation methodologies and assumptions applied across all investment properties as disclosed in the financial statements.</p> <p>The outbreak of Novel Coronavirus (COVID-19) situation is rapidly evolving and may continue for an extended period, which has brought about additional uncertainties to the Group's operations subsequent to the financial year-ended 31 March 2020.</p> <p>While the effects of COVID-19 outbreak had been taken into consideration in arriving at the valuation of the investment properties, there is significant uncertainty over the duration and magnitude of COVID-19, and its impact on the real estate market subsequent to the valuation date. The AC will continue to monitor the situation and seek professional advice on the property values as and when necessary.</p>

As part of its oversight role over financial reporting, the AC reviewed the financial statements before recommending them to the Board for approval. The process involved discussions with the Management and external auditors on significant accounting matters. The AC reviewed among other matters, the valuation of investment properties, being the key audit matter identified by external auditors. The AC had a robust discussion with Management to review the methodology and assumptions used by the professional valuers in arriving at the valuation of the investment properties, focusing on significant changes in fair value including assessing the reasonableness of the assumptions used by the valuers.

The AC also considered the work performed by the external auditor, including their assessment of the appropriateness of valuation, methodologies and the key assumptions applied in the valuation of investment properties.

The AC is satisfied that the methodology and assumptions used are reasonable and the valuation for investment properties as adopted and disclosed in the financial statements.

A total of five AC meetings were held in FY19/20.

The Manager, on behalf of the Group, confirms that the Group has complied with Rules 712 and 715 of the Listing Manual in relation to the Group's auditing firm.

#### **Internal Audit** **Our Policy and Practices**

The Manager adopts the principle that a robust system of internal audits is required to safeguard Unitholders' interests, the Group's assets, and to manage risks. Apart from the AC, other Board committees may be set up from time to time to address specific issues or risks.

The internal audit function of the Group is outsourced to the Sponsor's Internal Audit Department and the Head of Internal Audit reports directly to the AC Chairman of both the Manager and the Sponsor.

The Chairman of the AC is consulted and provides feedback to the AC of the Sponsor in the hiring, removal, remuneration and evaluation of the Head of Internal Audit. The Sponsor's Internal Audit Department (including the Head of Internal Audit) has unfettered access to all of the Group's documents, records, properties and personnel, including access to the AC and has appropriate standing within the Group.

The role of the Sponsor's Internal Audit Department is to conduct internal audit work in consultation with, but independently of, Management. Its annual audit plan and audit findings are submitted to the AC for approval and review respectively. The AC also meets with the Head of Internal Audit at least once a year without the presence of Management.



The Sponsor's Internal Audit Department is a member of the Singapore branch of the Institute of Internal Auditors Inc. (the "IIA"), which has its headquarters in the United States. The Sponsor's Internal Audit Department subscribes to, and is in conformance with, the International Standards for the Professional Practice of Internal Auditing developed by the IIA (the "IIA Standards") and has incorporated these standards into its audit practices.

The IIA Standards cover requirements on:

- independence and objectivity;
- proficiency and due professional care;
- managing the internal audit activity;
- engagement planning;
- performing engagement;
- communicating results; and
- monitoring progress.

The Sponsor's Internal Audit Department employees involved in information technology audits are Certified Information System Auditors and members of the Information System Audit and Control Association (the "ISACA") in the USA. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to apply in information technology audits.

To ensure that the internal audits are performed by competent professionals, the Sponsor's Internal Audit Department recruits and employs qualified employees. In order that their technical knowledge remains current and relevant, the Sponsor's Internal Audit Department identifies and provides training and development opportunities to the employees.

In compliance with the IIA Standards, an external quality assessment review ("QAR") of the Sponsor's Internal Audit Department is conducted at least once every five years by a qualified, independent reviewer. The last external QAR of the Sponsor's Internal Audit Department was completed in 2018 and it was assessed that the Group's internal audit function is in conformance with the IIA Standards. The next external QAR will be conducted in 2023.

For FY19/20, the AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

#### **(D) Unitholder Rights and Engagement**

##### **Unitholder rights and conduct of general meetings**

**Principle 11: Fair and equitable treatment of all Unitholders**

##### **Engagement with Unitholders**

**Principle 12: Regular, effective and fair communication with Unitholders**

##### **Our Policy and Practices**

The Manager adopts the principle that all Unitholders should be treated fairly and equitably in order to enable them to exercise their ownership rights arising from their unitholdings and have the opportunity to communicate their views on matters affecting MLT. The Manager provides Unitholders with periodic, balanced and understandable assessments of MLT's performance, position and prospects.

To this end, the Manager issues via SGXNET announcements and press releases on the Group's latest corporate developments on an immediate basis where required by the Listing Manual. Where immediate disclosure is not practicable, the relevant announcement will be made as soon as possible to ensure that all stakeholders and the public have equal access to the information.

The public can access the electronic copy of the Annual Report via SGXNET as well as MLT's website and under normal circumstances, all Unitholders will receive a booklet containing key highlights of MLT, instructions on accessing the Annual Report online with the option of receiving a printed version of the Annual Report, a notice of annual general meeting and a proxy form with instructions on the appointment of proxies. However, in view of the COVID-19 situation, the Manager will be conducting MLT's 11<sup>th</sup> annual general meeting by electronic means and therefore, alternative arrangements will be made to take into account the online nature of the annual general meeting<sup>1</sup>. The notice of annual general meeting for each annual general meeting is also published via SGXNET and MLT's website as well as in the newspaper.

An annual general meeting is held once a year to provide a platform for Unitholders to interact with the Board and Management, in particular the Chairman of the Board, the Chairman of the AC, the CEO and the CFO. The external auditors are also present to address Unitholders' queries about the audit and the financial statements of the Group. A record of the Directors' attendance at the annual general meeting can be found in the records of their attendance of meetings set out at page 106 of the Annual Report.

Provision 11.4 of the Code requires an issuer's constitutive documents to allow for absentia voting at general meetings of Unitholders. The Trust Deed currently does not provide for absentia voting which may be considered by the Manager following careful study, to ensure that the integrity of information and authentication of the identity of Unitholders through the web are not compromised, and legislative changes are effected to recognise remote voting. The Manager is of the view that despite the deviation from Provision 11.4 of the Code, Unitholders nevertheless

<sup>1</sup> Please refer to the notice of annual general meeting dated 22 June 2020 for further information.

## Governance

### Corporate Governance Report

have opportunities to communicate their views on matters affecting the Group even when they are not in attendance at general meetings. For example, in an ordinary meeting setting (i.e. physical meetings), Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings. Where a general meeting is convened, all Unitholders are entitled to receive a circular enclosing a proxy form with instructions on the appointment of proxies. Prior to voting at an annual general meeting or any other general meeting, the voting procedures will be made known to the Unitholders to facilitate them in exercising their votes.

To safeguard Unitholders' interests and rights, a separate resolution is proposed for each substantially separate issue at an annual general meeting. Each resolution proposed at an annual general meeting and any other general meeting will be voted on by way of electronic polling. An independent scrutineer is also appointed to validate the vote tabulation and procedures. The Manager will announce the results of the votes cast for and against each resolution and the respective percentages and prepare minutes of such meetings.

As the Manager will be conducting MLT's 11<sup>th</sup> annual general meeting by electronic means and therefore Unitholders are not allowed to attend the MLT's 11<sup>th</sup> annual general meeting in person, Unitholders may appoint the Chairman of the meeting as proxy to vote on their behalf at the general meeting and submit questions relating to the business of the meeting in advance. Please refer to the notice of annual general meeting dated 22 June 2020 for further information.

The Manager has an Investor Relations Department which works with the Legal and Corporate Secretariat Department of the Sponsor to ensure the Group's compliance with the legal and regulatory requirements applicable to listed REITs, as well as to incorporate best practices in its investor relations programme. To keep the Board abreast of market perception and concerns, the Investor Relations Department provides regular updates on analyst and investor feedback.

The Manager's investor relations policy prioritises proactive engagement and timely and effective communication with its stakeholders. The Manager regularly communicates major developments in the Group's businesses and operations to Unitholders, analysts and the media through the issuance of announcements and press releases. In addition, all announcements and press releases are first made on SGXNET and subsequently on MLT's website. The Manager also communicates with MLT's investors on a regular basis through group/individual meetings with investors, investor conferences and non-deal roadshows. The Manager's CEO and CFO are present at briefings and communication sessions to answer questions from investors. "Live" audio webcast of analyst briefings are conducted, where practicable. Stakeholders can subscribe for email alerts to receive the latest updates on the Group and also contact the Investor Relations Department via a dedicated email address. Further details on the Manager's investor relations activities and efforts are found on pages 103 to 104 of this Annual Report.

Minutes of the general meetings recording the substantive and relevant comments made and questions raised by Unitholders are available to Unitholders for their inspection upon request. Minutes of the annual general meeting (which record substantial and relevant comments and queries from Unitholders and the response from the Board and the Management) are also available on MLT's website at [www.mapletreelogisticstrust.com](http://www.mapletreelogisticstrust.com).

MLT's distribution policy is to distribute at least 90% of its distributable income and such distributions are typically paid on a quarterly basis. For FY19/20, MLT made a total of four distributions to Unitholders, including advanced distributions in view of the equity fund raising exercise which was undertaken during the financial year.

#### Principle 13: Engagement with Stakeholders

##### Our Policy and Practices

The Manager adopts the principle that to build confidence among stakeholders, there is a need to deliver sustainable value. The Sustainability Report from pages 126 to 144 in the Annual Report provides the Group's approach in identifying its material stakeholders, as well as addressing stakeholders' concerns and methods of engagement. The Sustainability Report also sets out the key areas of focus in relation to the management of stakeholder relationships for the financial year ended 31 March 2020.