INTRODUCTION

Frasers Centrepoint Asset Management (Commercial) Ltd. (the “Manager”), as manager of Frasers Commercial Trust (“FCOT”), is committed to high standards of corporate governance in the business and operations of the Manager, FCOT and their respective subsidiaries so as to protect the interest of, and enhance the value of Unitholders’ investments in, FCOT.

FCOT is a real estate investment trust (“REIT”) listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the Manager is a wholly-owned subsidiary of Frasers Centrepoint Limited (“FCL”).

The Manager’s commitment to high standards of corporate governance is spearheaded by a highly-qualified Board of Directors of the Manager (the “Board”), and supported by an experienced and a qualified Management team (the “Management”).

The Manager has general powers of management over the assets of FCOT. The Manager’s key responsibility is to manage FCOT’s assets and liabilities for the benefit of Unitholders with a focus to deliver a stable and sustainable distribution to Unitholders and where appropriate, enhance the values of existing properties and increase the property portfolio over time.

The other functions and responsibilities of the Manager include preparing annual asset plans and undertaking regular individual asset performance analysis and market research analysis, managing finance functions relating to FCOT (which includes capital management, treasury, co-ordination and preparation of consolidated budgets) and supervising property managers who perform the day-to-day property management functions for FCOT’s properties, namely (i) China Square Central, 55 Market Street and Alexandra Technopark in Singapore and (ii) Central Park, Caroline Chisholm Centre and 357 Collins Street in Australia.

The Manager holds a Capital Markets Services Licence (“CMS Licence”) issued by the Monetary Authority of Singapore (“MAS”) to carry out REIT management activities as required under the licensing regime for REIT managers that came into effect on 1 August 2008.

The Manager ensures that the business of FCOT is carried on and conducted in a proper and efficient manner adhering to the principles and guidelines of the Code of Corporate Governance 2012 (the “CG Code”) and other applicable laws and regulations, including the listing rules of SGX-ST, the Code on Collective Investment Schemes (the “Code on CIS”) and the Securities and Futures Act (the “SFA”).

This corporate governance report (“CG Report”) provides an insight on the Manager’s corporate governance framework and practices in compliance with the principles and guidelines of the CG Code. As FCOT is a listed REIT, not all principles of the CG Code may be applicable to FCOT and the Manager. Any deviations from the CG Code are explained.

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The composition of the Board as at 30 September 2016 is as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Chua Yong Hai</td>
<td>Chairman, Non-Executive</td>
<td>Independent</td>
</tr>
<tr>
<td>Low Chee Wah¹</td>
<td>Chief Executive Officer</td>
<td>Non-Independent</td>
</tr>
<tr>
<td>Chay Wai Chuen</td>
<td>Non-Executive</td>
<td>Independent</td>
</tr>
<tr>
<td>Chia Khong Shoong</td>
<td>Non-Executive</td>
<td>Non-Independent</td>
</tr>
<tr>
<td>Lim Ee Seng²</td>
<td>Non-Executive</td>
<td>Non-Independent</td>
</tr>
<tr>
<td>Tan Guong Ching</td>
<td>Non-Executive</td>
<td>Independent</td>
</tr>
<tr>
<td>Christopher Tang Kok Kai</td>
<td>Non-Executive</td>
<td>Non-Independent</td>
</tr>
</tbody>
</table>

¹ The Manager had as part of succession planning identified a successor for Mr Low Chee Wah, who will be stepping down as Chief Executive Officer of the Manager on 1 January 2017 and remain as a Non-Executive Director on the Board. Mr Jack Lam Juck Ngai has been appointed as the Chief Executive Officer-Designate of the Manager on 8 November 2016 prior to him assuming the role of Chief Executive Officer on 1 January 2017.

² Mr Lim Ee Seng resigned from the Board on 1 October 2016 in line with his retirement as the Group Chief Executive Officer of FCL on 1 October 2016.
The Board oversees the business affairs of FCOT and the Manager, and assumes responsibility for their strategic direction and plans. In carrying out its responsibilities, the Board is involved strategically in the establishment of performance objectives for both FCOT and the Manager, financial planning, budget creation and monitoring, material operational initiatives, investment and asset enhancement initiatives, financial and operational performance reviews, the establishment of risk management practices and risk monitoring, and establishment and monitoring of corporate governance and compliance practices.

The Board meets at least once every quarter and on such other occasions that necessitate their involvement. If a Director is unable to attend a meeting, he will still receive all the papers and materials for discussion at that meeting for review. He will advise the Chairman or Audit, Risk and Compliance Committee (“ARC Committee”) Chairman or CEO on his views and comments on the matters to be discussed to be conveyed to other members at the meeting. If required, time is set aside after scheduled Board meetings for discussions amongst the members of the Board without the presence of Management, in line with the guidelines of the CG Code. In addition to the meetings, the members of the Board have access to the Management throughout the financial year, thereby allowing the Board continuous strategic oversight over the activities of FCOT.

The Board is assisted in its corporate governance, compliance and risk management responsibilities by the ARC Committee. In addition, the Nominating and Remuneration Committee (“NRC”) was also established on 16 September 2016 to assist the Board in its nominating and remuneration responsibilities, as guided by the CG Code. Separate committees will be considered if required to assist the Board in carrying out its role more effectively.

Newly-appointed members of the Board will be required to undergo orientation to familiarise themselves with FCOT’s business, strategic plans and objectives, the regulatory environment in which FCOT operates and the Manager’s corporate governance practices. No new members were appointed to the Board during the financial year ended 30 September 2016 (“FY2016”).

The Board is regularly updated on new laws affecting FCOT’s business, as well as changes in applicable regulations. The Company Secretary facilitates such orientation and assists with the professional development of the Board and its members. During FY2016, the Board was briefed and updated on the introduction of sustainability reporting requirements by the SGX-ST, changes in tax regulations in the jurisdictions that FCOT operates in, changes in the financial reporting standards and changes to the auditors’ report.

In addition to talks conducted by relevant professionals, members of the Board are encouraged to attend relevant courses and seminars so as to keep themselves updated on developments and changes in FCOT’s operating environment, and to be members of the Singapore Institute of Directors (“SID”) and for them to receive journal updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and the business environment and outlook.

The number of Board and ARC Committee meetings held for FY2016, as well as the attendance of each Board member at these meetings, are set out below:

<table>
<thead>
<tr>
<th>Meetings held during the financial year ended 30 September 2016</th>
<th>Board Meetings*</th>
<th>ARC Committee Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendees</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Dr Chua Yong Hai</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Low Chee Wah</td>
<td>4</td>
<td>NA</td>
</tr>
<tr>
<td>Chay Wai Chuen</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Chia Khong Shoong</td>
<td>4</td>
<td>NA</td>
</tr>
<tr>
<td>Lim Ee Seng</td>
<td>4</td>
<td>NA</td>
</tr>
<tr>
<td>Tan Guong Ching</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Christopher Tang Kok Kai**</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

* Excludes other meetings attended by Directors with Management. The NRC was established on 16 September 2016 and the first NRC meeting was held after FY2016.

** Mr Christopher Tang Kok Kai resigned as a Member of the ARC Committee on 15 December 2015, in compliance with the new regulatory requirements relating to the composition of audit committees of REIT managers which took effect on 1 January 2016.
To ensure that business and operational efficacy is maintained without compromising the standard of corporate governance, a Manual of Authority (the “MOA”) approved by the Board is implemented. The MOA sets out the levels of authorisation and their respective approval limits for a range of transactions, including but not limited to investments, asset enhancement initiatives, and operating and capital expenditures. Transactions and matters which require the Board’s approval are clearly set out in the MOA.

**Principle 2: Board Composition and Guidance**

As at 30 September 2016, the Board comprises seven members, of whom three are Independent Non-Executive Directors. The CEO is the only Executive Director on the Board. The rest of the Board members are Non-Executive Directors.

The Board is of the view that the current size and composition of the Board is appropriate for the scope and nature of the operations of the Manager and FCOT and facilitates effective decision-making. In line with the CG Code, the Board, with the assistance of the NRC, undertook a review of the structure, size and composition of the Board, and following the review, is of the view that the Board’s present composition and balance between Executive, Non-Executive and Independent Directors, is appropriate and allows for a balanced exchange of views, robust deliberations and debates among members, and effective oversight over Management. The current composition gives the Board the ability to consider and make decisions objectively and independently on issues relating to FCOT and the Manager. Under the current composition, no one individual or group dominates the Board’s decisions or its process. With respect to its size, the Board is of the view that the same is not so large as to be unwieldy, meets the requirements of the business of the Manager and FCOT, and is sufficient to avoid undue disruptions from changes to its composition, especially in the event of exigencies. The composition of the Board shall be reviewed regularly to ensure that the Board has the appropriate size and mix of expertise and experience. There is a strong and independent element on the Board.

Directors exercise their judgment independently and objectively in the interest of FCOT and the Manager. The Board reviews and assesses annually the independence of its directors based on the definitions and guidelines of independence set out in the CG Code and the proposed Regulations 13D to 13G of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10), Chapter 289. In its review for FY2016, the NRC has endorsed in its recommendation to the Board that the following directors are independent for FY2016:

- Dr Chua Yong Hai Independent
- Chay Wai Chuen Independent
- Tan Guong Ching Independent

As part of its review, the NRC has taken into consideration, *inter alia*, the following:

(i) each Independent Director’s declaration of independence, which includes questions relating to his relationship with FCOT, the Manager, the Trustee, and FCOT’s sponsor, FCL, whereby, all have declared that there were no relationships or instances that would otherwise deem him not to be independent; and

(ii) that Dr Chua Yong Hai and Mr Tan Guong Ching had served on the Board for more than 9 years.

Notwithstanding their length of service, the NRC, following its rigorous review, had recommended to the Board that Dr Chua Yong Hai and Mr Tan Guong Ching, had continued to demonstrate their ability to exercise strong objective judgement, acting in the best interests of the Manager and FCOT at all times. They had and continue to remain independent in the expression of their views and in their participation in the deliberations and decision making of the Board, the ARC Committee and the NRC.

Having considered the above factors and weighing the need to refresh board membership, the Board (with Dr Chua Yong Hai and Mr Tan Guong Ching abstaining with respect to the assessment of their own independence) determined that Dr Chua Yong Hai and Mr Tan Guong Ching were independent, notwithstanding that each of them has served on the Board for more than 9 years.
CORPORATE GOVERNANCE

With the background, skills, experience and core competencies of its members, the Board collectively has the critical skills and expertise needed to guide in the strategic direction and planning of the business of FCOT. The diversity of skills, expertise and experience of its members bring to the Board independent and objective perspective thereby enabling balanced and well-considered decisions to be made. Particulars of Directors are set out on pages 32 to 35.

Principle 3: Chairman and Chief Executive Officer
The roles of the Chairman and the CEO are separate to ensure an appropriate balance of power and authority and the levels of authority and the approval limits under the MOA reflects such a separation. This separation of roles promotes greater accountability of Management and allows the Board to exercise its independence in its oversight of and deliberations with Management. The Chairman, who is an independent and a non-executive director, is not related to the CEO. There is no business relationship between him and the CEO.

The Chairman leads the Board and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions amongst Board members and the Management team on strategic, business and other key issues pertinent to the business and operations of FCOT and the Manager. With the full support of the Board, the Company Secretary and Management, the Chairman spearheads the Manager’s drive to promote, attain and maintain high standards of corporate governance and transparency.

The CEO has full executive responsibilities over the business direction and operations of the Manager, and is responsible for the execution of the Board’s adopted strategies and policies. The CEO leads the Management team in the management of FCOT and is accountable to the Board for the conduct and performance of the Management team.

Principle 4: Board Membership
The Board established the NRC on 16 September 2016 to assist the Board in its nominating function, responsibilities and role. Prior to its establishment, the functions of a nominating committee were undertaken by the Board. The NRC comprises four Directors, being Mr Tan Guong Ching, Dr Chua Yong Hai, Mr Chay Wai Chuen and Mr Christopher Tang Kok Kai, all of whom are non-executive and the majority of whom (including its Chairman, Mr Tan Guong Ching) are independent.

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

- make recommendations to the Board on all Board appointments, re-appointments and the composition of the Board and on relevant matters relating to the appointment and re-appointment of directors;
- regularly review the Board structure, size, composition and the independence of the Board to ensure that the Board has the appropriate mix of expertise and experience, and recommend to the Board such adjustments as it may deem necessary;
- ensure that at all times, there should be a strong and independent element on the Board;
- put in place board succession plans for the Board’s approval and make recommendations on relevant matters relating to the review of board succession plans for directors, in particular, the Chairman and for the CEO;
- identify candidates, review and approve nominations for directors, alternate directors and membership of Board committees (including the ARC Committee and the NRC), as well as appraise the qualifications and experience of any proposed new appointments to the Board and to recommend to the Board whether the nomination should be supported;
- review, on an annual basis and as and when circumstances require, whether or not a director is independent, bearing in mind the circumstances set forth in the CG Code and any other salient factors.

The composition of the Board is determined using the following principles:

- at least one-third of the Board should comprise independent directors, and at least half of the Board should comprise independent directors if the Chairman and the CEO is the same person, the Chairman and the CEO are immediate family members, the Chairman is part of the management team or the Chairman is not an independent director; and
• the Board and its committees should comprise directors who as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Manager, and they should also provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.

The NRC bears the responsibility for the identification, review and appointment of suitable candidates to join the Board as its members, taking into consideration (a) such candidate’s skill, experience and ability to perform, (b) the needs of the Board, (c) such candidate’s other commitments and (d) the independence of the candidate from FCOT and the Manager. Directors of the Manager are not subject to periodic retirement by rotation.

The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among the Directors, and this is reflected in the diversity of backgrounds and competencies of the current Directors. Such competencies include banking, finance, accounting and other relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This benefits Management as it allows them to tap on the broad range of views and perspectives and the breadth of experience of the Directors.

The CG Code requires listed companies to fix the maximum number of Board representations on other listed companies that their directors may hold and to disclose this in their annual report. In determining whether each Director is able to devote sufficient time to discharge his duties, the Board has taken cognizance of the CG Code requirement, but is of the view that its assessment should not be restricted to the number of board representations of each Director – and their respective principal commitments – per se. Holistically, the contributions by the Directors to and during meetings of the Board and the ARC Committee as well as their attendance at such meetings should also be taken into account. Details of such directorships and other principal commitments of the Directors are disclosed on pages 32 to 35.

All appointments and resignations of Board members are approved by the Board. With the establishment of the NRC, the NRC shall be instrumental in assisting in the review of all Board appointments, re-appointments and the composition of the Board, its recommendations of which shall be taken into consideration by the Board in its decision.

**Principle 5: Board Performance**

The Board, with the assistance of the NRC, has implemented a process to evaluate and assess the performance of the Board and the ARC Committee, and their decision-making processes. The NRC has appointed Ernst & Young LLP to assist in its evaluation and assessment process. Members of the Board are required to assess the Board’s performance, which includes areas such as the Board’s composition and processes, effectiveness in its management of FCOT’s performance, and such other areas which the Board is of the view that improvements are required.

The findings of the evaluation and assessment are reviewed by the Board with a view to improving its overall effectiveness in fulfilling its role and meeting its responsibility to unitholders. The Board is committed to ensure that collectively as a Board, and individually its members, both contribute effectively to such improvement, and is of the view that the evaluation and assessment framework would assist to meet such commitment.

**Principle 6: Access to Information**

It is the Management’s commitment that the Board and the ARC Committee are provided with complete, timely and adequate information, both prior to Board meetings and ARC Committee meetings and on an ongoing basis so as to allow the Board and the ARC Committee to discharge their duties. Prior to each Board meeting and ARC Committee meeting, papers on matters to be discussed are sent to Board members and ARC Committee members ahead of such meetings, so that such matters may be considered and discussed thoroughly and fully, prior to the making of any decision. Management may be requested to attend Board meetings so as to be at hand to answer any questions or contribute to any discussions. Presentations are made by Management at the Board meetings to facilitate deliberations and discussions.
For matters which require the Board’s decision outside such meetings, board papers will be circulated through the Company Secretary for the Board’s consideration, with discussions and clarifications taking place between members of the Board and Management, before approval is granted.

Directors at their discretion may seek and obtain independent professional advice, where necessary, in the furtherance of their duties.

Directors have separate and independent access to the Company Secretary, who attends all Board meetings and advises the Board on relevant corporate governance issues. The Company Secretary ensures compliance with Board procedures and relevant rules and regulations. Under the direction of the Chairman, the Company Secretary is responsible for ensuring good information flow between the Board and Management. Direct communication between the CEO, the Chairman and members of the Board is encouraged by the Board, and the Board may at its discretion communicate with Management if they so wish.

**REMUNERATION MATTERS**

**Principle 7: Procedures for Developing Remuneration Policies**

**Principle 8: Level and Mix of Remuneration**

**Principle 9: Disclosure on Remuneration**

The remuneration of Directors, the CEO and employees of the Manager are paid by the Manager and not by FCOT.

On 16 September 2016, the Board established the NRC to assist the Board in its remuneration function, responsibilities and role. The NRC comprises four Directors, being Mr Tan Guong Ching, Dr Chua Yong Hai, Mr Chay Wai Chuen and Mr Christopher Tang Kok Kai, all of whom are non-executive and the majority of whom (including its Chairman, Mr Tan Guong Ching) are independent.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a remuneration committee, which include the following matters:

- review the remuneration framework for the Board and the key executive officers of the Manager;
- review the disclosures in FCOT’s annual report on the Manager’s remuneration policies, level and mix of remuneration, and the procedure for setting remuneration; and
- ensure that the remuneration of executive directors of the Manager shall not be linked in any way to FCOT’s gross revenue.

The NRC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management personnel of the Manager ("Key Management Personnel"). The NRC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise Unitholder value. The NRC will recommend a framework of remuneration (which covers all aspects of remuneration including Directors’ fees, salaries, allowances, bonuses, options and benefits-in-kind) and the specific remuneration packages for each Director (including the CEO) to the Board for endorsement. The NRC will also review the remuneration of the Key Management Personnel of the Manager.

As stated above, the NRC was established only recently on 16 September 2016. In this regard, for FY2016, the level and mix of remuneration and benefits, policies and practices of the FCL group, which includes the Manager, were reviewed by FCL’s Remuneration Committee (the “FCL RC”). In undertaking such reviews, the FCL RC takes into consideration the performance of the Manager as part of the FCL group, and the performance of individual employees. The FCL RC also reviewed and approved the framework for salary reviews, performance bonuses and incentives for the Key Management Personnel of the Manager as part of the FCL group-wide review.

From the financial year beginning from 1 October 2016 onwards, the NRC, in performing the functions of a remuneration committee, and in accordance with the NRC’s written terms of reference, will support the Board in determining and reviewing the remuneration policies and practices of the Manager. In this regard and following the new directions and guidelines from the MAS on the remuneration of directors and
Key Management Personnel of the Manager, the Board, with the assistance of the NRC, is in the midst of reviewing the remuneration objectives, policies and procedures applicable to the Manager, with a view to aligning them with the substance and spirit of such directions and guidelines from the MAS.

Policies in respect of Directors’ Remuneration
The remuneration of Non-Executive Directors takes into account their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Non-Executive Directors are paid a basic fee and attendance fees for attending Board meetings. Non-Executive Directors who perform services through Board Committees are paid additional fees for such services. The CEO, Mr Low Chee Wah, who is the only Executive Director on the Board, does not receive Directors’ fees. No Director decides his own fees. Non-Executive Directors’ fees are reviewed periodically to benchmark such fees against the amounts paid by other major listed REITs in Singapore.

The Directors’ fees for FY2016 are shown in the table below.

<table>
<thead>
<tr>
<th>Director</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Chua Yong Hai (Chairman) (Member of ARC Committee and NRC)</td>
<td>SGD 115,458</td>
</tr>
<tr>
<td>Chay Wai Chuen (Chairman of ARC Committee and Member of NRC)</td>
<td>SGD 80,458</td>
</tr>
<tr>
<td>Chia Khong Shoong</td>
<td>SGD 46,000</td>
</tr>
<tr>
<td>Lim Ee Seng</td>
<td>SGD 46,000</td>
</tr>
<tr>
<td>Tan Guong Ching (Chairman of NRC and Member of ARC Committee)</td>
<td>SGD 75,667</td>
</tr>
<tr>
<td>Christopher Tang Kok Kai (Member of ARC Committee (up to 14 December 2015) and Member of NRC)</td>
<td>SGD 52,282</td>
</tr>
</tbody>
</table>

1 Directors’ fees are paid to FCL Management Services Pte. Ltd.

Remuneration Policy for Management
The Managers’ remuneration framework comprises (i) a fixed pay component; and (ii) a variable component comprising short-term and long-term incentives. The variable component is linked to and determined based on both: (a) FCOT’s performance and contribution to the FCL group; and (b) an annual appraisal of each individual employee against performance indicators including adherence to core values, competencies, key result areas, performance rating, and potential of the relevant employee. The mix of fixed and variable remuneration components is considered appropriate for the Manager and for each individual employee’s role.

The level and mix of remuneration and the remuneration benefits, policies and practices of the Manager, where appropriate, including the long-term incentives will be reviewed by the NRC. The NRC will ensure that competitive remuneration policies and practices are in place to draw and motivate high-performing executives so as to drive FCOT’s businesses to greater growth, efficiency and profitability.

In its deliberation, the NRC will take into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive and may, if it considers necessary, engage independence remuneration consultant(s).

The NRC will exercise broad discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of Unitholders and promote the long-term success of FCOT. The NRC will ensure that the overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Manager’s or FCOT’s risk profile.

Performance Indicators for Key Management Personnel
As set out above, the Manager’s variable remuneration component comprise short-term and long-term incentives which takes into account both individual performance, FCOT’s performance and FCOT’s contribution to the FCL group.

The Manager has put in place a framework for determining the short-term incentives of the Key Management Personnel, where both FCOT’s financial performance and non-financial performance will be taken into consideration. The financial performance indicators in which the Key Management Personnel will be
CORPORATE GOVERNANCE

evaluated on comprise (i) FCOT’s net portfolio property income, (ii) Unitholder distribution, (iii) distribution per Unit and (iv) relative REIT unit price performance. These performance indicators are quantitative and objective measures of the Manager’s performance. The non-financial performance indicators in which the Key Management Personnel will be evaluated on include (i) FCOT’s business initiatives, (ii) strategic perspective, (iii) corporate sustainability and (iv) branding of FCOT. These qualitative performance indicators will align the Key Management Personnel’s performance with FCOT’s strategic objectives for the financial year.

Long-term incentives in the form of FCL share awards were granted to Key Management Personnel for FY2016. To align the interests of Key Management Personnel with the long-term interests of Unitholders, the grant of FCL share awards were based on various performance indicators, including individual performance based on the annual appraisal of the individual employees, FCOT’s performance, FCOT’s contribution to the FCL group and the performance of the Manager as part of the FCL group.

From the financial year beginning from 1 October 2016 onwards, the NRC will review the short-term and long-term incentives in the Key Management Personnel’s remuneration package to ensure its compliance with the substance and spirit of the directions and guidelines from the MAS.

Currently, the Manager does not have claw-back provisions which allow it to reclaim incentive components of remuneration from its key executive personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss.

Pursuant to MAS’ “Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management”, REIT managers are required to disclose (i) the remuneration of the CEO and each individual director on a named basis, and (ii) the remuneration of at least the top five executive officers (which shall not include the CEO and executive officers who are directors), on a named basis, in bands of S$250,000. The Board has assessed and decided against the disclosure of the remuneration of the CEO and executive officers on a named basis, whether in exact quantum or in bands of S$250,000, as well as the disclosure of the total remuneration paid to the top five key executive officers (who are not directors or the CEO), and believes that the interests of the Unitholders will not be prejudiced as a result of such non-disclosure, for the following reasons:

(i) competition for talent in the REIT management industry is very keen and the Manager has, in the interests of Unitholders, opted not to disclose the remuneration of its CEO and top five executive officers as this may give rise to recruitment and talent retention issues as well as the risk of unnecessary key management turnover;
(ii) the composition of the current management team has been quite stable and to ensure the continuity of business and operations of FCOT, it is important that the Manager continues to retain its team of competent and committed staff;
(iii) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosure could be prejudicial to the interests of Unitholders; and
(iv) there is full and frank disclosure of the total amount of fees paid to the Manager set out in the Financial Statements at page 190 and Interested Person Transactions at pages 212 to 213 of this Annual Report.

There were no employees of the Manager who are immediate family members of a Director or the CEO during FY2016.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Manager prepares the financial statements of FCOT in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 Reporting Framework for Unit Trusts (“RAP 7”) issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on CIS issued by the MAS and the provisions of the Trust Deed. RAP 7 requires the accounting principles to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards prescribed by the Accounting Standards Council. The Board, with the support of Management, is responsible for providing a balanced and understandable assessment of FCOT’s performance, position and prospects.
Financial reports are provided to the Board on a monthly basis. Quarterly and annual financial reports and other material information are disseminated to Unitholders through announcements released via SGXNET, and where applicable, media releases and analyst’s briefings. Such financial reports are reviewed by the Board before dissemination.

**Principle 11: Risk Management and Internal Controls**

The Manager has established a sound system of risk management and internal controls comprising procedures and processes to safeguard FCOT’s assets and Unitholders’ interests. The ARC Committee reviews and reports to the Board on the adequacy and effectiveness of such controls, including financial, compliance, operational and information technology controls, and risk management procedures and systems, taking into consideration the recommendations of both internal and external auditors.

**Internal Controls**

The ARC Committee, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Manager’s system of controls, including financial, compliance, operational and information technology controls. In assessing the effectiveness of internal controls, the ARC Committee ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

**Risk Management**

The Board, through the ARC Committee, reviews the adequacy and effectiveness of the Manager’s risk management framework to ensure that robust risk management and mitigating controls are in place. The Manager has adopted an enterprise-wide risk management ("ERM") framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Apart from the ERM process, key business risks are thoroughly assessed by Management and each significant transaction is comprehensively analysed so that Management understands the risks involved before it is embarked upon. An outline of the Manager’s ERM framework and progress report is set out on pages 89 to 90.

Periodic updates are provided to the ARC Committee on FCOT’s and the Manager’s risk profile. These updates would involve an assessment of FCOT’s and the Manager’s key risks by risk categories, its current status, the effectiveness of any mitigating measures taken, and the action plans undertaken by Management to manage such risks.

In addition to the ERM framework, a comfort matrix of key risks, by which relevant material financial, compliance and operational (including information technology) risks of FCOT and the Manager have been documented to assist the Board to assess the adequacy and effectiveness of the existing internal controls. The comfort matrix is prepared with reference to the strategies, policies, processes, systems and reporting processes connected with the management of such key risks and presented to the Board and the ARC Committee. Risk tolerance statements setting out the nature and extent of significant risks which the Manager is willing to take in achieving its strategic objectives have been formalised and adopted.

The Board has received assurance from the CEO and the Financial Controller of the Manager that as at 30 September 2016:

(a) the financial records of FCOT have been properly maintained and the financial statements for FY2016 give a true and fair view of FCOT’s operations and finances;

(b) the system of internal controls in place for FCOT is adequate and effective as at 30 September 2016 to address financial, operational, compliance and information technology risks which the Manager considers relevant and material to FCOT’s operations; and

(c) the risk management system in place for FCOT is adequate and effective as at 30 September 2016 to address risks which the Manager considers relevant and material to FCOT’s operations.
Opinion of the Board on Internal Controls and Risk Management Framework

Based on the internal controls established and maintained by the Manager, work performed by internal and external auditors, reviews performed by Management and the ARC Committee and assurance from the CEO and the Financial Controller of the Manager, the Board, with the concurrence of the ARC Committee, is of the opinion that the internal controls in place for FCOT, were adequate and effective as at 30 September 2016 to address financial, operational, compliance and information technology risks, which the Manager considers relevant and material to FCOT’s operations.

Based on the risk management framework established and assurance from the CEO and the Financial Controller of the Manager, the Board is of the view that the risk management system in place for FCOT was adequate and effective as at 30 September 2016 to address risks which the Manager considers relevant and material to FCOT’s operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Manager 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.

Principle 12: Audit Committee

The ARC Committee is governed by written terms of reference defining its scope of authority and in accordance with such terms, is authorised to investigate any matter in connection with FCOT and the Manager. The ARC Committee has full access to, and has the full cooperation of, Management, with full authority and discretion to invite any Director or employee of the Manager to attend its meetings. The ARC Committee is able to call upon the Manager’s resources to enable it to discharge its functions effectively.

The ARC Committee’s responsibilities include:

- reviewing and monitoring the effectiveness of the Manager’s internal controls, including financial, compliance and risk management controls and procedures;
- monitoring the integrity of financial information, including all quarterly and full year financial reports and audit reports;
- ensuring that procedures are in place for compliance with applicable rules and legislation, such as the Listing Manual, the Code on CIS including the Property Funds Appendix, and the SFA;
- reviewing the adequacy, independence, effectiveness, objectivity and fees of external auditors and recommending to the Board any replacement, appointment or reappointment of such external auditors;
- reviewing the adequacy and effectiveness of the internal audit function, including its resources, audit plans and the scope and effectiveness of the internal audit procedures; and
- reviewing interested person transactions to ascertain compliance with internal procedures and provisions of applicable laws and regulations.

In performing its functions, the ARC Committee meets with the internal and external auditors and reviews the internal and external audit plans for FCOT and the Manager and the assistance given by Management to the auditors. All audit findings and recommendations are presented to the ARC Committee for discussion. In addition, updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the ARC Committee periodically.
As at 30 September 2016, the ARC Committee comprises three Directors, all of whom are Independent Non-Executive Directors:

Chay Wai Chuen, Chairman
Dr Chua Yong Hai, Member
Tan Guong Ching, Member

The separation of the roles of the Chairman of the Board and the Chairman of the ARC Committee ensures greater independence of the ARC Committee in the discharge of its duties. This is also with a view to increasing its effectiveness in assisting the Board in the discharge of its statutory and other responsibilities in the areas of internal controls, financial and accounting matters, compliance and risk management.

Members of the ARC Committee collectively possess the accounting and related financial management, expertise and experience required for the ARC Committee to discharge its responsibilities and assist the Board in its oversight over Management in the design, implementation and monitoring of risk management and internal control systems.

**External Auditors**

KPMG LLP ("KPMG") was appointed pursuant to the approval of the Unitholders on 20 January 2016 as external auditors of FCOT in place of the retiring auditors, Ernst and Young LLP. The Manager confirms that FCOT complies with Rules 712 and 715 of the Listing Manual in relation to the appointment of KPMG as the external auditors of FCOT. The ARC Committee has conducted a review of all non-audit services provided by KPMG during the financial period. The ARC Committee is satisfied that given the nature and extent of non-audit services provided and the fees for such services, neither the independence nor the objectivity of KPMG is put at risk. For details of the fees paid to KPMG, please refer to Note 19 to the Financial Statements. KPMG has attended the ARC Committee meetings every quarter for FY2016, and where appropriate, has met with the ARC Committee without the presence of Management to discuss their findings, if any.

It is proposed that at the forthcoming FCOT Annual General Meeting, KPMG be re-appointed as the external auditors of FCOT and that the Manager be authorised to fix their remuneration.

**Whistle Blowing Policy**

A Whistle-Blowing Policy is in place to provide an avenue through which employees and any other persons may report in good faith and in confidence any concerns in financial and other matters, and for independent investigation of such matters and appropriate follow-up action. All whistle-blower complaints will be reviewed by the ARC Committee to ensure that investigations and follow-up actions are carried out, if needed.

**Principle 13: Internal Audit**

The Manager has in place an internal audit function ("IA") established within the FCL Group to independently examine the activities of the REIT Manager, focusing on the adequacy and effectiveness of internal controls, risk management and corporate governance processes.

The FCL Group IA Department is independent of the activities that it audits. The Head of Group IA, who is a Certified Fraud Examiner and a Fellow of The Institute of Singapore Certified Accountants (ISCA), CPA Australia and ACCA, reports directly to the Chairman of the Audit, Risk & Compliance ("ARC") Committee. The Head of Group IA and the IA staff are members of the Institute of Internal Auditors, Singapore and the FCL Group IA has adopted and complied with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors, Inc. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. All IA staff received relevant technical training and attended seminars organised by the Institute of Internal Auditors, Singapore or other professional bodies.

The FCL Group IA operates within the framework stated in the Terms of Reference as contained in the Internal Audit Charter approved by the ARC Committee. It adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of FCOT. Based on risk assessments performed, greater
focus and appropriate review intervals are set for higher risk activities and material internal controls. The audit scope also included review of compliance with the policies, procedures and regulatory responsibilities of FCOT and the Manager.

During the year, Group IA conducted its audit reviews based on the approved Internal Audit Plan. All audit reports detailing audit findings and recommendations are provided to Management who would respond on the actions to be taken. Each quarter, Group IA would submit to the ARC Committee a report on the status of the Audit Plan and on audit findings and actions taken by Management on such findings. Key findings are highlighted at the ARC Committee meetings for discussion and follow-up action. The ARC Committee monitors the timely and proper implementation of appropriate follow-up measures to be undertaken by Management.

The ARC Committee is satisfied that for FY2016, the internal audit function is adequately resourced and has appropriate standing within FCOT and the Manager to perform its functions effectively.

UNITHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Unitholder Rights
The Manager believes in treating all Unitholders fairly and equitably. It aspires to keep all Unitholders and other stakeholders and analysts in Singapore and beyond informed of FCOT’s activities, including changes (if any) in FCOT’s business which are likely to materially affect the price or value of its Units, in a timely and consistent manner.

Unitholders are also given the opportunity to participate effectively and vote at general meetings of FCOT, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated.

Principle 15: Communication with Unitholders
The Manager is committed to regular, effective and fair communication with its Unitholders. It has a dedicated investor relations team which handles communications with investors, the investment community, analysts and the media.

In FY2016, the Manager participated in 35 conferences, conference calls, meetings and non-deal roadshows and met with more than 130 investors and analysts in Bangkok, Hong Kong, Kuala Lumpur, Seoul, Singapore and Tokyo. These are excellent avenues for the Manager to keep investors updated on the latest performances, developments, strategies and outlook for FCOT. At the same time, the Manager is also able to understand the matters which are key to investors.

Briefings for analysts and luncheon for investors are generally held in conjunction with the release of FCOT’s half-year and full-year financial results. To ensure transparency, press releases and presentation slides are released to SGX-ST via SGXNET, and posted on FCOT’s website at www.fraserscommercialtrust.com. Both announcements through FCOT’s website and the SGXNET are the principal media of communication with Unitholders. Beginning from October 2016, FCOT provided a webcast of the presentation of FCOT’s full year results on the day of the results briefing for greater accessibility and transparency. Going forward, this will be provided for the half-year and annual results.

FCOT is also a signatory to the 2016 Corporate Governance Statement of Support organised by SIAS where FCOT has pledged its commitment to uphold high standards in corporate governance.

Principle 16: Conduct of Unitholder Meetings
A copy of the FCOT Annual Report is sent to all Unitholders. In compliance with the Code on CIS, an AGM is held after the close of each financial year allowing the Manager to present its report and interact with investors. At the AGM held during the year, Unitholders were invited to vote on each of the resolutions by poll, using an electronic voting system. This allowed all Unitholders present or represented at the meeting to vote on a per Unit, one vote basis. The voting result was screened at the meeting and announced to the SGX-ST after the meeting. As and when an EGM is convened, a circular will be sent to each Unitholder. The circular contains details of the matters proposed for Unitholders’ consideration and approval.
Board members and Management are in attendance at Unitholders’ meetings where Unitholders are given the opportunity to raise questions and clarify any issues they may have relating to the resolutions to be passed. The external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors’ report.

**Dealings in Units**
The Manager has adopted a Dealing Policy on securities trading which provides guidance with regard to dealings in the FCOT units by its Directors, officers and employees. Directors, officers and employees are prohibited from dealing in FCOT units:

- in line with the Listing Rule 1207(19)(c) on Dealings in Securities, two weeks before the date of announcement of quarterly financial statements and one month before the date of announcement of full-year results (“Prohibition Period”); and
- at any time while in possession of unpublished material or price sensitive information.

Directors, officers and employees are also directed to refrain from dealing in FCOT units on short-term considerations.

Prior to the commencement of the Prohibition Period, Directors, officers and employees will be reminded not to trade during this period or whenever they are in possession of unpublished price sensitive information. Outside of the Prohibition Period, any trades must be reported to the Board within 48 hours. Every quarter, each Director, officer or employee is required to complete and submit a declaration form to the Compliance Officer to report any trades he/she has made in FCOT units in the previous quarter and confirm that no trades were made during the Prohibition Period. A quarterly report will be provided to the ARC Committee. Any non-compliance with the Dealing Policy such as trading within the Prohibition Period will be reported to the ARC Committee for its review and instructions.

In compliance with the Dealing Policy in relation to the Manager, prior Board approval is required before the Manager deals or trades in any FCOT units. The Manager has undertaken that it will not deal in FCOT units:

- a) during the period commencing one month before the public announcement of FCOT’s annual results and (where applicable) property valuations and two weeks before the public announcement of FCOT’s quarterly results, or
- b) whenever it is in possession of unpublished material price sensitive information.

The Manager has also given an undertaking to the MAS that it will announce to the SGX-ST the particulars of its holdings in FCOT units and any changes thereto within two business days after the date on which it acquires or disposes of any FCOT units, as the case may be.

**Conflicts of Interest**
Procedures put in place to address potential conflicts of interest (including in relation to Directors, officers and employees) which may arise in managing FCOT include:

- The Manager is to be dedicated to managing FCOT and will not directly or indirectly manage other Reits, without first obtaining approval from MAS.
- All executive officers are to be employed by the Manager.
- All resolutions in writing of Directors in relation to matters concerning FCOT must be approved by a majority of the Directors, including at least one Independent Director.
- At least one-third of the Board shall comprise Independent Directors.
- On matters where FCL, its subsidiaries or shareholders have an interest (directly or indirectly), directors nominated by them shall abstain from voting. In such matters, the quorum must comprise a majority of Independent Directors and exclude nominee Directors of FCL and/or its subsidiaries.
- An interested Director is required to disclose his interest in any proposed transaction with FCOT and is required to abstain from voting on resolutions approving the transaction.
CORPORATE GOVERNANCE

In addition, FCOT has been granted a right of first refusal by FCL over completed income producing properties located in the Asia Pacific region used for commercial purposes (comprising primarily office and/or business space).

Interested Person Transactions
There is no general mandate obtained for interested person transactions ("IPTs" and each an "IPT"). All IPTs are undertaken on normal commercial terms and the Board, with the assistance of the ARC Committee, ensures that such IPTs are not prejudicial to the interests of FCOT and the minority Unitholders. This may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Code on CIS).

All IPTs are entered in a register maintained by the Manager. The internal audit plan includes a half-yearly review of all IPTs recorded in the register. The review includes the examination of the nature of the IPTs and its supporting documents or such other data deemed necessary by the ARC Committee. The ARC Committee reviews the internal audit reports to ascertain that internal procedures and the relevant provisions of the Listing Manual and the Code on CIS are complied with by Management in its dealings on IPTs. British and Malayan Trustees Limited, in its capacity as trustee of FCOT (the “Trustee”), has the right to review any such relevant internal audit reports to ascertain that the requirements under the Code on CIS have been complied with.

Directors interested in a proposed IPT to be entered into by FCOT are required to abstain from any deliberations or decisions in relation to that IPT.

Any IPT proposed to be entered into between FCOT and an interested person, would require the Trustee to satisfy itself that such IPT is conducted on normal commercial terms, is not prejudicial to the interests of FCOT and its Unitholders, and is in accordance with all applicable requirements of the Code on CIS and the Listing Manual.
**ADDITIONAL DISCLOSURE ON FEES PAYABLE TO THE MANAGER**

Pursuant to the Trust Deed, the Manager is entitled to receive the following fees:

<table>
<thead>
<tr>
<th>Type of Fee</th>
<th>Computation and Form of Payment</th>
<th>Rationale and Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Fee</strong></td>
<td>Pursuant to Clauses 15.2(a)(1) and 15.3 of the Trust Deed, the Manager is entitled to receive a Base Fee at the rate of not more than 0.5% per annum of the Value of FCOT’s Assets which comprise Real Estate. The Base Fee is payable calendar quarterly in arrears, in the form of cash and/or Units as the Manager may elect.</td>
<td>The base fee is payable to the Manager for managing FCOT’s business in accordance with the Trust Deed for the benefit of Unitholders, which includes setting the strategic direction of FCOT in accordance with its stated investment strategies, as well as for related costs and expenses of the Manager including operational and administrative overheads. The base fee is calculated at a fixed percentage of real estate asset value as the scope of the Manager’s duties is commensurate with the size of FCOT’s asset portfolio.</td>
</tr>
<tr>
<td><strong>Performance Fee</strong></td>
<td>Pursuant to Clauses 15.2(a)(2) and 15.4 of the Trust Deed, the Manager is entitled to receive a Performance Fee at the rate of 3.5% per annum of the Net Real Estate Income less the Base Fee for the relevant financial year. The Performance Fee is payable in the form of cash and/or Units as the Manager may elect. With effect from 1 October 2016, the Performance Fee shall be paid annually, in compliance with the Property Funds Appendix.</td>
<td>The performance fee, which is based on Net Real Estate Income, aligns the interests of the Manager with Unitholders as the Manager is incentivised to proactively focus on improving rentals and optimising the operating costs and expenses of FCOT’s properties. Linking the Performance Fee to Net Real Estate Income will also motivate the Manager to ensure the long-term sustainability of the assets instead of taking on excessive short-term risks to the detriment of Unitholders.</td>
</tr>
<tr>
<td><strong>Acquisition Fee</strong></td>
<td>Pursuant to Clauses 15.2(a)(3) and 15.5 of the Trust Deed, the Manager is entitled to receive an Acquisition Fee of not more than 1.0% of the acquisition price of any Real Estate purchased by the Trustee for FCOT (pro-rated if applicable to the proportion of the interest of FCOT in the asset acquired). Subject to the Property Funds Appendix, the Acquisition Fee is payable as soon as practicable after completion of the acquisition in the form of cash and/or Units as the Manager may elect.</td>
<td>The Acquisition Fee and Divestment Fee seek to motivate and compensate the Manager for the time, cost and effort spent (in the case of an acquisition) in sourcing, evaluating and executing potential opportunities to acquire new properties to further grow FCOT’s asset portfolio or, (in the case of a divestment) in rebalancing and unlocking the underlying value of the existing properties. The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of FCOT.</td>
</tr>
<tr>
<td><strong>Divestment Fee</strong></td>
<td>Pursuant to Clauses 15.2(a)(4) and 15.5 of the Trust Deed, the Manager is entitled to receive a Divestment Fee of not more than 0.5% of the sale price of any Real Estate sold or divested by the Trustee (pro-rated if applicable to the proportion of the interest of FCOT in the asset sold). Subject to the Property Funds Appendix, the Divestment Fee is payable as soon as practicable after completion of the sale or disposal in the form of cash and/or Units as the Manager may elect.</td>
<td>The Acquisition Fee is higher than the Divestment Fee because there is additional work required to be undertaken in terms of sourcing, evaluating and conducting due diligence for an acquisition, as compared to a divestment.</td>
</tr>
</tbody>
</table>
### CORPORATE GOVERNANCE

<table>
<thead>
<tr>
<th>Guideline</th>
<th>Questions</th>
<th>How has the Company complied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General</td>
<td>Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.</td>
<td>Please refer to the disclosures and references in this table for the specific deviations from the Code.</td>
</tr>
<tr>
<td>2. General</td>
<td>In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?</td>
<td>The Manager has adopted alternative corporate governance practices which reflect the fact that the Manager itself is not a listed entity but that the entity which it manages, Frasers Commercial Trust (&quot;FCOT&quot;), is listed and managed externally by the Manager.</td>
</tr>
</tbody>
</table>

#### Board Responsibility

3. **Guideline 1.5** What are the types of material transactions which require approval from the Board? Please refer to page 129 of this Annual Report.

4. **Guideline 2.6** What is the Board’s policy with regard to diversity in identifying director nominees? Please refer to pages 129 – 131 of this Annual Report.

5. Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate. Please refer to pages 129 – 131 of this Annual Report.

6. What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness? Please refer to pages 129 – 131 of this Annual Report.

7. **Guideline 4.6** Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors. Please refer to pages 129 – 131 of this Annual Report. No new directors were appointed or re-elected in the financial period.

8. **Guideline 1.6** Are new directors given formal training? If not, please explain why. Yes. Please refer to page 128 of this Annual Report.

9. **Guideline 4.4** What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number? No maximum number has been prescribed.

10. **Guideline 4.4** What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number? No maximum number has been prescribed.

11. If a maximum number has not been determined, what are the reasons? Please refer to page 131 of this Annual Report.

12. What are the specific considerations in deciding on the capacity of directors? Please refer to page 131 of this Annual Report.

#### Members of the Board

13. **Guideline 5.1** What was the process upon which the Board reached the conclusion on its performance for the financial year? Please refer to page 131 of this Annual Report.

### Independence of Directors

<table>
<thead>
<tr>
<th>Guideline</th>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.</td>
<td>Yes. Please refer to pages 129 – 130 of this Annual Report.</td>
</tr>
<tr>
<td>2.3</td>
<td>Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.</td>
<td>None.</td>
</tr>
<tr>
<td>9.2</td>
<td>Has the Company disclosed each director's and the CEO’s remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance related income/bonuses, benefits –in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td>
<td>The fees paid to all the directors for the financial year have been disclosed. Please refer to pages 133 – 134 of this Annual Report.</td>
</tr>
<tr>
<td>9.3</td>
<td>Has the Company disclosed each Key Management Personnel’s remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td>
<td>Please refer to pages 133 – 134 of this Annual Report.</td>
</tr>
<tr>
<td>9.4</td>
<td>Please disclose the aggregate remuneration paid to the top Key Management Personnel (who are not directors or the CEO).</td>
<td>Please refer to pages 133 – 134 of this Annual Report.</td>
</tr>
</tbody>
</table>

### Disclosure on Remuneration

<table>
<thead>
<tr>
<th>Guideline</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.4</td>
<td>Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.</td>
</tr>
<tr>
<td>Guideline</td>
<td>Question</td>
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<tr>
<td>9.6</td>
<td>Please describe how the remuneration received by executive directors and Key Management Personnel has been determined by the performance criteria.</td>
</tr>
<tr>
<td>24.</td>
<td>What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?</td>
</tr>
<tr>
<td>25.</td>
<td>Were all of these performance conditions met? If not, what were the reasons?</td>
</tr>
<tr>
<td>6.1</td>
<td>What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</td>
</tr>
<tr>
<td>13.1</td>
<td>Does the Company have an internal audit function? If not, please explain why</td>
</tr>
<tr>
<td>11.3</td>
<td>In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board’s view on the adequacy and effectiveness of the Company’s internal controls and risk management systems.</td>
</tr>
<tr>
<td>23.</td>
<td>In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?</td>
</tr>
<tr>
<td>12.6</td>
<td>Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year</td>
</tr>
<tr>
<td>13.1</td>
<td>If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee’s view on the independence of the external auditors</td>
</tr>
<tr>
<td>15.4</td>
<td>Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?</td>
</tr>
<tr>
<td>15.5</td>
<td>If the Company is not paying any dividends for the financial year, please explain why.</td>
</tr>
</tbody>
</table>