

CORPORATE GOVERNANCE

The Manager of MIT is responsible for the strategic direction and management of the assets and liabilities of MIT 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 MIT and its unitholders (“Unitholders”), in accordance with the applicable laws and regulations as well as the trust deed constituting MIT (the “Trust Deed”). To this end, the Manager sets the strategic direction of the Group and gives recommendations to DBS Trustee Limited, in its capacity as trustee of MIT (the “Trustee”), on the acquisition, divestment and enhancement of assets of the Group.

The Manager’s roles and responsibilities include:

- carrying out and conducting the Group’s business in a proper and efficient manner and conducting all transactions with or for the Group on an arm’s length basis and on normal commercial terms;
- 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 MIT’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, the Singapore Code on Takeovers and Mergers, the Trust Deed, the conditions of the CMS Licence and any tax rulings.

The Manager is committed to complying with the substance and spirit of the Code of Corporate Governance 2012 (the “Code”). The following describes the main corporate governance policies and practices of the Manager with reference to the Code and, where there are any deviations from the

principles and guidelines of the Code, provides explanations for such deviations.

(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 which is 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 Group;
- 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.

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 nine Directors, of whom eight are Non-Executive Directors and five are Independent Directors.

The following sets out the composition of the Board:

- Mr Wong Meng Meng, Chairman and Non-Executive Director;
- Mr Soo Nam Chow, Chairman of the Audit and Risk Committee and Independent Non-Executive Director;
- Mr John Koh Tiong Lu, Member of the Audit and Risk Committee and Lead Independent Non-Executive Director;
- Mr Seah Choo Meng, Member of the Audit and

CORPORATE GOVERNANCE

- Risk Committee and Independent Non-Executive Director;
- Mr Wee Joo Yeow, Chairman of the Nominating and Remuneration Committee and Independent Non-Executive Director;
 - Ms Mary Yeo Chor Gek, Member of the Nominating and Remuneration Committee and Independent Non-Executive Director;
 - Mr Hiew Yoon Khong, Member of the Nominating and Remuneration Committee and Non-Executive Director;
 - Mr Wong Mun Hoong, Non-Executive Director; and
 - Mr Tham Kuo Wei, Executive Director and Chief Executive Officer.

The Board comprises business leaders and distinguished professionals with financial, banking, fund management, real estate, legal, investment 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 for the business of the Group. The profiles of the Directors are set out in pages 18 to 21 of this Annual Report. The Board is of the view that the present principal directorships included in their individual profiles are sufficient in informing 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.

The meeting attendance of the Board and the AC for FY15/16 is as follows:

		Board	Audit and Risk Committee
Number of Meetings Held in FY15/16		5	5
Board Members	Membership		
Mr Wong Meng Meng (Appointed on 7 September 2010) (Last reappointment on 26 September 2014)	Chairman and Non-Executive Director	5	N.A. ⁽¹⁾
Mr Soo Nam Chow (Appointed on 7 September 2010) (Last reappointment on 26 September 2014)	Chairman of the Audit and Risk Committee and Independent Non-Executive Director	5	5
Mr John Koh Tiong Lu (Appointed on 7 September 2010) (Last reappointment on 26 September 2014)	Member of the Audit and Risk Committee and Lead Independent Non-Executive Director	5	5
Mr Seah Choo Meng (Appointed on 7 September 2010) (Last reappointment on 29 September 2015)	Member of the Audit and Risk Committee and Independent Non-Executive Director	5	5
Mr Wee Joo Yeow (Appointed on 7 September 2010) (Last reappointment on 29 September 2015)	Chairman of the Nominating and Remuneration Committee and Independent Non-Executive Director	5	N.A. ⁽¹⁾
Ms Mary Yeo Chor Gek (Appointed on 15 March 2013) (Last reappointment on 18 September 2013)	Member of the Nominating and Remuneration Committee and Independent Non-Executive Director	5	N.A. ⁽¹⁾
Mr Hiew Yoon Khong (Appointed on 7 September 2010) (Last reappointment on 18 September 2013)	Member of the Nominating and Remuneration Committee and Non-Executive Director	5	N.A. ⁽¹⁾
Mr Wong Mun Hoong (Appointed on 7 September 2010) (Last reappointment on 29 September 2015)	Non-Executive Director	5	5 ⁽²⁾

		Board	Audit and Risk Committee
Number of Meetings Held in FY15/16		5	5
Board Members	Membership		
Mr Tham Kuo Wei (Appointed on 23 July 2010) (Last reappointment on 18 September 2013)	Executive Director and Chief Executive Officer	5	5 ⁽²⁾

- Notes:
- ⁽¹⁾ N.A. means not applicable.
 - ⁽²⁾ Attendance was by invitation.

As the NRC was established recently in the fourth quarter of FY15/16, the NRC held its first meeting in the first quarter of FY16/17.

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 to be undertaken by the Group, 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.

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. The Board is updated on any material change to relevant laws,

regulations and accounting standards by way of briefings by professionals or by updates issued by Management. Individual Directors are also afforded opportunities for continuing education in relevant areas, so as to enhance their performance as directors.

BOARD COMPOSITION AND GUIDANCE

Principle 2: Strong and independent element on the Board

Our Policy and Practices

The Manager adopts the principle that at least one-third of its Directors shall be independent if the Chairman is an independent director and at least half of its Directors shall be independent if the Chairman is not an independent director, and the majority of its Directors shall be non-executive. The Manager believes a board composition with a strong and independent element 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. 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.

For FY15/16, 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 have been reviewed by the NRC.

CORPORATE GOVERNANCE

Based on a review of the relationships between the Directors and the Group and declarations of independence by the Independent Directors, the Board considers the following Directors to be independent:

- Mr Soo Nam Chow;
- Mr John Koh Tiong Lu;
- Mr Seah Choo Meng;
- Mr Wee Joo Yeow; and
- Ms Mary Yeo Chor Gek.

In view of the above, more than half of the Board comprises Independent Directors, which is in line with the Code that provides that independent directors should make up at least half of the Board where the Chairman of the Board is not an independent director.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Clear division of responsibilities

Our Policy and Practices

The Manager adopts the principle of clear separation of the roles and responsibilities between the Chairman of the Board and the CEO of the Manager. The Chairman guides the Board in constructive debates on the Group's strategic direction, management of its assets and governance matters. He is non-executive and is free to act objectively in the best interests of the Manager and Unitholders.

The Chairman and the CEO are not related to each other. The CEO is responsible for the running of the Group's business operations. He has full executive responsibilities over the business and operational decisions of the Group. The CEO is also responsible for ensuring the Group's and the Manager'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 Guideline 3.3 of the Code, Mr John Koh Tiong Lu has been appointed as the Lead Independent Director of the Manager with effect from 26 January 2016. The principal responsibilities of the Lead Independent 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 unitholder concerns when other channels of communication through the Chairman or CEO are inappropriate.

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 NRC in January 2016 and prior to that, the functions of a nominating committee were undertaken by the Board. The NRC comprises three Directors, being Mr Wee Joo Yeow, Ms Mary Yeo Chor Gek and Mr Hiew Yoon Khong, all non-executive and the majority of whom (including the Chairman) independent. Mr Wee Joo Yeow is the Chairman of the NRC. Although Mr John Koh Tiong Lu, the Lead Independent Director of the Manager, is not a member of the NRC, the Manager is of the view that the existing NRC (based on the experience and credentials of its members) will be able to discharge its functions effectively and it will not be necessary for the Lead Independent Director to be a member of the NRC.

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 senior management executives of the Manager, as well as the succession plan and framework for the Executive Director and CEO and senior management executives of the Manager;
- training and professional development programmes for the Board;
- the process for evaluating Board performance; 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 guidelines of the Code as well as any other applicable regulations and guidelines and salient factors.

The composition of the Board is determined using 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; and
- at least one-third of the Board should comprise independent directors if the Chairman is an independent director and at least half of the Board should comprise independent directors if the Chairman is not an independent director.

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 FY15/16 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 carry out their duties as Director notwithstanding their principal commitments.

All appointments and resignations of Board members are approved by the Board. From January 2016, with the establishment of the NRC, such appointments and resignations of Board members must first be approved by the NRC. As a principle of good corporate governance, all Board members are required to submit themselves for re-nomination and re-election at regular intervals. The CEO, as a Board member, is also subject to retirement and re-election.

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 confidential board effectiveness surveys on a bi-yearly basis. The last effectiveness survey of the Board and the AC was undertaken in April 2014 (but not for the NRC as it was only established in January 2016), with the findings evaluated by the Board in July 2014. Based on those findings, the Board was of the view that it had met its performance objectives.

The Manager has started conducting board effectiveness surveys for the Board and the AC in 2016, with the assistance of the NRC. To this end, the NRC will assist the Board in (amongst other things) the assessment of the effectiveness of the Board, by reviewing and making recommendations to the Board.

ACCESS TO INFORMATION

Principle 6: Complete, adequate and timely access to information

Our Policy and Practices

The Manager adopts the principle that the Board shall be provided 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.

The Board has separate and independent access to Management and the Company Secretary.

CORPORATE GOVERNANCE

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 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.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: Formal and transparent procedure for fixing the remuneration of Directors

LEVEL AND MIX OF REMUNERATION

Principle 8: Appropriate level of remuneration

DISCLOSURE ON REMUNERATION

Principle 9: Clear disclosure of remuneration matters

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.

In January 2016, the Board established an NRC which comprises three Directors, being Mr Wee Joo Yeow, Ms Mary Yeo Chor Gek and Mr Hiew Yoon Khong, all non-executive and the majority of whom (including the Chairman) independent. Mr Wee Joo Yeow is the Chairman of the NRC.

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

- the framework of remuneration for the Directors, Executive Director and CEO and senior management executives 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 Executive Director and CEO of the Manager; and
- the termination payment, gratuities, severance payment and other similar payments to the Executive Director and CEO of the Manager.

As the NRC was established recently in the fourth quarter of FY15/16, for FY15/16, the Manager, as a subsidiary of Mapletree Investments Pte Ltd who is the sponsor of MIT (the "Sponsor"), took reference from the remuneration policies and practices of the Sponsor in determining the remuneration of the Manager's Board and key executives, and the Sponsor's Executive Resources and Compensation Committee (the "Sponsor's ERCC") served the crucial role of helping to ensure that the Manager could recruit and retain the best talent to drive its business forward. In deciding to refer to the Sponsor's remuneration policies and practices which are overseen by the Sponsor's ERCC, the Manager had carefully considered the suitability of such policies and practices, and deemed them to be appropriate taking into account the circumstances of the Manager and the Group as well as the benefits of tapping into the Sponsor's compensation framework.

From FY16/17 onwards, the NRC, in performing the functions of a remuneration committee, will support the Board in the Manager's remuneration matters in accordance with the NRC's written terms of reference. In this regard and following the new directions and guidelines from the MAS on the remuneration of directors and key executive officers of REIT managers, 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.

The members of the Sponsor's ERCC are:

- Mr Edmund Cheng Wai Wing (Chairman);
- Mr Paul Ma Kah Woh (Member); and
- Ms Chan Wai Ching, Senior Managing Director, Temasek International Pte. Ltd. (Co-opted Member).

All the members of the Sponsor's ERCC are independent of Management. During FY15/16, the Sponsor's ERCC oversaw executive compensation and development of the management bench strength, so as to build a capable and dedicated management team and give guidance on progressive policies which could attract, motivate and retain a pool of talented executives for the present and future growth of the Manager.

Specifically, up to and for FY15/16, the Sponsor's ERCC, with the assistance of compensation consultants where necessary:

- established compensation policies for key executives;
- approved salary reviews, bonuses and incentives for key executives;
- approved key appointments and reviewed succession plans for key positions; and
- oversaw the development of key executives and younger talented executives.

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 motivate the Directors to provide good stewardship of the Manager and the Group;
- directors' fees are established annually and subject to the approval of the Manager's shareholder;
- each Director is paid a basic fee and, in addition, to ensure that each Director's fees are commensurate with his or her responsibilities

and time spent, 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 his capacity as a Director; and
- no Director is involved in deciding his or her own remuneration.

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 and the Group.

Directors' fees are paid entirely in cash. In respect of the CEO's remuneration, his compensation comprises a salary, allowances, bonuses and share appreciation awards from the Sponsor. The latter is conditional upon him meeting certain performance targets. The CEO is not present during the discussions relating to his own compensation and terms and conditions of service, and the review of his performance. However, the Board reviews the CEO's performance and shares with the CEO their views of his performance. In accordance with the directions and guidelines from the MAS on the remuneration of key executive officers of REIT managers, the Board will, with the assistance of the NRC, review 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 from the fees which it receives from MIT and not paid by MIT. The Manager has set out in the table below information on the fees paid to the Directors for FY15/16:

CORPORATE
GOVERNANCE

Board Members	Membership	Fees Paid for FY15/16
Mr Wong Meng Meng	Chairman and Non-Executive Director	S\$115,000.00
Mr Soo Nam Chow	Chairman of the Audit and Risk Committee and Independent Non-Executive Director	S\$95,000.00
Mr John Koh Tiong Lu	Member of the Audit and Risk Committee and Lead Independent Non-Executive Director	S\$82,500.00
Mr Seah Choo Meng	Member of the Audit and Risk Committee and Independent Non-Executive Director	S\$82,500.00
Mr Wee Joo Yeow	Chairman of the Nominating and Remuneration Committee and Independent Non-Executive Director	S\$55,000.00 ⁽¹⁾
Ms Mary Yeo Chor Gek	Member of Nominating and Remuneration Committee and Independent Non-Executive Director	S\$55,000.00 ⁽¹⁾
Mr Hiew Yoon Khong	Member of Nominating and Remuneration Committee and Non-Executive Director	Nil ⁽²⁾
Mr Wong Mun Hoong	Non-Executive Director	Nil ⁽²⁾
Mr Tham Kuo Wei	Executive Director and Chief Executive Officer	Nil ⁽³⁾

Notes:

⁽¹⁾ This excludes director's fees for serving on the NRC. No such director's fees were paid for FY15/16.

⁽²⁾ Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors.

⁽³⁾ The CEO does not receive any director's fees in his capacity as a Director.

The Manager is cognisant of the requirement in 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; and (b) the remuneration of at least its top five executive officers (other than the CEO and executive officers who are Directors), on a named basis, in bands of S\$250,000. The Manager is also cognisant of the requirement of the Code to disclose in aggregate the total remuneration paid to its top five key management personnel (who are not Directors or the CEO).

The Board had assessed and decided against the disclosure of: (a) the remuneration of the CEO and its top five executive officers on a named basis, whether in exact quantum or in bands of S\$250,000; and (b) the aggregate remuneration paid to its top five key management personnel, for the following reasons:

- the REIT management industry is highly competitive and the pool of qualified candidates is limited, and such disclosure may give rise to recruitment and talent retention issues for the Manager because of the possibility of poaching by other competitors. Given that the retention

of the Manager's CEO and key management personnel is crucial to the continuity and stability of the Group's business and operations, the Board is of the view that the loss of talent at the Management level due to poaching may cause undue disruptions to the management of the Group's business;

- remuneration matters for the CEO and each of the executive officers are highly confidential and sensitive matters; and
- the remuneration of the Manager's CEO and employees is paid out of the fees which the Manager receives from MIT and such fees payable to the Manager have already been disclosed in this Annual Report.

In this regard, the Board is of the view that the non-disclosure of the remuneration of the CEO and its top five key executive officers whether on an individual or aggregate basis, would not prejudice the interests of Unitholders.

There were no employees of the Manager who were immediate family members of a Director or the CEO of the Manager and whose remuneration exceeded S\$50,000 during FY15/16.

(C) ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: Balanced and understandable assessment of the company's performance, position and prospects

Our Policy and Practices

The Manager adopts the principle that to build confidence among stakeholders, there is a need to deliver sustainable value.

The Manager complies with statutory and regulatory requirements and adopts best practices in the Group's business processes. The Manager also updates the Board on the Group's performance and its business and market outlook on a regular basis, so as to enable the Board to make a balanced and informed assessment of the Group's performance, financial position and prospects.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: 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 control 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 control and risk management objectives.

The key elements of the Group's internal control 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 Resources, 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.

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 promote accountability, control and risk ownership to cultivate a strong sense of risk awareness and compliance with internal controls within the Group.

The Internal Audit function, which is outsourced to the Sponsor, reviews the Group's compliance with the control 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

CORPORATE GOVERNANCE

any suspected improper conduct, including possible financial irregularities, while protecting the whistle-blowers from reprisals. The AC Chairman is notified of any reported incidents involving the Group or the Manager and, if further investigations are warranted, the AC Chairman may direct that independent investigations be conducted. The findings of such investigations are then provided to the AC for their deliberation and determination of the appropriate follow-up action to be taken.

Risk Management

Risk management is an integral part of business management by the Manager. In order to safeguard and create value for Unitholders, the Manager proactively manages risks and incorporates 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 enables the Manager to assess, mitigate and monitor key risks. The Risk Management Department reports to the AC and the Board independently, on a quarterly basis, on key risk exposures, portfolio risk profile and activities in respect of significant risk matters.

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 MIT's business, and established corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The Risk Management function works closely with the Manager to review and enhance the risk management system to be in line with market practices and regulatory requirements.

The Manager's policies and procedures relating to risk management can be found on pages 87 to 89 of this Annual Report.

Information Technology ("IT") Controls

As part of the Group's risk management process, IT controls have been put in place and are periodically

reviewed to ensure that IT risks and cyber-security threats are identified and mitigated. In addition, as part of the Manager's business continuity plan, IT disaster recovery planning and tests are conducted to ensure that critical IT systems remain functional in a crisis situation.

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 in connection with the preparation of the Group's financial statements which are presented to the AC and Board quarterly. 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 Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" and are reported to Unitholders quarterly 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 97 to 151 of this Annual Report.

Financial Management

Management reviews the performance of the MIT portfolio properties on a monthly basis in order to maintain the financial and operational discipline of the Group.

The key financial risks which the Group is exposed to include interest 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 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 69 to 70 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 ("IA") 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 IA 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. In doing so, the IA obtains reasonable assurance that business objectives for the process 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 IA monitors and reports on the timely implementation of the action plans to Management and the AC on a quarterly basis.

The external auditors 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 Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (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 and the Board. 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 and the Board (which may, as they deem 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.

The interested person transactions undertaken by the Group in FY15/16 are set out on page 154 of this Annual Report. For the purpose of the disclosures, the full contract sum is taken as the

CORPORATE GOVERNANCE

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 MIT 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 MIT and are also provided with disclosures of interests by other Directors as well as reminders on trading restrictions.

On trading in MIT units, the Directors and employees of the Manager are reminded not to deal in MIT units on short term considerations and are prohibited from dealing in MIT 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 MIT units or of changes in the number of MIT 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 MIT units.

Role of the Board and AC

The Board recognises the importance of maintaining a sound internal control 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 risks, accounting policies and the adequacy and effectiveness of the Group's internal control and

risk management system as well as its compliance system.

The Board and the AC also take into account the results from the Control Self-Assessment programme, which requires the respective departments of the Manager to review and report on compliance with their key control processes.

It should be recognised that all internal control and risk management systems contain inherent limitations and take into account the need to balance the costs of implementing such controls against the benefit of such controls. Accordingly, the internal control and risk management systems can only provide reasonable but not absolute assurance.

The Board has received assurance from the CEO and the CFO that: (a) 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; and (b) the Group's internal control and risk management systems are effective.

Opinion on Internal Controls

Based on the internal control 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 assurance from the CEO and the CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's internal control 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 environment as at 31 March 2016.

AUDIT AND RISK COMMITTEE

Principle 12: Written terms of reference

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 must be independent.

The AC consists of three members. They are:

- Mr Soo Nam Chow, Chairman;
- Mr John Koh Tiong Lu, Member; and
- Mr Seah Choo Meng, Member.

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

- review of annual internal and external audit plans;
- examination of interested person transactions;
- review of audit findings of internal and external auditors as well as management responses to them;
- evaluation of the nature and extent of non-audit services performed by external auditors. In this regard, for the financial year ended 31 March 2016, MIT paid S\$122,200.00 to the external auditors PricewaterhouseCoopers LLP ("PwC") for audit services. There were no payments made for any non-audit services;
- review of the quality and reliability of information prepared for inclusion in financial reports;
- recommendation of the appointment and re-appointment of external auditors; and
- approval of the remuneration and terms of engagement of external auditors.

In addition, the AC also:

- 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), significant comments and recommendations; and
- reviews and, if required, investigates the matters reported via the whistle-blowing mechanism, by which staff 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.

A total of five AC meetings were held in FY15/16.

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

Principle 13: Independent internal audit function

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

The role of IA 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. The AC also meets with the Head of IA at least once a year without the presence of Management.

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

CORPORATE GOVERNANCE

The IIA Standards cover requirements on:

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

IA staff involved in IT 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 be applied in IT audits.

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

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 IA was completed in January 2013 and the QAR concluded that the Sponsor’s Internal Audit Department was in conformance with the IIA Standards.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: Fair and equitable treatment of all shareholders

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Regular, effective and fair communication with shareholders

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Greater shareholder participation at annual general meetings

Our Policy and Practices

The Manager adopts the principle that all Unitholders should be treated fairly and equitably and their ownership rights arising from their unitholdings should be recognised.

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.

All Unitholders are entitled to receive the annual report in digital format packaged in a compact disc with the option of receiving a printed version. The annual report encloses a notice of annual general meeting and a proxy form with instructions on the appointment of proxies. The notice of annual general meeting for each annual general meeting is also published via SGXNET. 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.

Similarly, 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.

Each resolution proposed at an annual general meeting and any other general meeting will be voted on by way of electronic polling. 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.

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.

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 MIT’s website.

Investors can subscribe to email alerts of all announcements and press releases issued by

MIT through its website. “Live” webcast of analyst briefings are conducted, where practicable.

The Manager also communicates with MIT’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.

MIT’s distribution policy is to distribute at least 90% of its taxable income, comprising substantially its income from the letting of its properties and related property service income after deduction of allowable expenses, and such distributions are typically paid on a quarterly basis. For FY15/16, MIT made four distributions to Unitholders.

(E) ADDITIONAL DISCLOSURE ON FEES PAYABLE TO THE MANAGER

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

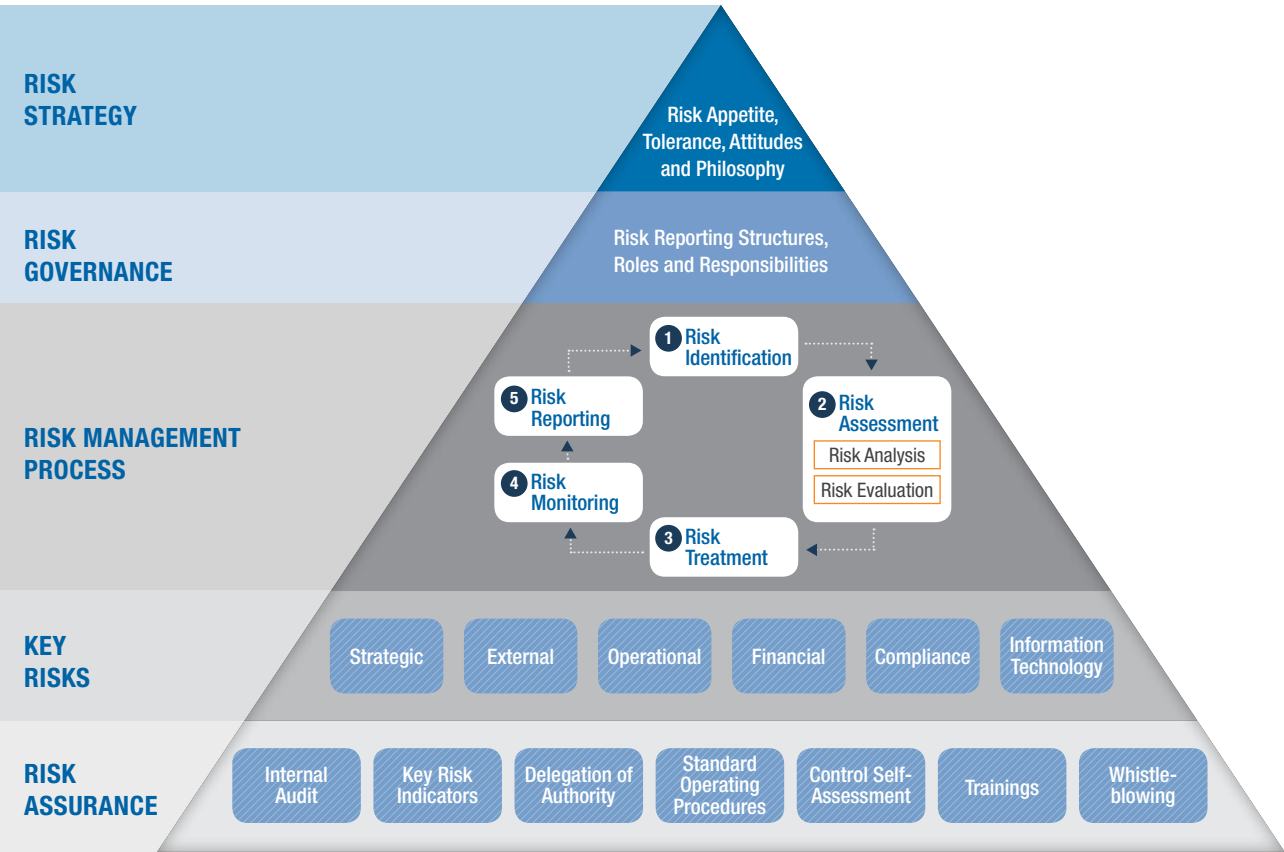
Type of Fee	Clause of Trust Deed, Computation and Form of Payment	Rationale and Purpose
Base Fee	<p>Pursuant to Clause 15.1.1, the Manager is entitled to receive a Base Fee of 0.5% per annum of the Value of the Deposited Property or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.</p> <p>The Base Fee is payable in the form of cash and/or Units.</p> <p>Where the Base Fee is paid in cash, the amounts can be paid monthly, in arrears. Where the Base Fee is paid in the form of Units, the amounts are paid quarterly in arrears.</p>	<p>The Base Fee compensates the Manager for discharging its core responsibility of managing MIT and covers the costs incurred in managing MIT, which includes overheads, day-to-day operational costs, compliance, monitoring and reporting costs and administrative expenses.</p>
Performance Fee	<p>Pursuant to Clause 15.1.2, the Manager is entitled to receive a Performance Fee of 3.6% per annum of the Net Property Income in the relevant Financial Year or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.</p> <p>The Performance Fee is payable in the form of cash and/or Units.</p> <p>The Performance Fee for FY16/17 and thereafter shall be paid annually, in compliance with the Property Funds Appendix.</p>	<p>The Performance Fee which is based on the Net Property Income creates long-term value and prospects for Unitholders by incentivising the Manager to proactively focus on improving rentals and optimising operating costs of MIT’s properties. Linking the performance-based element of the Manager’s Management Fee to Net Property Income motivates the Manager to continuously focus on delivering core sustainable income streams from MIT’s properties and take a long-term view when conceptualising and implementing asset enhancement initiatives for the properties (instead of taking excessive risks for short-term gains to the detriment of Unitholders).</p> <p>The Net Property Income is also an objective, transparent and easy-to-understand performance indicator which is reported in MIT’s quarterly results announcements.</p>

CORPORATE
GOVERNANCE

Type of Fee	Clause of Trust Deed, Computation and Form of Payment	Rationale and Purpose
Acquisition Fee	<p>Pursuant to Clause 15.2.1(i), the Manager is entitled to receive an Acquisition Fee not exceeding 1.0% of the acquisition price of Real Estate or Real Estate Related Assets acquired directly or indirectly, through one or more Special Purpose Vehicles, pro-rated if applicable to the proportion of MIT's interest. For the purposes of this Acquisition Fee, Real Estate Related Assets include all classes and types of securities relating to Real Estate.</p> <p>Subject to the Property Funds Appendix, the Acquisition Fee is payable in the form of cash and/or Units as soon as practicable after completion of the acquisition.</p>	<p>The Acquisition Fee and Divestment Fee seek to motivate the Manager to continuously (in the case of acquisitions) pursue inorganic growth through quality yield-accretive acquisitions and (in the case of divestments) review MIT's property portfolio for asset-recycling opportunities, and compensate the Manager for the time, effort and resources expended (in the case of acquisitions) in sourcing for, evaluating and executing acquisition opportunities and (in the case of divestments) in rebalancing and unlocking the underlying value of existing properties.</p> <p>The Manager provides these services over and above ongoing management services with the aim of optimising returns to Unitholders.</p> <p>The rate for the Acquisition Fee is higher than that of the Divestment Fee, so as to take into account the additional work to be undertaken by the Manager for an acquisition when compared to a divestment.</p>
Divestment Fee	<p>Pursuant to Clause 15.2.1(ii), the Manager is entitled to receive a Divestment Fee not exceeding 0.5% of the sale price of Real Estate or Real Estate Related Assets disposed directly or indirectly, through one or more Special Purpose Vehicles, pro-rated if applicable to the proportion of MIT's interest. For the purposes of this Divestment Fee, Real Estate Related Assets include all classes and types of securities relating to Real Estate.</p> <p>Subject to the Property Funds Appendix, the Divestment Fee is payable in the form of cash and/or Units as soon as practicable after completion of the divestment.</p>	
Development Management Fee	<p>Pursuant to Clause 15.6 of the Trust Deed, the Manager is entitled to receive a Development Management Fee not exceeding 3.0% of the Total Project Costs incurred in a Development Project undertaken on behalf of MIT.</p> <p>Subject to the Property Funds Appendix, the Development Management Fee is payable in the form of cash.</p> <p>The Development Management Fee is payable in equal monthly installments over the construction period based on the Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount when the Total Project Costs are finalised.</p> <p>No Acquisition Fee is payable when the Manager receives the Development Management Fee for a Development Project.</p>	<p>The Development Management Fee compensates the Manager for providing development management services to MIT in respect of its Development Projects, including:</p> <ul style="list-style-type: none">• assuming overall responsibility for the planning, control and monitoring of the progress of the Development Project, from concept to completion, to ensure that the Development Project is completed within the stipulated time, cost and quality;• working closely with the appointed project manager, architect, engineers and consultants to carry out relevant value engineering to ensure a cost-efficient Development Project;• reporting to the Trustee on a regular basis, in particular, on the cost and progress of the Development Project;• representing the Trustee in all site meetings during the construction period, and advising on any variation works and (where applicable) making appropriate recommendations to the Trustee for consideration;• establishing the prospective tenant's real estate requirements, making site selection and negotiating with government authorities on land allocation and conditions;• providing value-added inputs on the concept and schematic plans to ensure an efficient, functional and marketable end product;• liaising with the prospective tenant for acceptance of concept and schematic plans and building specifications;• establishing and ensuring agreement with the prospective tenant on the overall milestones for the delivery of the Development Project; and• finalising with the prospective tenant the architectural and engineering schematic plans / specifications for use as the basis for calling of tender(s).

Notes: Undefined capitalised terms used in this Section (E) shall have the meanings ascribed to them in the Trust Deed.

RISK
MANAGEMENT



Risk management is integral to the Manager's business strategy of delivering sustainable and growing returns. In order to preserve capital and create value for Unitholders, the Manager proactively manages risks and embeds the risk management process as part of the planning and decision making processes.

STRONG OVERSIGHT AND GOVERNANCE

The Board is responsible for determining the overall risk strategy and risk governance, and ensuring that the Manager implements sound risk management and internal control practices. The Board also approves the risk appetite and tolerance statements, which set out the nature and extent of risks it is willing to take in achieving the Manager's business objectives. The Board is supported by the AC, which comprises independent directors whose collective experience and knowledge serve to guide and challenge Management. The AC has direct access to the Sponsor's Risk Management Department, who updates the AC quarterly on MIT's portfolio risks.

At the Manager, risk management has top-down oversight and bottom-up involvement from all employees. Risk and compliance criteria are established by the Board and Management and are embedded within key decision making processes. Risk management practices are included in the roles and responsibilities of employees and system processes. This ensures a risk approach that is aligned with its business objectives and strategies,

RISK MANAGEMENT

and integrated with operational processes for effectiveness and accountability.

The Manager's ERM framework is dynamic and evolves with the business. The Sponsor's Risk Management Department works closely with the Manager to review and enhance the risk management system in accordance with market practices and regulatory requirements. A Control Self-Assessment framework further reinforces risk awareness by fostering accountability, control and risk ownership.

ROBUST MEASUREMENT AND ANALYSIS

The Manager's risk measurement framework is based on Value-at-Risk ("VaR"), a methodology which measures the volatilities of individual market and property risk drivers such as rental rates, occupancy rates, capital values and interest rates. It takes into consideration changes in market environment and asset cash flows as they occur. To further complement the VaR methodology, other risks such as refinancing, tenant-related and development risks are also assessed, monitored and measured as part of the framework where feasible.

With the VaR methodology, risks are measured consistently across the portfolio, enabling the Manager to quantify the benefits that arise from diversification across the portfolio and to assess risk by asset class or by risk type. Recognising the limitations of any statistically-based system that relies on historical data, MIT's portfolio is subject to stress tests and scenario analysis to ensure that the business remains resilient in the event of unexpected market shocks.

RISK IDENTIFICATION AND ASSESSMENT

The Manager also identifies key risks, assesses their likelihood and impact on business, and establishes corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The key risks identified include but are not limited to:

STRATEGIC RISKS

MIT's portfolio is subject to real estate market risks such as rental rate and occupancy volatilities in Singapore and specific factors including competition, supply, demand and regulations. Such risks are quantified, aggregated and monitored for existing assets and

prospective acquisitions. Significant risk profile changes or emerging trends are reported for assessment and/or action.

The risks arising from investment activities are managed through a rigorous and disciplined investment approach, particularly in the area of asset evaluation and pricing. All acquisitions have to be yield accretive and meet MIT's internal rate of return requirement. Sensitivity analysis is also performed for each acquisition on all key project variables to test the robustness of the assumptions used. Significant acquisitions are further subject to independent reviews by the Sponsor's Risk Management Department and the findings are included in the investment proposal submitted to the Manager's Board for approval. All investment proposals are subject to rigorous scrutiny by the Board (or delegated to the Management Committee).

On receiving the Board's or Management Committee's approval, the investment proposals are then submitted to the Trustee, who is the final approving authority for all investment decisions.

The Trustee also monitors the compliance of the Manager's executed investment transactions with the restrictions and requirements of the Listing Manual of the SGX-ST, MAS's Property Funds Appendix and the provisions in the Trust Deed.

New development projects usually take a few years to complete, depending on the project size and complexity. To mitigate the risk of development delays, cost overruns and lower than expected quality, the Manager has put in place stringent pre-qualifications of consultants and contractors, and regular reviews of projects' progress.

EXTERNAL RISKS

To manage the impact of economic uncertainties in Singapore, the Manager conducts detailed real estate market research and monitors economic development closely.

OPERATIONAL RISKS

Comprehensive operating, reporting and monitoring guidelines enable the Manager to manage day-to-day activities and mitigate operational risks. To ensure relevance, the Manager regularly reviews its Standard

Operating Procedures ("SOPs") and benchmarks them against industry practices where appropriate. Compliance with SOPs is assessed under the Control Self-Assessment framework and reinforced through training of employees and regular reviews by the Sponsor's Internal Audit Department.

Loss of key management personnel and identified talents can cause disruptions to the Manager's business operations and hinder the achievement of its business objectives. The Manager has put in place succession planning, talent management and competitive compensation and benefits plans to reward and retain performing personnel.

To deal with catastrophic events such as terrorism and natural disasters, the Manager has put in place and tested a comprehensive business continuity plan to enable it to resume operations with minimal disruption and loss. MIT's properties are insured in accordance with industry norms in Singapore.

Credit risks are mitigated from the outset by conducting thorough tenant credit assessment during the investment stage prior to acquisition. For new and sizeable leases, credit assessments of prospective tenants are undertaken prior to signing of lease agreements. On an ongoing basis, tenant credit is closely monitored by the Manager's Asset Management Department and arrears are managed by the Manager's Credit Control Committee, which meets fortnightly to review debtor balances. To further mitigate risks, security deposits in the form of cash or banker's guarantees are collected from prospective tenants prior to commencement of leases.

FINANCIAL RISKS

Financial market risks and capital structure are closely monitored and actively managed by the Manager. The Board is kept abreast through quarterly reports. At the portfolio level, the risk impact of interest rate volatility on value is quantified, monitored and reported quarterly using the VaR methodology. Refinancing risk is also quantified, taking into account the concentration of the loan maturity profile and credit spread volatility.

MIT hedges its portfolio exposure to interest rate volatility arising from its borrowings by way of interest rate swaps and fixed rate borrowings.

The Manager also actively monitors MIT's cash flow position and requirements to ensure significant liquid reserves to fund operations and meet short-term obligations (see Corporate Liquidity and Capital Resources section on pages 69 to 70). In addition, the Manager monitors and mitigates bank concentration risks by having a well-diversified funding base. The limit on MIT's aggregate leverage ratio is observed and monitored to ensure compliance with Appendix 6 of the Code on Collective Investment Schemes issued by the MAS.

COMPLIANCE RISKS

MIT is subject to applicable laws and regulations in Singapore. Non-compliance may result in litigation, penalties, fines or revocation of business licenses. The Manager identifies applicable laws and regulatory obligations and embeds compliance in day-to-day business processes.

INFORMATION TECHNOLOGY RISKS

Any system downtime or breach in security may have an adverse impact on the integrity, accuracy and completeness of data and information. The Manager has in place comprehensive policies and procedures governing information availability, control and governance, and data security. In addition, an information technology disaster recovery plan is in place and tested annually to ensure business recovery objectives are met.

RIGOROUS MONITORING AND CONTROL

The Manager has developed internal key risk indicators that serve as an early-warning system to Management by highlighting risks that have escalated beyond established tolerance levels. Management has also established required actions to be taken when risk thresholds are breached.

Every quarter, the Sponsor's Risk Management Department presents to the Board and AC a comprehensive report highlighting key risk exposures, portfolio risk profile, results of stress testing scenarios and status of key risk indicators. The Board and AC are also kept abreast of any material changes to MIT's risk profiles and activities.

INVESTOR RELATIONS



Engagement between the Board and Unitholders during MIT's fifth Annual General Meeting.

The Manager is committed to maintaining timely, balanced and effective communications with its stakeholders, with the objective of fostering and enhancing long-term relationships.



Participation at the inaugural REITs Symposium 2015.

ENGAGING STAKEHOLDERS

The Manager proactively engages the investment community through meetings, teleconferences, investor conferences and roadshows. In FY15/16, the Manager met over 160 institutional investors and participated in investor conferences and roadshows in Singapore, Hong Kong and United States. In addition, the Manager provided property tours for investors to be familiarised with MIT's portfolio. Such consistent engagements allowed Management to apprise the investment community of MIT's strategies and developments while addressing pertinent investor feedback.

MIT continued to extend its reach to retail investors. The Manager participated in the inaugural REITs Symposium 2015, which garnered a positive turnout of over 1,300 attendees. The one-day event featured booth displays of participating REITs and a series of educational talks. This provided a platform for MIT to share with retail investors about MIT's portfolio and strategy.

The annual general meeting is an important avenue for the Board and Management to engage Unitholders and address their queries about MIT's performance. MIT's fifth Annual General Meeting on 15 July 2015 was well-attended by over 300 Unitholders and their proxies.

The Manager holds quarterly analyst teleconferences and briefings on financial results. The "live" audio webcasts of MIT's half-year and full-year results briefings enabled Management to address online queries from investors and analysts. These recordings are available for download on MIT's website.

Jointly organised with the other Mapletree REITs, the Mapletree Year-End Analyst Event also provided an

opportunity for Management to interact with analysts in an informal setting.

ENSURING TIMELY AND TRANSPARENT DISCLOSURES

All announcements and press releases are promptly issued through SGXNET and MIT's websites. Important information including annual reports, portfolio details and investor presentations is updated on MIT's website. Stakeholders are able to receive updates on MIT's developments through the email alert service and submit online queries to the Investor Relations Department through a dedicated email address. In addition, a dedicated email address is available for substantial Unitholders to promptly report any change in their unitholdings in MIT.

INVESTOR RELATIONS CALENDAR

2015	
22 Apr	4Q and FY14/15 Analyst Briefing and "Live" Audio Webcast
22 Apr	4Q and FY14/15 Results Investor Luncheon by JP Morgan, Singapore
18 May	dbAccess Asia Conference, Singapore
23 May	REITs Symposium 2015, Singapore
15 Jul	Annual General Meeting 2014/2015, Singapore
22 Jul	1QFY15/16 Analyst Teleconference
22 Jul	1QFY15/16 Results Investor Luncheon by Daiwa, Singapore
18 to 19 Aug	Investor Roadshow by Deutsche Bank, Hong Kong
1 Sep	Citi-REITAS Singapore REITs and Sponsors Forum 2015, Singapore
21 Oct	2Q and 1HFY15/16 Analyst Briefing and "Live" Audio Webcast
21 Oct	2Q and 1HFY15/16 Results Investor Luncheon by DBS, Singapore
17 Nov	Morgan Stanley 14 th Annual Asia Pacific Summit, Singapore
25 Nov	Mapletree Year-End Analyst Event, Singapore
2016	
27 Jan	3QFY15/16 Analyst Teleconference
27 Jan	3QFY15/16 Results Investor Luncheon by BOAML, Singapore
14 to 15 Mar	Citi 2016 Global Property CEO Conference, United States
16 to 18 Mar	Investor Roadshow by Citigroup, United States
26 Apr	4Q and FY15/16 Analyst Briefing and "Live" Audio Webcast
26 Apr	4Q and FY15/16 Results Investor Luncheon by JP Morgan, Singapore

INVESTOR RELATIONS

FINANCIAL CALENDAR		
	FY15/16	FY16/17 *
Announcement of First Quarter Financial Results	21 Jul 2015	Jul 2016
Payment of First Quarter Distribution to Unitholders	3 Sep 2015	Aug 2016
Announcement of Second Quarter Financial Results	20 Oct 2015	Oct 2016
Payment of Second Quarter Distribution to Unitholders	4 Dec 2015	Nov 2016
Announcement of Third Quarter Financial Results	26 Jan 2016	Jan 2017
Payment of Third Quarter Distribution to Unitholders	7 Mar 2016	Feb 2017
Announcement of Full Year Financial Results	25 Apr 2016	Apr 2017
Payment of Final Distribution to Unitholders	30 May 2016	May 2017

* Subject to changes

To subscribe to the latest news on MIT, please visit www.mapletreeindustrialtrust.com.
For enquiries, please contact:

INVESTOR RELATIONS

Ms Melissa Tan
Vice President
Investor Relations
Mapletree Industrial Trust Management Ltd.
10 Pasir Panjang Road #13-01
Mapletree Business City
Singapore 117438
T : (65) 6377 6113
F : (65) 6273 8607
E : ir_industrial@mapletree.com.sg
Substantial Unitholder's Notification:
E : _MIT_disclosure@mapletree.com.sg

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
T : (65) 6536 5355
F : (65) 6438 8710

UNITHOLDER DEPOSITORY

For depository-related matters such as change of details pertaining to Unitholders' investment records, please contact:

The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
T : (65) 6535 7511
W: www.sgx.com/cdp
E : asksgx@sgx.com

CORPORATE SOCIAL RESPONSIBILITY

The Manager strives to incorporate sustainable practices in its operations, support local communities and enhance the well-being of its people. Being part of the Mapletree group, the Manager's efforts to integrate environmental, social and governance considerations into its business are aligned with and constituted part of the group's Corporate Social Responsibility ("CSR") programme.

COMMUNITY ENGAGEMENT

The Manager undertakes various programmes to enhance tenant relationships and build cohesive communities.

TENANT ENGAGEMENT

In collaboration with SME Centre @ Singapore Manufacturing Federation ("SME Centre @ SMF"), the Manager organised a seminar on Singapore Budget 2016 for MIT tenants. Through talks by distinguished speakers from SME Centre @ SMF and BDO Tax Advisory Pte Ltd, the seminar focused on the highlights of Singapore Budget 2016 and their impact on small-and-medium enterprises. This was well-attended by MIT tenants from diverse industries and provided a good opportunity for knowledge sharing.

COHESIVE COMMUNITIES

The Manager actively participates in the group-wide CSR programme through the Sponsor's "Shaping &

Sharing" programme, which focuses on empowering individuals and enriching communities. In FY15/16, the Sponsor launched new CSR commitments. As a strong supporter of tertiary education in Singapore, the Sponsor commenced its support for students pursuing practice-oriented education at SIM University with a contribution of S\$500,000 to its endowment fund. To date, the Sponsor has contributed S\$3 million to the endowment funds of six universities in Singapore, and currently offers financial support to over 90 university students annually.

In addition, the Sponsor launched the Mapletree Academic Achievement Programme ("MAAP") in recognition of academic excellence. Its maiden initiative is a five-year sponsorship of selected diploma graduation book prizes across all five local polytechnics, starting from Academic Year ("AY") 2015/2016. The MAAP has also committed to sponsoring graduation prizes for the diploma programmes of SIM Global Education, which will fund 30 prizes annually for a period of five years from AY 2016/2017.

During the financial year, the Sponsor started a pilot initiative, Mapletree Youth Resilience Programme ("MYRP"), which aims to provide long-term financial aid to youths with the potential and drive to pursue an education despite their disadvantaged backgrounds.



Staff volunteers helped to fulfil wishes of more than 70 underprivileged children in Singapore.

CORPORATE SOCIAL RESPONSIBILITY

Each of the five youths from Boys' Town and its affiliate, YouthReach, were awarded one-year sponsorships for school-related costs under the MYRP. The sponsorship may be extended for another year if they demonstrate academic commitment.

The Manager believes that corporate giving should extend beyond philanthropy and encourages our staff to support meaningful causes in the community. Under the Mapletree Staff CSR Programme, four teams were awarded seed funding to carry out programmes in FY15/16, including a team of volunteers from the Manager and the Property Manager. In February 2016, the team worked with tenants from five of MIT's properties to fulfil the wishes of more than 70 underprivileged children in Singapore. The initiative garnered strong support from tenants who fulfilled all wishes and donated items such as school bags, sports wear and groceries. Besides the monetary donation for every wish granted from the project, staff volunteers also participated actively in the preparation and disbursement of items to the children.

Beyond the Mapletree Staff CSR Programme, the Manager also supported the Dignity Mama Stall at Mapletree group's corporate headquarters, Mapletree Business City through purchases of baked items and handicrafts. The event helped to raise awareness and offer an opportunity for mothers

with challenged youths to work together and run a business.

During the financial year, the Manager also supported a number of meaningful causes. This included a blood donation drive that was jointly organised with Qualcomm, MIT's tenant at Serangoon North Cluster. The event garnered active support from their employees and other tenants at Serangoon North Cluster, sharing the gift of life with those in need. Together with Qualcomm, Hair for Hope Satellite Event was held at Serangoon North Cluster. Through the symbolic gesture of shaving bald, the event promoted awareness of childhood cancer in Singapore and raised funds to help children with cancer and their families.

ENVIRONMENT

The Manager encourages and engages its stakeholders to incorporate environmentally friendly practices in their operations.

SUSTAINABLE DEVELOPMENT

The purpose-built facility for Hewlett-Packard underscores the Manager's efforts to attain high environmental and energy efficiency at the design and construction phases, while achieving a healthy indoor environment and green spaces for tenants. It began with the recycling of concrete from the demolition of

the Flatted Factories. The adoption of an innovative green construction system reduced concrete usage and optimised space usage without compromising its structural integrity. The building envelope, including the walls, windows and roofs, is designed to enhance the overall thermal performance to minimise heat gain, which will reduce energy consumption. Other green measures included the use of recycled NEWater for cooling towers, landscaping and toilet flushing as well as the motion-activated LED lights at staircases and toilets.

To maintain indoor air quality, a variety of measures such as the installation of MERV 13 filtration media and differential pressure monitoring equipment are in place, which help to create a healthy and comfortable environment. This will be complemented with green spaces on levels 1 and 2 of the facility. Existing trees from the previous Flatted Factory Cluster are conserved to retain its biodiversity. 250 sheltered bicycle lots and two electric vehicle charging stations are available for tenants, promoting the use of energy-efficient transportation.

Slated for completion in second quarter of 2017, the BTS facility for Hewlett-Packard received the BCA Green Mark Platinum Award. This is the highest green accolade conferred by BCA for new buildings under construction.

The Manager strives to incorporate environmentally sustainable features in MIT's properties with the objective of long-term operational efficiency. During the year, the Manager obtained green certifications for existing buildings, including The Signature and Tata Communications Exchange. Under the assessment of BCA Green Mark, the scheme evaluates the overall environmental performance of existing buildings as well as promotes energy and water efficiency and healthier indoor environment.

GREEN INITIATIVES

The Manager continues to support the Sponsor's "Mapletree Goes Green" initiative, which encourages employees to adopt green measures in their work practices. For instance, employees are encouraged to use refillable water bottles and print on both sides of paper. Other measures included the installation

of recycling bins for electronic waste, paper and plastic to promote a more environmentally conscious culture. The Manager also marked the global "Earth Hour" by switching off the façade lightings to promote awareness of energy conservation.

EMPLOYEE ENGAGEMENT

The Manager is committed to creating a diverse, inclusive and collaborative workforce. Through the Sponsor's integrated human capital strategies and initiatives, the Manager continuously empowers all employees to realise their potential and contribute to the success of the business.

ATTRACTING TALENTS

The Manager proactively seeks promising employees to augment its workforce. Through a variety of recruitment channels, the Sponsor continuously reaches out to talents in Singapore and overseas markets. Besides participating in career fairs and industry networking events, the Sponsor had hosted students at its flagship developments, which highlighted its track record in precinct rejuvenation. To strengthen the Sponsor's profile among the students, Mapletree's staff also shared their working experiences in selected publications for graduates.

Initiatives such as the Mapletree Internship Programme and Mapletree Work Placement Programme are an effective avenue to identify talents from tertiary institutions. Students are offered internships and industrial attachments at Mapletree group, allowing them hands-on experience in the real estate industry. In addition, the Sponsor's talent management strategy is augmented by the Mapletree Associate Programme and Mapletree Executive Programme, which are structured programmes for graduates and post-degree holders who are seeking to enter the real estate industry. These include intensive on-the-job training, job rotations at different business units and functions, performance coaching and corporate learning programmes to build functional competencies.

REWARDING PERFORMANCE

To cultivate a high-performing and motivated workforce, the Manager adopts a pay-for-performance philosophy to guide its remuneration framework, with



Annual blood donation drive at Mapletree Business City.

CORPORATE SOCIAL RESPONSIBILITY

rewards directly linked to the performance of the company and individual. In addition, remuneration and benefits for employees are benchmarked against market practices to ensure competitiveness in attracting and retaining talents.

In FY15/16, the Sponsor successfully held a pilot test for its e-Performance Appraisal ("ePA") system and will be implemented group-wide in the subsequent year. The integrated ePA system will align evaluation practices across different countries as well as effectively track key performance indicators and employees' personal development.

PEOPLE DEVELOPMENT

The Manager believes in nurturing its employees through enhancing their functional knowledge and leadership skills. Employees are encouraged to improve their technical competencies and obtain higher qualifications through training programmes and co-payment of course fees and learning materials. The annual workplace learning and development initiative, Learning Fiesta enables employees to enhance their personal effectiveness through a series of seminars and book fairs.

ENGAGING EMPLOYEES

The Manager believes in aligning employees with the corporate culture and identity for better teamwork. Staff communications forums by Management are organised at least twice a year, which provide a review of the business unit's performance and strategic

plans. These forums serve as a valuable avenue for employees to interact and provide feedback to Management.

Lunch and tea sessions between Management and employees are organised to encourage interaction in an informal setting. Such networking sessions help to promote greater engagement with Management, while enabling employees to tap the wealth of knowledge and experience of Management.

EMPLOYEE WELLNESS

The Mapletree Recreation Club organised a variety of activities to promote staff interaction and maintain work-life balance. These included Durian Fest, Safari Zoo Run 2016 and movie screenings. In support of the annual national "Eat with Your Family Day", all employees in Singapore were encouraged to leave the office earlier to spend quality time over dinner with their family members.

Through a series of programmes under the Workplace Health Promotion, the Sponsor continued to promote a healthy lifestyle among tenants in Mapletree Business City. These included an annual blood donation drive, health screening sessions, lunchtime talks on mental resilience and healthy living as well as choreographed dance fitness programmes. Such programmes helped to create a healthier workforce and vibrant tenant community at Mapletree Business City.