

# CORPORATE GOVERNANCE

The Manager of MPACT is responsible for the strategic direction and management of the assets and liabilities of MPACT as well as its subsidiaries (collectively, the "Group"). As a REIT manager, the Manager is licensed by the MAS and holds a Capital Markets Services Licence for REIT management ("CMS Licence").

The Manager discharges its responsibility for the benefit of MPACT and Unitholders, in accordance with the applicable laws and regulations as well as the trust deed constituting MPACT (as amended) (the "Trust Deed")<sup>1</sup>. To this end, the Manager sets the strategic direction of the Group and gives recommendations to the trustee of MPACT, DBS Trustee Limited (the "Trustee"), on the acquisition, divestment and enhancement of assets of the Group.

The Manager's roles and responsibilities include:

- carrying on the Group's business to generate returns in a sustainable manner and conducting all transactions on normal commercial terms and on an arm's length basis;
- preparing annual budget proposals 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 purpose of such proposals and analysis is to chart the Group's business for the year ahead and to explain the performance of MPACT's properties compared to the prior year; and

- ensuring compliance with applicable laws and regulations, including the Securities and Futures Act 2001, the Listing Manual of SGX-ST, the Code on Collective Investment Schemes ("CIS Code") issued by the MAS (including Appendix 6 of the CIS Code, the "Property Funds Appendix"), the Singapore Code on Takeovers and Mergers, the Trust Deed, written directions, notices, codes and other guidelines that the MAS and other regulators may issue from time to time and any tax rulings.

The Manager was appointed in accordance with the terms of the Trust Deed. The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting (with no Unitholders disenfranchised) at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

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

## (A) BOARD MATTERS

### The Board's Conduct of Affairs

#### Principle 1: Effective Board

#### Our Policy and Practices

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

The key roles of the Board are to:

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

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

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.

#### Note:

<sup>1</sup> A copy of the Trust Deed will be available for inspection, by prior appointment at the registered office of the Manager, in accordance with the relevant laws, regulations and guidelines.

## CORPORATE GOVERNANCE

Following the merger ("Merger") of MCT and MNACT, MNACT has been delisted from the SGX-ST and MCT has been renamed Mapletree Pan Asia Commercial Trust, or MPACT, with effect from 3 August 2022.

Prior to the Merger, the Board comprised thirteen directors, of whom twelve were Non-Executive Directors and seven were Independent Directors. The following sets out the composition of the Board prior to the Merger:

- Mr Tsang Yam Pui, Non-Executive Chairman and Director;
- Ms Kwa Kim Li, Lead Independent Non-Executive Director and Chairperson of the NRC;
- Mr Premod Thomas, Independent Non-Executive Director and Chairman of the AC;
- Mr Kan Shik Lum, Independent Non-Executive Director and Member of the NRC;
- Mr Koh Cheng Chua, Independent Non-Executive Director and Member of the AC;
- Mr Wu Long Peng, Independent Non-Executive Director and Member of the AC;
- Mr Mak Keat Meng, Independent Non-Executive Director and Member of the AC;
- Mr Alvin Tay, Independent Non-Executive Director;
- Mr Samuel Tsien, Non-Executive Director;
- Mr Hiew Yoon Khong, Non-Executive Director and Member of the NRC;
- Ms Wendy Koh, Non-Executive Director;
- Ms Amy Ng, Non-Executive Director; and
- Ms Sharon Lim, Executive Director and CEO.

Post-Merger, the Board was reconstituted to comprise certain members from the Manager (formerly known as Mapletree Commercial Trust Management Ltd.) and Mapletree North Asia Commercial Trust Management Ltd. to provide assurance of continuity to Unitholders and achieve an optimal balance of experience, skills and knowledge relevant to the merged entity's business. As at 31 March 2023, the Board comprises fourteen directors (the "Directors"), of whom thirteen are Non-Executive Directors and ten are Independent Directors. The following sets out the composition of the Board:

- Mr Samuel Tsien, Non-Executive Chairman and Director;
- Ms Tan Su Shan, Lead Independent Non-Executive Director and Chairperson of the NRC;
- Mr Premod Thomas, Independent Non-Executive Director and Chairman of the AC;
- Ms Lilian Chiang, Independent Non-Executive Director and Member of the NRC;
- Mr Kan Shik Lum, Independent Non-Executive Director and Member of the NRC;
- Mr Chua Kim Chiu, Independent Non-Executive Director and Member of the AC;
- Mr Lawrence Wong, Independent Non-Executive Director and Member of the AC;
- Mr Wu Long Peng, Independent Non-Executive Director and Member of the AC;
- Mr Pascal Lambert, Independent Non-Executive Director;

- Mr Mak Keat Meng, Independent Non-Executive Director;
- Mr Alvin Tay, Independent Non-Executive Director;
- Mr Chua Tiow Chye, Non-Executive Director and Member of the NRC;
- Ms Wendy Koh, Non-Executive Director; and
- Ms Sharon Lim, Executive Director and CEO.

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

The diverse professional backgrounds of the Directors enable Management to benefit from their external, varied and objective perspectives on issues brought before the Board for discussion and deliberation. The profiles of the Directors are set out in pages 20 to 25 of this Annual Report. The Board is of the view that the present principal directorships included in their individual profiles are sufficient to inform Unitholders of their principal commitments. The Board meets regularly, at least once every quarter, to review the business performance and outlook of the Group and deliberate on business strategy, including any significant acquisitions, disposals, fund-raising and development projects undertaken by the Group. When exigencies prevent a Director from attending a Board or Board committee meeting in person, such Director can participate by audio or video conference.

The meeting attendance of the Board, the AC and the NRC for FY22/23 prior to the Merger is as follows:

Number of meetings held in FY22/23 (prior to the Merger) <sup>1</sup>		Board	AC	NRC	EGM <sup>2</sup>	AGM <sup>3</sup>
		2	2	1	1	1
Board Members	Membership					
<b>Mr Tsang Yam Pui<sup>6</sup></b> (Appointed on 1 November 2007) (Last reappointment on 16 September 2021)	Non-Executive Chairman and Director	2	N.A. <sup>4</sup>	N.A. <sup>4</sup>	1	1
<b>Ms Kwa Kim Li<sup>6</sup></b> (Appointed on 30 April 2014) (Last reappointment on 30 September 2019)	Lead Independent Non-Executive Director and Chairperson of the NRC	2	N.A. <sup>4</sup>	1	1	1
<b>Mr Premod Thomas</b> (Appointed on 15 June 2015) (Last reappointment on 28 September 2020)	Independent Non-Executive Director and Chairman of the AC	2	2	N.A. <sup>4</sup>	1	1
<b>Mr Kan Shik Lum</b> (Appointed on 1 December 2015) (Last reappointment on 16 September 2021)	Independent Non-Executive Director and Member of the NRC	2	N.A. <sup>4</sup>	1	1	1
<b>Mr Koh Cheng Chua<sup>6</sup></b> (Appointed on 9 June 2014) (Last reappointment on 30 September 2019)	Independent Non-Executive Director and Member of the AC	2	2	N.A. <sup>4</sup>	1	1
<b>Mr Wu Long Peng</b> (Appointed on 15 December 2018) (Last reappointment on 16 September 2021)	Independent Non-Executive Director and Member of the AC	2	2	N.A. <sup>4</sup>	1	1
<b>Mr Mak Keat Meng</b> (Appointed on 15 December 2019) (Last reappointment on 28 September 2020)	Independent Non-Executive Director and Member of the AC	2	2	N.A. <sup>4</sup>	1	1
<b>Mr Alvin Tay</b> (Appointed on 15 December 2018) (Last reappointment on 16 September 2021)	Independent Non-Executive Director	2	N.A. <sup>4</sup>	N.A. <sup>4</sup>	1	1
<b>Mr Samuel Tsien</b> (Appointed on 5 July 2022)	Non-Executive Director	1	N.A. <sup>4</sup>	N.A. <sup>4</sup>	N.A. <sup>4</sup>	1
<b>Mr Hiew Yoon Khong<sup>6</sup></b> (Appointed on 18 May 2007) (Last reappointment on 28 September 2020)	Non-Executive Director and Member of the NRC	2	N.A. <sup>4</sup>	1	1	1
<b>Ms Wendy Koh</b> (Appointed on 15 December 2019) (Last reappointment on 28 September 2020)	Non-Executive Director	2	2 <sup>5</sup>	N.A. <sup>4</sup>	1	1
<b>Ms Amy Ng<sup>6</sup></b> (Appointed on 1 April 2010) (Last reappointment on 28 September 2020)	Non-Executive Director	2	N.A. <sup>4</sup>	N.A. <sup>4</sup>	1	1
<b>Ms Sharon Lim</b> (Appointed on 1 August 2015) (Last reappointment on 28 September 2020)	Executive Director and CEO	2	2 <sup>5</sup>	1 <sup>5</sup>	1	1

Notes:

<sup>1</sup> For the period from 1 April 2022 to 2 August 2022.

<sup>2</sup> Held on 23 May 2022.

<sup>3</sup> Held on 29 July 2022.

<sup>4</sup> N.A. means not applicable.

<sup>5</sup> Attendance was by invitation.

<sup>6</sup> Stepped down from the Board on 3 August 2022 as part of the Board reconstitution exercise in connection with the Merger.

# CORPORATE GOVERNANCE

The meeting attendance of the Board, the AC and the NRC for FY22/23 after the Merger is as follows:

Number of meetings held in FY22/23 (after the Merger) <sup>1</sup>		Board	AC	NRC
		4	4	1
Board Members	Membership			
<b>Mr Samuel Tsien</b> (Appointed as Director on 5 July 2022 and redesignated as Non-Executive Chairman on 3 August 2022) (Last reappointment on 30 September 2022)	Non-Executive Chairman and Director	4	N.A. <sup>2</sup>	N.A. <sup>2</sup>
<b>Ms Tan Su Shan</b> (Appointed on 3 August 2022) (Last reappointment on 30 September 2022)	Lead Independent Non-Executive Director and Chairperson of the NRC	4	N.A. <sup>2</sup>	1
<b>Mr Premod Thomas</b> (Appointed on 15 June 2015) (Last reappointment on 30 September 2022)	Independent Non-Executive Director and Chairman of the AC	4	4	N.A. <sup>2</sup>
<b>Ms Lilian Chiang</b> (Appointed on 3 August 2022) (Last reappointment on 30 September 2022)	Independent Non-Executive Director and Member of the NRC	4	N.A. <sup>2</sup>	1
<b>Mr Kan Shik Lum</b> (Appointed on 1 December 2015) (Last reappointment on 16 September 2021)	Independent Non-Executive Director and Member of the NRC	4	N.A. <sup>2</sup>	1
<b>Mr Chua Kim Chiu</b> (Appointed on 3 August 2022) (Last reappointment on 30 September 2022)	Independent Non-Executive Director and Member of the AC	4	4	N.A. <sup>2</sup>
<b>Mr Lawrence Wong</b> (Appointed on 3 August 2022) (Last reappointment on 30 September 2022)	Independent Non-Executive Director and Member of the AC	4	4	N.A. <sup>2</sup>
<b>Mr Wu Long Peng</b> (Appointed on 15 December 2018) (Last reappointment on 16 September 2021)	Independent Non-Executive Director and Member of the AC	4	4	N.A. <sup>2</sup>
<b>Mr Pascal Lambert</b> (Appointed on 3 August 2022) (Last reappointment on 30 September 2022)	Independent Non-Executive Director	4	N.A. <sup>2</sup>	N.A. <sup>2</sup>
<b>Mr Mak Keat Meng</b> (Appointed on 15 December 2019) (Ceased as AC Member on 3 August 2022) (Last reappointment on 30 September 2022)	Independent Non-Executive Director	4	N.A. <sup>2</sup>	N.A. <sup>2</sup>
<b>Mr Alvin Tay</b> (Appointed on 15 December 2018) (Last reappointment on 16 September 2021)	Independent Non-Executive Director	4	N.A. <sup>2</sup>	N.A. <sup>2</sup>
<b>Mr Chua Tiow Chye</b> (Appointed on 3 August 2022) (Last reappointment on 30 September 2022)	Non-Executive Director and Member of the NRC	4	N.A. <sup>2</sup>	1
<b>Ms Wendy Koh</b> (Appointed on 15 December 2019) (Last reappointment on 28 September 2020)	Non-Executive Director	4	4 <sup>3</sup>	N.A. <sup>2</sup>
<b>Ms Sharon Lim</b> (Appointed on 1 August 2015) (Last reappointment on 30 September 2022)	Executive Director and CEO	4	4 <sup>3</sup>	1 <sup>3</sup>

Notes:

<sup>1</sup> For the period from 3 August 2022 to 31 March 2023.

<sup>2</sup> N.A. means not applicable.

<sup>3</sup> Attendance was by invitation.

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

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

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

The Board recognises that the Directors are fiduciaries who are obliged at all times to act objectively in the best interests of MPACT and hold Management accountable for performance. In line with this, the Board has a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to MPACT and his or her own interests. The Manager has a policy which provides that where a Director has a conflict of interest in a particular matter, he or she will be required to disclose

his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

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

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

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

Management is required to provide adequate and timely information to

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

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

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

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

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

## Board Composition and Guidance

**Principle 2: Appropriate level of independence and diversity of thought**

### Our Policy and Practices

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

## CORPORATE GOVERNANCE

The Manager adopts the principle that a board composition with a strong and independent element as well as diversity of thought and background will allow the Directors to engage in robust deliberations with Management and provide external, diverse and objective insights on issues brought before the Board for discussion and deliberation. Each Director is appointed on the strength of his or her business and industry experience, skills and functional and domain expertise to give proper guidance to Management on the business of the Group. In addition, the Board considers other aspects of diversity including age, gender, cultural ethnicity and international experience of its members to ensure a balanced and effective composition of the Board.

Towards this end, the Board had in 2022 adopted a Board Diversity Policy which takes into account the abovementioned aspects of diversity and outlines its commitment and approach towards achieving an effective and diverse Board. The NRC will review the policy from time to time and will recommend changes to the Board for approval, if necessary, so as to ensure that the policy remains effective and relevant and to achieve greater diversity. Among the various aspects of diversity, gender diversity is an important aspect and the Board recognises this. Therefore, the Board is committed to achieving a target of at least 25% female representation on the Board by 2025, and 30% by 2030. As of 31 March 2023, the Board has achieved its target of at least 25% female representation on the Board as there are four female Directors out of a total of 14 Directors on the Board and the Board aspires to maintain at least 25% female representation on the Board.

The Non-Executive Directors will also conduct periodic review of the investment mandate as well as the strategic focus of MPACT with Management. Furthermore, such a board composition, and the separation of the roles of the Chairman and the CEO, provide oversight to ensure that Management discharges its roles and responsibilities effectively and with integrity.

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

The Board assesses the independence of each Director in accordance with the requirements of the Code and Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations ("SFLCB Regulations"). A Director is considered to be independent if he or she (i) is independent in conduct, character and judgement and:

(a) has no relationship with the Manager, its related corporations, its substantial shareholders, MPACT's substantial unitholders (being unitholders who have interests in voting units with 5% or more of the total votes attached to all voting units) or the Manager's officers that could

interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of MPACT;

(b) is independent from the management and any business relationship with the Manager and MPACT, every substantial shareholder of the Manager and every substantial unitholder of MPACT;

(c) is not a substantial shareholder of the Manager or a substantial unitholder of MPACT;

(d) is not employed and has not been employed by the Manager or MPACT or their related corporations in the current or any of the past three financial years;

(e) does not have an immediate family member who is employed or has been employed by the Manager or MPACT or their related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Board and/or NRC; and

(f) and has not served on the Board for a continuous period of nine years or longer.

For FY22/23, each of the Independent Directors had carried out an assessment on whether there were any relationships or circumstances which may impact his or her independent status. Accordingly, each of the Independent Directors had either made a negative declaration or disclosed such relationships or circumstances as applicable. The declarations or disclosures made by each Independent Director had been reviewed by the NRC.

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

Name of Director	(i) had been independent from the management of the Manager and MPACT during FY22/23	(ii) had been independent from any business relationship with the Manager and MPACT during FY22/23	(iii) had been independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT during FY22/23	(iv) had not been a substantial shareholder of the Manager or a substantial unitholder of MPACT during FY22/23	(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY22/23
Mr Samuel Tsien <sup>1,10</sup>	✓			✓	✓
Ms Tan Su Shan <sup>2,10</sup>	✓			✓	✓
Mr Premod Thomas <sup>3,10</sup>	✓			✓	✓
Ms Lilian Chiang <sup>4, 10</sup>	✓		✓	✓	✓
Mr Kan Shik Lum <sup>5,10</sup>	✓			✓	✓
Mr Chua Kim Chiu <sup>6, 10</sup>	✓		✓	✓	✓
Mr Wu Long Peng <sup>10</sup>	✓	✓	✓	✓	✓
Mr Alvin Tay <sup>10</sup>	✓	✓	✓	✓	✓
Mr Lawrence Wong <sup>10</sup>	✓	✓	✓	✓	✓
Mr Mak Keat Meng <sup>10</sup>	✓	✓	✓	✓	✓
Mr Pascal Lambert <sup>10</sup>	✓	✓	✓	✓	✓
Mr Chua Tiow Chye <sup>7,10</sup>				✓	✓
Ms Wendy Koh <sup>8, 10</sup>				✓	✓
Ms Sharon Lim <sup>9,10</sup>				✓	✓

Notes:

<sup>1</sup> Mr Samuel Tsien is a Director and a member of the Investment Committee of the Sponsor which wholly-owns the Manager and is a substantial unitholder of MPACT. He was also the Group Chief Executive Officer and Executive Director of the Board of Oversea-Chinese Banking Corporation Limited ("OCBC") from 15 April 2012 until 14 April 2021, and subsequently Adviser to the Board of OCBC until April 2022. The amounts paid or incurred by MPACT to OCBC in FY22/23 for banking services exceeded S\$200,000. Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he or she is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY22/23, Mr Tsien is deemed not to be (a) independent from any business relationship with the Manager and MPACT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT, by virtue of his directorship on the Sponsor and previous appointment at OCBC. The Board is satisfied that, as at 31 March 2023, Mr Tsien was able to act in the best interests of all Unitholders of MPACT as a whole.

<sup>2</sup> Ms Tan Su Shan is currently the Group Head of Institutional Banking of DBS Bank Ltd, a related corporation of Temasek. The amounts paid or incurred by MPACT to DBS Bank Ltd in FY22/23 for trustee fees and banking services fees, including financial advisory fees, exceeded S\$200,000. In addition, the amounts received as rental by MPACT from DBS Group in FY22/23 for leases of MPACT's premises exceeded S\$200,000. Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he or she is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY22/23, Ms Tan is deemed not to be (a) independent from a business relationship with the Manager and MPACT, by virtue of the payments made to the Trustee and DBS Bank Ltd by MPACT and the payments received by MPACT from DBS Group; and (b) independent from every substantial shareholder of the Manager and substantial unitholder of MPACT by virtue of her employment with DBS Bank Ltd. Notwithstanding the foregoing, the Board takes the view that Ms. Tan's Independent Director status is not affected as (a) the trustee arrangement was entered into before Ms Tan was appointed as a Director of the Manager; (b) the fees, rental and other charges were agreed on an arm's length basis and on normal commercial terms; and (c) she serves on the Manager's Board in her personal capacity and not as a representative or nominee of Temasek and neither is she under any employment relationship with Temasek. She is not under any obligation to act in accordance with the directions, instructions or wishes of Temasek. The Board is satisfied that, as at 31 March 2023, Ms Tan was able to act in the best interests of all Unitholders of MPACT as a whole.

<sup>3</sup> Mr Premod Thomas is the Independent Director of Gemstone Asset Holdings Pte. Ltd., which is a related corporation of both the Manager and the Sponsor. Until his retirement on 31 March 2023, Mr Premod Thomas was also the Chief Executive Officer and Executive Director of Bayfront Infrastructure Management Pte. Ltd. ("Bayfront") and the Executive Director of BIM Asset Management Pte. Ltd. ("BIM") and Bayfront Infrastructure Capital II Pte. Ltd. ("Bayfront Capital"), both of which are subsidiaries of Bayfront. Bayfront, BIM and Bayfront Capital are companies in which Temasek Holdings (Private) Limited ("Temasek"), a related corporation and a substantial shareholder of the Manager (through the Sponsor) and a substantial unitholder of MPACT, has an effective interest of more than 20%.

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Pursuant to the SFLCB Regulations, during FY22/23, Mr Thomas is deemed not to be (a) independent from a business relationship with the Manager and MPACT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of his directorship in Gemstone Asset Holdings Pte. Ltd., his employment with Bayfront and directorships in BIM and Bayfront Capital.

However, in the abovementioned capacities, Mr Thomas is not under an obligation to act in accordance with the directions, instructions or wishes of the Sponsor or Temasek (as the case may be) and therefore, the Board, in consultation with the NRC, takes the view that his Independent Director status is not compromised.

The Board is satisfied that, as at 31 March 2023, Mr Thomas is able to act in the best interests of all Unitholders of MPACT as a whole.

- <sup>4</sup> Ms Lilian Chiang is a Senior Partner of Deacons, one of the leading law firms in Hong Kong.

Pursuant to the SFLCB Regulations, during FY22/23, Ms Chiang is deemed not to be independent from a business relationship with the Manager and MPACT, by virtue of the payments made by MPACT to Deacons for legal services provided by Deacons to MPACT. The payments made for such legal services do not exceed S\$200,000 in total.

Notwithstanding the foregoing, the Board takes the view that Ms Chiang's Independent Director status is not affected as (a) she serves on the Board in her personal capacity and not as a representative of Deacons; (b) she has no involvement in the engagement of Deacons to provide legal services; and (c) the legal services have been provided on an arm's length basis and on normal commercial terms. The Board is satisfied that, as at 31 March 2023, Ms Chiang was able to act in the best interests of all Unitholders of MPACT as a whole.

- <sup>5</sup> Mr Kan Shik Lum is the Independent Director of Astrea IV Pte. Ltd., Astrea V Pte. Ltd and Astrea 7 Pte. Ltd., all of which are related corporations of Temasek. Temasek is a related corporation and a substantial shareholder of the Manager (through the Sponsor) and a substantial unitholder of MPACT.

Pursuant to the SFLCB Regulations, during FY22/23, Mr Kan is deemed not to be (a) independent from a business relationship with the Manager and MPACT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of his directorships in the abovementioned related corporations of Temasek.

However, in the abovementioned capacities, Mr Kan is not under an obligation to act in accordance with the directions, instructions or wishes of Temasek and therefore, the Board takes the view that Mr Kan's Independent Director status is not affected.

The Board is satisfied that, as at 31 March 2023, Mr Kan is able to act in the best interests of all Unitholders of MPACT as a whole.

- <sup>6</sup> Mr Chua Kim Chiu is currently a Non-Executive and Independent Director, and thus not an executive officer, of Oversea-Chinese Banking Corporation Limited ("OCBC"). The amounts paid or incurred by MPACT to OCBC in FY22/23 for banking services exceeded S\$200,000. Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he or she is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY22/23, Mr Chua is deemed not to be independent from any business relationship with the Manager and MPACT by virtue of his appointment at OCBC. Notwithstanding the foregoing, the Board takes the view that Mr Chua's Independent Director status is not affected as the fees were agreed on an arm's length basis and on normal commercial terms. The Board is satisfied that, as at 31 March 2023, Mr Chua was able to act in the best interests of Unitholders of MPACT as a whole.

- <sup>7</sup> Mr Chua Tiow Chye is currently the Deputy Group Chief Executive Officer of the Sponsor which wholly-owns the Manager and is a substantial unitholder of MPACT. Mr Chua is also a Non-Executive Director of Mapletree Industrial Trust Management Ltd. (the Manager of Mapletree Industrial Trust) and was a Non-Executive Director of Mapletree North Asia Commercial Trust Management Ltd. (the manager of Mapletree North Asia Commercial Trust) up until the Merger, both of which are related corporations of the Sponsor. Pursuant to the SFLCB Regulations, during FY22/23, Mr Chua is deemed not to be (a) independent from a management relationship with the Manager and MIT by virtue of his employment with the Sponsor; (b) independent from any business relationship with the Manager and MIT as the Sponsor had received payments from the Manager and/or the trustee of MIT during FY22/23; and (c) independent from every substantial shareholder of the Manager and substantial unitholder of MIT by virtue of his employment with the Sponsor and his directorships in the abovementioned related corporation of the Sponsor. The Board is satisfied that, as at 31 March 2023, Mr Chua was able to act in the best interests of all Unitholders of MPACT as a whole.
- <sup>8</sup> Ms Wendy Koh is currently the Group Chief Financial Officer of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MPACT. She is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the manager of Mapletree Logistics Trust) and Mapletree Industrial Trust Management Ltd. (the manager of Mapletree Industrial Trust) and was a Non-Executive Director of Mapletree North Asia Commercial Trust Management Ltd. (the manager of Mapletree North Asia Commercial Trust) up until the Merger, all of which are related corporations of the Sponsor.

Pursuant to the SFLCB Regulations, during FY22/23, Ms Koh is deemed not to be (a) independent from the management of the Manager and MPACT by virtue of her employment with the Sponsor; (b) independent from any business relationship with the Manager and MPACT by virtue of the payments which the Sponsor had made to and/or received from the Manager and/or the trustee of MPACT during FY22/23; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of her employment with the Sponsor and her directorships in the abovementioned related corporations of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2023, Ms Koh was able to act in the best interests of all Unitholders of MPACT as a whole.

- <sup>9</sup> Ms Sharon Lim is currently the Executive Director and CEO of the Manager, which is a related corporation of the Sponsor.

Pursuant to the SFLCB Regulations, during FY22/23, Ms Lim is deemed not to be (a) independent from the management of the Manager and MPACT by virtue of her employment with the Manager; (b) independent from any business relationship with the Manager and MPACT by virtue of the payments which the Manager had made to the Sponsor and/or received from the trustee of MPACT during FY22/23; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of her employment with and directorship in the Manager which is a related corporation of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2023, Ms Lim was able to act in the best interests of all Unitholders of MPACT as a whole.

- <sup>10</sup> For the purposes of Regulation 13E(b)(ii) of the SFLCB Regulations, as at 31 March 2023, each of the abovementioned Directors was able to act in the best interests of all Unitholders of MPACT as a whole.

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

- Ms Tan Su Shan;
- Mr Premod Thomas;
- Ms Lilian Chiang;
- Mr Kan Shik Lum;
- Mr Chua Kim Chiu;
- Mr Lawrence Wong;
- Mr Wu Long Peng;
- Mr Pascal Lambert;
- Mr Mak Keat Meng; and
- Mr Alvin Tay.

In view of the above, more than half of the Board comprises Independent Directors. There are thirteen Non-Executive Directors which make up a majority of the Board.

### Chairman and CEO

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

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

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

The Chairman is a Non-Executive Director who is responsible for the overall management of the Board as well as ensuring that the Directors and Management work together with integrity and

competency, and he guides the Board in constructive debates on the Group's strategic direction, management of its assets and governance matters.

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

As the Chairman is not an independent director, in accordance with Provision 3.3 of the Code, Ms Tan Su Shan has been appointed as the Lead Independent Director of the Manager. The principal responsibilities of the Lead Independent Director are to act as Chairperson of the Board when matters concerning the Chairman are to be considered, and to be available to the Board and Unitholders for communication of Unitholders' concerns when other channels of communication through the Chairman or CEO are inappropriate, as well as to lead all deliberations on feedback regarding performance of the CEO and any interested party transactions. Ms Tan also has the discretion to hold meetings with the other Independent Directors without the presence of Management as she deems appropriate or necessary and to provide feedback to the Chairman after such meetings.

### Board Membership

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

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

The Manager adopts the principle that Board renewal is a necessary

and 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 it comprises four Directors, being Ms Tan Su Shan, Ms Lilian Chiang, Mr Kan Shik Lum and Mr Chua Tiow Chye, all of whom are non-executive and the majority of whom (including the Chairperson) are independent. Ms Tan Su Shan is the Chairperson of the NRC and also the Lead Independent Non-Executive Director of the Manager.

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

- the appointment and re-appointment of the Board and committee members;
- the appointment of the Executive Director and CEO and the framework for the appointment of key management personnel of the Manager, as well as the succession plan and framework for the Executive Director, CEO and key management personnel of the Manager;
- the process and criteria for evaluating the performance of the Board, the Board committees and the Directors;
- the training and professional development programmes for the Board; and
- the determination, on an annual basis and as and when circumstances require, of the independent status of a Director, bearing in mind the relevant principles and provisions of the Code and the SFLCB Regulations, as well as any other applicable regulations and guidelines and salient factors.

## CORPORATE GOVERNANCE

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

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

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

As at least half of the Board comprises Independent Directors, the Manager will not be voluntarily subjecting any appointment or reappointment of directors to voting by Unitholders. The NRC also determines annually, and as and when circumstances require, if a director is independent, having

regard to the circumstances set forth in Provision 2.1 of the Code. Directors disclose to the Board their relationships with the Manager, its related corporations, its substantial shareholders, MPACT's substantial Unitholders or the Manager's officers, if any, which may affect their independence. For further information on the Board's assessment, please refer to "Principle 2: Board Composition and Guidance" in this CG Report.

The listed company directorships and principal commitments of the Directors are disclosed on pages 20 to 25 of this Annual Report. 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 FY22/23 as well as the contribution and performance of each individual Director at such meetings, the Board is satisfied that all the Directors have been able to adequately carry out their duties as Director notwithstanding their principal commitments.

In keeping with the principle that a Director must be able to commit his or her time and attention to the affairs of the Group, the Board will generally not approve the

appointment of alternate directors. There were no alternate directors appointed in FY22/23.

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

In FY 22/23, all Directors underwent training on sustainability matters as prescribed under the Listing Manual.

### Board Performance

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

#### Our Policy and Practices

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

To assess the performance of the Board and the Board committees, the Manager conducts annual confidential board effectiveness surveys. The survey of the effectiveness of the Board, AC and NRC in respect of FY22/23 has been carried out.

To this end, the NRC will assist the Board in the assessment of the effectiveness of the Board, its Board committees, as well as the contribution by the Chairman and each Director, by reviewing the performance evaluation process and making recommendations to the Board. The evaluation results will be reviewed by the NRC and then shared with the Board. As part of the assessment,

the NRC considers the adequacy of the Board composition, the Board's performance and areas of improvement, the level of strategic guidance to Management and the overall effectiveness of the Board, as well as each individual Director's attendance, contribution and participation at the Board and Board committee meetings. The Board also believes that performance evaluation is an ongoing process and strives to maintain regular feedback and interactions between the Directors and Management.

## (B) REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

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

### Level and Mix of Remuneration

**Principle 7: Appropriate level of remuneration**

### Disclosure on Remuneration

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

### Our Policy and Practices

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

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

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

Additional information on remuneration matters are disclosed in compliance with the requirements of the United Kingdom's Alternative Investment Fund Managers Regulations 2013 (as amended) ("AIFMR").

### Nominating and Remuneration Committee

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

The current members are: Ms Tan Su Shan, Lead Independent Non-Executive Director and Chairperson of NRC, Ms Lilian Chiang, Independent Non-Executive Director, Mr Kan Shik Lum, Independent Non-Executive Director and Mr Chua Tiow Chye, Non-Executive Director. The current NRC met once during FY22/23 (after the Merger) and was guided by an independent remuneration consultant, Willis Tower Watson Consulting (Singapore) Pte. Ltd., who has no relationship with the Manager, the controlling shareholders of the Manager or its related entities and the Board of Directors that would interfere with its ability to provide independent advice to the NRC.

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

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

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

The NRC is responsible for the annual review of remuneration policy (including termination terms), its implementation and ensuring that such terms of remuneration are fair and in compliance with relevant legislation and regulation. The NRC makes remuneration decisions for employees annually in May following the end of the performance year. This timing allows the full-year financial results of the Group to be considered along with the

## CORPORATE GOVERNANCE

other non-financial goals and objectives. The NRC developed the Manager's remuneration policy with a number of principles in mind (the "Remuneration Principles"). The overarching principle is to promote sustainable long-term success of MPACT. The remuneration policy should:

- **Align with Unitholders:**

A proportion of variable remuneration is deferred and delivered in the form of deferred awards over MPACT phantom units, thereby aligning the interests of employees and Unitholders;

- **Align with performance and value creation:**

Total variable compensation is managed and structured taking into consideration the level of performance and value creation attained which is being assessed holistically and determined based on financial performance and achievement of non-financial goals;

- **Encourage retention:**

Deferred variable compensation does not give rise to any immediate entitlement. Awards normally require the participant to be employed continuously by the Manager until at least the third anniversary of the grant in order to vest in full; and

- **Be competitive:**

Employees receive competitive compensation and benefits packages, which are reviewed annually and benchmarked by an independent remuneration consultant to the external market.

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

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

- the level of directors' fees should be appropriate (but not excessive) to attract and retain the Directors to provide good stewardship of the Manager and the Group;
- directors' fees are reviewed annually and subject to the approval of the Manager's shareholder;
- to ensure that each Director's fees are commensurate with his or her responsibilities and time spent, each Director is paid a basic retainer and each Directors who performs additional services through the Board committees is paid additional fees for such services;
- Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors, and the CEO also does not receive any director's fees in her capacity as a Director; and
- no Director is involved in deciding his or her own remuneration.

Directors' fees are paid entirely in cash.

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

- 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.

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

The remuneration of the Board and the employees of the Manager is paid by the Manager, and not paid by MPACT.

The Manager has set out in the table below information on the fees paid to the Directors for FY22/23 prior to the Merger:

Board Members	Membership	Fees Paid for FY22/23 <sup>1</sup>
Mr Tsang Yam Pui <sup>3</sup>	Non-Executive Chairman and Director	S\$54,502
Ms Kwa Kim Li <sup>3</sup>	Lead Independent Non-Executive Director and Chairperson of the NRC	S\$40,334
Mr Premod Thomas	Independent Non-Executive Director and Chairman of the AC	S\$44,284
Mr Kan Shik Lum	Independent Non-Executive Director and Member of the NRC	S\$34,873
Mr Koh Cheng Chua <sup>3</sup>	Independent Non-Executive Director and Member of the AC	S\$39,139
Mr Wu Long Peng	Independent Non-Executive Director and Member of the AC	S\$39,139
Mr Mak Keat Meng	Independent Non-Executive Director and Member of the AC	S\$39,139
Mr Alvin Tay	Independent Non-Executive Director	S\$27,191
Mr Samuel Tsien	Non-Executive Director	S\$7,567
Mr Hiew Yoon Khong <sup>3</sup>	Non-Executive Director and Member of the NRC	Nil <sup>2</sup>
Ms Wendy Koh	Non-Executive Director	Nil <sup>2</sup>
Ms Amy Ng <sup>3</sup>	Non-Executive Director	Nil <sup>2</sup>
Ms Sharon Lim	Executive Director and CEO	Nil <sup>4</sup>

Notes:

<sup>1</sup> For the period from 1 April 2022 to 2 August 2022.

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

<sup>3</sup> Stepped down from the Board on 3 August 2022 as part of the Board reconstitution exercise in connection with the Merger.

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

The Manager has set out in the table below information on the fees paid to the Directors for FY22/23 after the Merger:

Board Members	Membership	Fees Paid for FY22/23 <sup>1</sup>
Mr Samuel Tsien	Non-Executive Chairman and Director	S\$130,887
Ms Tan Su Shan	Lead Independent Non-Executive Director and Chairperson of the NRC	S\$78,443
Mr Premod Thomas	Independent Non-Executive Director and Chairman of the AC	S\$83,216
Ms Lilian Chiang	Independent Non-Executive Director and Member of the NRC	S\$67,862
Mr Kan Shik Lum	Independent Non-Executive Director and Member of the NRC	S\$65,127
Mr Chua Kim Chiu	Independent Non-Executive Director and Member of the AC	S\$76,129
Mr Lawrence Wong	Independent Non-Executive Director and Member of the AC	S\$76,129
Mr Wu Long Peng	Independent Non-Executive Director and Member of the AC	S\$73,361
Mr Pascal Lambert	Independent Non-Executive Director	S\$52,983
Mr Mak Keat Meng	Independent Non-Executive Director	S\$50,309
Mr Alvin Tay	Independent Non-Executive Director	S\$50,309
Mr Chua Tiow Chye	Non-Executive Director and Member of the NRC	Nil <sup>2</sup>
Ms Wendy Koh	Non-Executive Director	Nil <sup>2</sup>
Ms Sharon Lim	Executive Director and CEO	Nil <sup>3</sup>

Notes:

<sup>1</sup> For the period from 3 August 2022 to 31 March 2023.

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

<sup>3</sup> The CEO does not receive any director's fees in her capacity as a Director.

## CORPORATE GOVERNANCE

### Link between Pay, Performance and Value Creation

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

Variable incentive is a material component of total remuneration and comprises Performance Target Bonus ("PTB"), Variable Bonus ("VB") and Long-term Incentive ("LTI") award. The PTB amount is determined based on the achievement of non-financial Key Performance Indicators ("KPIs") which are critical to improving people capability, building organisational culture, contributing to the Environment, Social and Governance ("ESG") factors, as well as managing stakeholders of the Manager, e.g. raising the capability of the employees through increased participation in learning and development, and with specific focus on digitalisation and ESG so as to raise their awareness and improve their general skills and knowledge in these areas, building organisational culture by engaging employees and improving their well-being through regular participation in wellness initiatives, connecting with investors and tenants through regular engagement meetings, and encouraging active contribution to environmental targets such as reducing electricity

usage. The VB amount is assessed based on the achievement of financial KPIs such as NPI, DPU and NAV which measure the financial metrics essential to Unitholders. KPIs and their weightages may change from year to year. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MPACT's Total Shareholder Return ("TSR") targets.

To this end, the NRC has reviewed the performance of the Manager for FY22/23 and is satisfied that all KPIs have been achieved.

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

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

account MPACT, the Manager and the individual's performance against agreed financial and non-financial objectives similar to that of Management. However, in execution, the PTB and VB are combined to form consolidated variable pay for the employees.

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

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

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

The remuneration for the CEO in bands of S\$250,000 and a breakdown of the remuneration of the CEO and all of the key management personnel of the Manager in percentage terms, are provided in the remuneration table below. At present, there are only six key management personnel of the Manager (including the CEO).

### Total Remuneration Bands of CEO and Key Management Personnel for FY22/23

	Salary, Allowances and Statutory Contributions	Bonus <sup>1</sup>	Long-term Incentives <sup>2</sup>	Benefits	Total
<b>Above S\$1,500,000 to S\$1,750,000</b>					
Ms Sharon Lim	28%	46%	26%	N.M. <sup>4</sup>	100%
<b>Other Key Management Personnel</b>					
Ms Janica Tan	38%	41%	21%	N.M. <sup>4</sup>	100%
Mr Chow Mun Leong	49%	35%	16%	N.M. <sup>4</sup>	100%
Mr Koh Wee Leong	46%	37%	17%	N.M. <sup>4</sup>	100%
Ms Charissa Wong <sup>3</sup>	52%	36%	12%	N.M. <sup>4</sup>	100%
Ms Wendy Lee <sup>3</sup>	73%	27%	–	N.M. <sup>4</sup>	100%

#### Notes:

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

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

<sup>3</sup> Ms Charissa Wong and Ms Wendy Lee are employees of the Property Managers and are deemed key management personnel who have responsibility for the management of VivoCity and Festival Walk, respectively, which are material to the performance of MPACT.

<sup>4</sup> Not meaningful.

The total remuneration for the CEO and the key management personnel in FY22/23 was S\$4.6 million.

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

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

with the intent of Principle 8 of the Code, as information on the Manager's remuneration policies, level and mix of remuneration, procedure for setting remuneration and the relationships between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs.

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

# CORPORATE GOVERNANCE

There were no employees of the Manager who were substantial shareholder of the Manager, substantial unitholder of MPACT or immediate family members of a Director, the CEO or a substantial shareholder of the Manager or substantial unitholder of MPACT and whose remuneration exceeded S\$100,000 during FY22/23.

## Quantitative Remuneration

### Disclosure under AIFMR

The Manager is required under the AIFMR to make quantitative disclosures of remuneration.

Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of MPACT.

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

The aggregate amount of remuneration awarded by the Manager to its staff in respect of the Manager's financial year ended 31 March 2023 was S\$11.0 million. This figure comprised fixed pay of S\$5.9 million, variable pay of S\$4.6 million and allowances/benefits-in-kind of S\$0.5 million. There were a total of 52 beneficiaries of the remuneration described above.

In respect of the Manager's financial year ended 31 March 2023, the aggregate amount of remuneration awarded by the Manager to its senior management (who are also members of staff whose actions have a material impact on the risk profile of MPACT) was S\$6.1 million, comprising eleven individuals identified having considered, among others, their roles and decision making powers.

## (C) ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

#### *Principle 9: Sound system of risk management and internal controls*

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 controls and risk management objectives.

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

#### 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 Group functions, such as Human Resource, Information Systems & Technology, Internal Audit, Legal and Risk Management, which are outsourced to the Sponsor. The Manager also conducts an annual review of such outsourced functions to ensure required performance standards are met.

#### 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 undertaken by the Group, including the following:

- equity fund-raising;
- acquisition, disposal and development 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 internal audit function, which is outsourced to the Sponsor, reviews the Group's compliance with the control procedures and policies established within the internal controls and risk management systems.

#### Whistle-blowing Policy

To reinforce a culture of good business ethics and governance, the Manager has a Whistle-blowing Policy to encourage the reporting, in good faith, of any suspected misconduct or wrongdoing, including possible financial irregularities, while protecting the whistle-blowers from reprisals and detrimental or unfair treatment

by, among others, ensuring that the identity of the whistleblower is kept confidential. Any reporting concerning the Group or the Manager is notified to the AC Chairman of the Sponsor as well as the AC Chairman of the Manager for further investigation. The findings will then be reported to the AC of the Manager which is responsible for oversight and monitoring of the Whistle-blowing reports received.

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

### Risk Management

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

The Manager's Enterprise Risk Management ("ERM") framework is adapted from International Organisation for Standardisation (ISO) 31000 Risk Management and is benchmarked against other relevant best practices and guidelines. It is also reviewed annually to ensure its continued relevance and practicality in identifying, assessing, treating, monitoring, and reporting of key risks. For example, portfolio risk profile, key risk indicators/limits and other significant risk matters (if applicable) are reported to the AC and the Board independently on a quarterly basis.

The risk management system established by the Manager, which encompasses the ERM framework

and risk management processes, is dynamic and evolves with the business. The Manager identifies key risks, assesses their likelihood and impact on MPACT's business and establishes mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The Manager, supported by the Sponsor's RM department, also conducts control self-assessment (CSA) on an annual basis to ensure that key risks are being effectively managed. The CSA programme also serves to raise risk awareness and foster risk and control ownership.

The Manager's policies and procedures relating to risk management can be found on pages 182 to 185 of this Annual Report.

### Information Technology Controls

As part of the Group's risk management process, information technology (including cybersecurity) controls have been put in place and are periodically reviewed to ensure that information technology risks (including cybersecurity threats) are identified and mitigated. As part of the periodic review, regulatory requirements, such as the MAS Cyber Hygiene Notice and the MAS Technology Risk Management Guidelines (January 2021), are monitored and complied with, where applicable.

On an annual basis, the Manager conducts the IT Disaster Recovery ("ITDR") Tests, as well as engages external specialists to perform a Vulnerability and Penetration Test ("VAPT") on the Group's networks, systems and devices. The ITDR ensures that information technology systems remain functional in a system

failure, and the VAPT ensures that cybersecurity measures deployed continue to be effective.

The Sponsor's Internal Audit Department conducted an annual review of information technology controls. The audit findings were submitted to the AC and the Board for review and appropriate remedial actions were identified and taken as at 31 March 2023.

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

The Group's financial results are prepared in accordance with the Singapore Financial Reporting Standards (International) and are reported to Unitholders in accordance with the requirements of the SGX-ST. These results

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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 in the Financial & Capital Management Review section from pages 30 to 37 and the Financial Statements from pages 189 to 279 of this Annual Report.

## Financial Management

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

The key financial risks which the Group is exposed to include interest rate risk, foreign currency risk, liquidity risk and credit risk. Where appropriate, the Manager procures hedging transactions to be entered into so as to protect the Group against interest rate and foreign exchange rate fluctuations. In addition, the Manager proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained for the Group. The Manager's capital management strategy can be found from pages 30 to 37 of this Annual Report. The Manager also has in place credit control procedures for managing tenant credit risk and monitoring of arrears collection.

## Internal Audit

The internal audit function, which is outsourced to the Sponsor's Internal Audit Department, prepares a risk-based audit plan annually to review the adequacy and effectiveness of the Group's

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

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

## External Audit

The external auditor also provides 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 auditor is also updated on the findings of the CSA programme.

## Interested Person Transactions

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

Property Funds Appendix has been complied with.

The following procedures are also undertaken:

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

under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by Unitholders at a meeting of Unitholders.

The interested person transactions undertaken by the Group in FY22/23 are set out from pages 280 to 281 of this Annual Report. For the purpose of the disclosures, the full contract sum is taken as the value of the transaction where the interested person transaction has a fixed term and contract value, while the annual amount incurred and/or accrued is taken as the value of the transaction where an interested person transaction has an indefinite term or where the contract sum is not specified.

#### Dealing in MPACT units

The Manager has adopted a securities dealing policy for its officers and employees which applies the best practices on dealings in securities set out in the Listing Manual. Under the policy, all Directors are required to disclose their interests in MPACT and are also provided with disclosures of interests by other Directors as well as reminders on trading restrictions.

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

#### Role of the Board and the AC

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

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

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

It should be recognised that all internal controls and risk management systems contain inherent limitations and,

accordingly, the internal controls and risk management systems can only provide reasonable but not absolute assurance.

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

#### Comment and Opinion on Internal Controls

Based on the internal control and risk management systems established and maintained by the Manager and the Sponsor, the work performed by the Sponsor's Internal Audit and Risk Management Departments as well as by the external auditor, reviews performed by Management and the above-mentioned assurance from the CEO, the CFO and other key management personnel, the Board is of the opinion that the Group's internal controls and risk management systems, addressing key financial, operational, compliance, information technology and risk management objectives and which the Group considered relevant and material to its operations, were adequate and effective to

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meet the needs of the Group in its business as at 31 March 2023. However, the Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be significantly affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The AC concurs with the Board's comments provided in the foregoing. For the financial year ended 31 March 2023, the Board and the AC have not identified any material weaknesses in the Group's internal control and risk management systems.

### Audit and Risk Committee

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

### Our Policy and Practices

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

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

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

- Mr Premod Thomas, Chairman;
- Mr Chua Kim Chiu, Member;
- Mr Lawrence Wong, Member; and
- Mr Wu Long Peng, Member.

None of the AC members is or has been a partner or director of the incumbent external auditor, PricewaterhouseCoopers LLP ("PwC"), within the previous two years, and neither do any of them have any financial interest in PwC.

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

- examination of interested person transactions;
- review and approval of the scope of internal and external audit plans and activities;
- review of the adequacy, effectiveness, independence, scope and audit findings of internal and external auditors as well as Management's responses to them and the implementation of remedial actions to address such findings;
- evaluation of the nature and extent of non-audit services performed by external auditors. In this regard, for FY22/23, MPACT paid S\$547,551 to PwC, of which S\$487,551 was for annual audit services for the Group and S\$60,000 was for non-audit services for the Group. The S\$60,000 fee comprised S\$55,000 for non-audit services rendered as reporting accountant with regards to the establishment of the S\$5.0 billion Euro Medium Term Securities

Programme and S\$5,000 for the performance of agreed upon procedures with regards to the review of service charge rate for mTower. The AC has undertaken a review of all non-audit services provided by PwC and is of the opinion that such services would not affect the independence of PwC as the external auditor;

- review of the quality and reliability of information prepared for inclusion in financial reports;
- authority to investigate any matters within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- making recommendation to the Board on the appointment and re-appointment of external auditors; and
- approval of the remuneration and terms of engagement of external auditors.

In addition, the AC also:

- reviews significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of MPACT and any formal announcements relating to MPACT's financial performance;
- reviews at least annually the adequacy and effectiveness of MPACT's internal controls and risk management systems;
- reviews the assurance from the CEO and the CFO on the financial records and financial statements;
- meets with the external and internal auditors, without the presence of Management, at least once a year to review and discuss the financial reporting

process, system of internal controls (including financial, operational, compliance and information technology controls), significant comments and recommendations;

- reviews and, if required, investigates the matters reported via the whistle-blowing mechanism, by which employees may, in confidence, raise concerns about suspected improprieties including financial irregularities. The objective of the whistle-blowing mechanism is to ensure that arrangements are in place for independent investigations of any reported matters and reviews of such investigations, to ensure appropriate follow-up actions are taken; and
- discusses during the AC meetings, any changes to accounting standards and issues which have a direct impact on the financial statements.

In the review of the financial statements, the AC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements.

As part of its oversight role over financial reporting, the AC reviewed the financial statements before recommending them to the Board for approval. The process involved discussions with Management and the external auditor on significant accounting matters. The AC reviewed among other matters, the valuation of investment properties, being the key audit matter identified by the external auditor.

The AC evaluated the valuers' objectivity and competency, reviewed the outputs from the process of valuing the investment properties and had robust discussions with Management and the professional valuers,

focusing on the reasonableness of the methodologies and critical assumptions used in deriving the valuation of the investment properties.

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

The AC is satisfied with the valuation process, methodologies used and valuation of the investment portfolio as adopted and disclosed in the financial statements.

A total of six AC meetings were held in FY22/23.

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

### Internal Audit

#### Our Policy and Practices

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

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

The Chairman of the AC is consulted and provides objective feedback to the AC of the Sponsor on the hiring, removal, remuneration and evaluation of the

performance of the Head of Internal Audit. The Sponsor's Internal Audit Department (including the Head of Internal Audit) has unfettered access to all of the Group's documents, records, properties and personnel, including access to the AC and has appropriate standing within the Group.

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

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

The IIA Standards cover requirements on:

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

The Sponsor's Internal Audit Department employees involved in information technology audits are Certified Information System Auditors and members of the

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Information System Audit and Control Association (the "ISACA") in the United States. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to apply in information technology audits.

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

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

For FY22/23, the AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

## (D) UNITHOLDER RIGHTS AND ENGAGEMENT

### Unitholder Rights

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

### Engagement with Unitholders

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

### Our Policy and Practices

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

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

The public can access the electronic copy of the Annual Report via SGXNET as well as MPACT's website, and printed copies of the Annual Report are also available upon request. Under normal circumstances, Unitholders will receive the notices of general meetings and proxy forms with instructions on the appointment of proxies and may also download these documents from MPACT's website. Notices of general meetings are also published in the newspaper, SGXNET and MPACT's website. The Manager will be conducting the upcoming annual general meeting by hybrid means and arrangements will be put in place to allow Unitholders to participate in the meeting in-person and virtually. Please refer

to the notice of the annual general meeting dated 6 July 2023 for further information.

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 auditor is also present to address Unitholders' queries about the audit and the financial statements of the Group. A record of the Directors' attendance at the annual general meeting can be found in the record of their attendance of meetings set out from pages 161 to 162 of this Annual Report.

Provision 11.4 of the Code requires an issuer's constitutive documents to allow for absentia voting at general meetings of Unitholders. The Trust Deed currently does not provide for absentia voting but the Manager is of the view that despite the deviation from Provision 11.4 of the Code, its current practice remains consistent with Principle 11 of the Code as a whole because Unitholders nevertheless have opportunities to communicate their views on matters affecting the Group even when they are not in attendance at general meetings. For example, in an ordinary meeting setting (i.e. physical meetings), Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings. Unitholders such as nominee companies which provide custodial services for securities are able to appoint more than two proxies to attend, speak and vote at general meetings.

Where a general meeting is convened, all Unitholders are

entitled to a proxy form with instructions on the appointment of proxies, instructions on how to access an electronic copy of the circular on SGXNET as well as MPACT's website, and a form to request for a printed copy of the circular. The Manager informs Unitholders of the rules governing the general meetings; prior to voting at an annual general meeting or any other general meeting, the voting procedures will be made known to Unitholders to facilitate them in exercising their votes.

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

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

The Manager's investor relations policy prioritises proactive engagement, and timely and effective communication with its stakeholders.

The Manager regularly communicates major developments in the Group's businesses and operations to Unitholders, analysts and the media through the issuance of announcements and press releases. In addition, all announcements and press releases are first made on SGXNET and subsequently on MPACT's website.

The Manager also communicates with MPACT's investors on a regular basis through group/individual meetings with investors, investor conferences and non-deal roadshows. Investor presentation slides used during such conferences and roadshows are also uploaded to SGXNET and MPACT's website to ensure Unitholders are kept up-to-date on material information. In addition to the Investor Relations team, the Manager's CEO and CFO, as well as the Co-Heads of Investments & Asset Management, are present at briefings and communication sessions where practicable to answer questions from investors, and analyst briefings are also conducted. Stakeholders can subscribe for email alerts to receive the latest updates on the Group and also contact the Investor Relations Department via a dedicated email address. Further details on the Manager's investor relations activities and efforts are found from pages 186 to 188 of this Annual Report.

Minutes of general meetings recording the substantive and relevant comments made and questions raised by Unitholders are available to Unitholders for

their inspection upon request. Minutes of general meetings (which record substantial and relevant comments and queries from Unitholders and the response from the Board and Management) are also available on MPACT's website at [www.mapletreepact.com](http://www.mapletreepact.com).

MPACT's distribution policy is to distribute at least 90% of its taxable income, as well as its tax-exempt income (if any). For FY22/23, MPACT made four distributions to Unitholders, including the clean-up distribution for the period from 1 April 2022 to 20 July 2022 paid on 25 August 2022. Following the announcement on 27 October 2022, MPACT has adopted a quarterly reporting framework with effect from 3Q FY22/23. Consequently, any distributions to Unitholders has also been changed to a quarterly basis with effect from 3Q FY22/23.

## **(E) MANAGING STAKEHOLDER RELATIONSHIP**

### **Engagement with Stakeholders**

#### ***Principle 13: Balance needs and interests of various stakeholders***

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

The Manager adopts the principle that to build confidence among stakeholders, there is a need to balance the needs and interests of various stakeholders. The Sustainability Report from pages 102 to 158 in the Annual Report provides the Group's approach in identifying its material stakeholders, as well as addressing stakeholders' concerns and methods of engagement. The Sustainability Report also sets out the key areas of focus in relation to the management of stakeholder relationships for the financial year ended 31 March 2023.