

FRASERS CENTREPOINT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 5 June 2006 (as amended, restated and supplemented))

RESPONSES TO SGX-ST'S QUERIES ON FY2020 ANNUAL REPORT

The board of directors (the "**Board**") of Frasers Centrepoint Asset Management Ltd., in its capacity as manager of Frasers Centrepoint Trust ("**FCT**", and as manager of FCT, the "**Manager**"), wishes to announce the following in response to queries received from Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 8 January 2021 relating to FCT's Annual Report ("**FY2020 Annual Report**") for the financial year ended 30 September 2020 ("**FY2020**").

Query 1:

Listing Rule 210(5)(a) provides that a director who has no prior experience as a director of an issuer listed on the Exchange must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. In this regard, please disclose: (a) whether any new directors with no prior experience as a director of an issuer listed on the Exchange, was appointed to the board during the financial period under review; (b) whether the said director(s) have attended training as required; (c) the date of the training(s) attended; and (d) if no trainings have been attended, the reason why.

Response:

Listing Rule 210(5)(a) states as follows: "The directors and executive officers should have appropriate experience and expertise to manage the group's business. A director who has no prior experience as a director of an issuer listed on the Exchange must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. If the nominating committee is of the view that training is not required because the director has other relevant experience, the basis of its assessment must be disclosed. As a pre-quotation disclosure requirement, an issuer must release a statement via SGXNET or in the prospectus, offering memorandum or introductory document identifying for each director, whether the person has prior experience as a director of an issuer listed on the Exchange or if he has other relevant experience, and if so, provide details of his directorships and other relevant experience. If the director has no prior experience as a director of an issuer listed on the Exchange and has no other relevant experience, the issuer must confirm that the person has undertaken training as prescribed by the Exchange."

The Manager has disclosed on page 109 of the FY2020 Annual Report that the directors appointed to the Board in FY2020 are Ms Koh Choon Fah and Mr Low Chee Wah.

As disclosed by the Manager in the SGXNET announcement dated 30 September 2019, Ms Koh Choon Fah was appointed to the Board on 1 October 2019 and is required to attend training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST within 12 months of her appointment to the Board. Ms Koh Choon Fah completed all the following core modules of the Listed Entity Director Programme before 30 September 2020 and has therefore complied with the training requirements under Listing Rule 210(5)(a):

- (i) LED 1 - Listed Entity Director Essentials, completed on 16 July 2020;
- (ii) LED 2 - Board Dynamics, completed on 11 March 2020;
- (iii) LED 3 - Board Performance, completed on 17 March 2020;
- (iv) LED 4 - Stakeholder Engagement, completed on 21 May 2020;
- (v) LED 5 - Audit Committee Essentials completed on 25 March 2020;
- (vi) LED 6 - Board Risk Committee Essentials, completed on 21 July 2020;
- (vii) LED 7 - Nominating Committee Essentials, completed on 21 July 2020; and
- (viii) LED 8 - Remuneration Committee Essentials, completed on 22 July 2020.

Mr Low Chee Wah was previously a director of Frasers Commercial Asset Management Ltd., the manager of Frasers Commercial Trust. Mr Low Chee Wah therefore has “prior experience as a director of an issuer listed on the Exchange”, and is not required to undergo further training under Listing Rule 210(5)(a).

Query 2:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “Code”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Trust had not complied with Provisions 8.1 of the Code with regards to the disclosure of remuneration and there were no explanations provided for in your FY2020 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Trust had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Response:

Provision 8.1 of the Code states as follows: “The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.”

The Manager would like to clarify that it has disclosed on page 122 of the FY2020 Annual Report, the remuneration of all of the directors of the Manager.

In relation to the remuneration of the CEO and the top five key management personnel, the Manager has disclosed on page 123 of the FY2020 Annual Report the reasons why the Board decided (a) to disclose the CEO’s remuneration in bands of S\$250,000 (instead of on a quantum basis), (b) not to disclose the remuneration of the other key executives of the Manager in bands of S\$250,000, and (c) to disclose the aggregate remuneration of all of the key executives of the Manager (including the CEO).

The Manager would like to elaborate on the reasons as follows:

- (i) due to the commercial sensitivity and confidential nature of staff remuneration matters, the Manager is of the view that such disclosures could be prejudicial to the interests of unitholders of FCT (“**Unitholders**”);

- (ii) given the competitive business environment which FCT operates in, the Manager faces significant competition for talent in the REIT management sector, and it had not disclosed the exact remuneration of the key executives (including the CEO) so as to minimise potential staff movement and undue disruption to its management team which would be prejudicial to the interests of Unitholders; and
- (iii) it is important for the Manager to ensure stability and continuity of its business by retaining a competent and experienced management team and being able to attract talented staff and disclosure of the remuneration of the key executives including the CEO could make it difficult to retain and attract talented staff on a long-term basis.

The Manager has also disclosed in detail on page 122 of the FY2020 Annual Report the components of the CEO's and the key management personnel's remuneration, comprising the fixed salary and performance bonus, and on pages 119 to 120 the annual appraisal process and the factors which are taken into account in assessing performance of the CEO and key management personnel, including but not limited to: (a) FCT's net property income, (b) distribution per unit, (c) FCT's total return (against a peer group) and (d) Targeted Asset Divestment/Recycling. The disclosure of these performance metrics show the relationship between the CEO's and the key management personnel's remuneration and the performance and long-term value creation for FCT. In addition, the Manager has disclosed on pages 119 to 120 of the FY2020 Annual Report the details of the Long-Term Incentive Plans, under which the key management personnel may be awarded with fully paid units in FCT, their equivalent cash value or a combination thereof, free of charge, provided certain prescribed performance conditions are met.

Taking into account the reasons why disclosure of the exact quantum of the remuneration of the CEO and key management personnel would be prejudicial to the interests of Unitholders and the disclosure of the remuneration policies, composition of remuneration, appraisal process and performance metrics which go towards determination of the performance bonus of the CEO and key management personnel, the Board has determined that there is sufficient transparency on the Manager's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation consistent with the intent of Principle 8.

BY ORDER OF THE BOARD

Frasers Centrepoint Asset Management Ltd.

As manager of Frasers Centrepoint Trust
Company Registration No: 200601347G

Catherine Yeo
Company Secretary
12 January 2021

For further information, kindly contact:
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IMPORTANT NOTICE

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in FCT ("**Units**").

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of FCT is not necessarily indicative of the future performance of FCT.

Investors have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This Announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.