

With the objectives of establishing and maintaining high standards of corporate governance, certain policies and procedures have been put in place to promote the operation of The Link REIT in a transparent manner and with built-in checks and balances. Set out below is a summary of the key components of the corporate governance policies that have been adopted and are followed by the Manager and The Link REIT.

Authorisation structure

The Link REIT is a unit trust authorised by the SFC under section 104 of the SFO and regulated by the provisions of the REIT Code. The Manager has been authorised by the SFC under section 116 of the SFO to conduct the regulated activity of asset management. The Manager has three persons who are approved as Responsible Officers pursuant to the requirements of section 125 of the SFO and Rule 5.4 of the REIT Code, and the Chief Executive Officer, Mr. Victor So, is the executive Director of the Manager pursuant to the requirements of section 125 of the SFO.

The Trustee is registered as a trust company under section 77 of the Trustee Ordinance and is qualified to act as a trustee for authorised collective investment schemes under the SFO and the REIT Code.

Roles of the Trustee and the Manager

The Trustee will, upon completion of the Share Purchase Agreement, be the owner of the Manager which will be held by it on trust for the benefit of Unitholders. However, the Trustee and the Manager are functionally independent of each other. The Trustee is responsible under the Trust Deed for the safe custody of the assets of The Link REIT on behalf of Unitholders. The Manager's role under the Trust Deed is to manage The Link REIT in accordance with the Trust Deed and, in particular, to ensure that the financial and economic aspects of The Link REIT's assets are professionally managed in the sole interests of the Unitholders.

Functions of the Board

The Board comprises 12 members, nine of whom are independent non-executive Directors.

The Board principally oversees the day-to-day management of the Manager's affairs and the conduct of its business and is responsible for the overall governance of the Manager. The Board function is largely separate from, and independent of, the executive management function. The Board leads and guides the Manager's corporate strategy and direction. Day-to-day management functions and certain supervisory functions have been delegated to relevant committees of the Board and a schedule of matters specifically reserved to the Board has been formally adopted. The Board exercises its general powers within the limits defined by the Articles of Association, with a view to ensuring that management discharges its duties and is compensated appropriately, and that sound internal control policies and risk management systems are maintained. The Board will also review major financial decisions and the performance of the Manager. In accordance with the REIT Code, the Manager is required to act in the best interests of the Unitholders, to whom it owes a fiduciary duty.

Roles of the key Board members

The roles of the key members of the Board are as follows:

- *Chairman* — an independent non-executive Director, responsible for the overall leadership of the Board and the Manager generally.
- *Chief Executive Officer* — responsible for the day-to-day operations of the Manager and supervises the Manager's management team to ensure that The Link REIT is operated in accordance with its stated strategies, policies and regulations.
- *Independent non-executive Directors* — responsible for governing the Manager through the Board.

See the section headed "Management and Employees of the Manager" in this Offering Circular for further details of the composition of the Board.

Board Composition

With the aim of creating a board structure that is both effective and balanced, the size of the Board has been set to provide for a minimum of nine Directors and a maximum of 14 Directors. Pursuant to the Manager's corporate governance policy, at least half of the Directors are required to be independent non-executive Directors, being individuals who are: (i) not executives of the Manager; (ii) not closely related to or involved with the management of The Link REIT or any significant holder of Units; (iii) not closely related to HKHA or the Government; and (iv) free of any other business or other relationship which could materially interfere with the exercise of their independent judgement or as a result of which they would not be considered fully independent under the Listing Rules (which the Manager has chosen to use as a benchmark for considering the independence of its independent non-executive Directors).

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

- the Chairman of the Board should be an independent non-executive Director;
- the Board should comprise Directors with a broad range of commercial experience, including expertise in funds management and the property industry; and
- at least one half of the Board should comprise independent non-executive Directors.

The composition will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

The Board has established various committees to assist it in discharging its responsibilities. Details of these committees are listed below.

Committees

Board Committees

The Board has the power to delegate to committees consisting of such numbers of its body as it thinks fit. Various committees have been established to assist the Board in discharging its responsibilities. The committees of the Board have been set up with clear terms of reference to review specific issues or items and to then submit their findings and recommendations to the full Board for consideration and endorsement. Unless the decision making power has been vested in the relevant committee by the Board, the ultimate responsibility for making final decisions rests with the full Board and not the committees. The committees of the Board are as follows:

Finance and Investment Committee

The Finance and Investment Committee comprises of four members, including the Chief Executive Officer, the Director of Finance and at least one independent non-executive Director. It is responsible for evaluating and making recommendations on proposed acquisitions and/or disposals of assets, reviewing budgets and making recommendations to the Board on all key expenditures and reviewing the quarterly financial performance, forecasts and annual financial plan of the Manager and The Link REIT. The Finance and Investment Committee also reviews and recommends changes to financial authorities, policies or procedures in areas such as accounting, taxes, treasury, dividend payout, investment appraisal, management and statutory reporting.

Audit Committee

The Audit Committee comprises of independent non-executive Directors only, with at least three members. It reviews the completeness, accuracy, clarity and fairness of The Link REIT's financial statements and considers the scope, approach and nature of internal and external audit reviews. The Audit Committee also recommends the appointment of external auditors, reviews their reports and guides management to take appropriate actions to remedy faults or deficiencies identified in internal control. The Audit Committee is also responsible for reviewing and monitoring connected party transactions (see the section headed "Connected Party Transactions" in this Offering Circular).

Human Resources and Compensation Committee

The Human Resources and Compensation Committee comprises of the Chief Executive Officer and at least three other Directors (one of whom is an independent non-executive Director), with the Director of Human Resources and Corporate Services acting as secretary of the committee. It reviews the terms and conditions of employment of all staff and recommends the remuneration and retirement policies and packages of all staff and Directors (other than the members of the Human Resources and Compensation Committee, whose terms and conditions of employment and remuneration and retirement policies are considered by the Board) and recommends the manpower deployment plan (including the succession plan for the management of the Manager and the Board). It ensures that no Director is involved in deciding his own remuneration. The Human Resources and Compensation Committee also oversees the development and transition of manpower from the current HKHA arrangements into the Manager.

Nomination Committee

The Nomination Committee comprises a majority of independent non-executive Directors, one of whom is also a non-executive Director who is also a member of the Human Resources and Compensation Committee. It is responsible for reviewing the composition of the Board on an ongoing basis and for nominating, and providing recommendations on, Directors for appointment and re-appointment. The Nomination Committee is also responsible for proposing Directors for removal from the Board. If a member of the Nomination Committee is subject to re-appointment or removal, then such Director will abstain from participating in such discussions.

Disclosures Committee

The Disclosures Committee comprises of the Chief Executive Officer, the Director of Finance, one non-executive Director and at least one independent non-executive Director. It is responsible for reviewing matters relating to the regular, urgent and forward-looking disclosure of information to Unitholders and public announcements/circulars. The Disclosures Committee also oversees compliance with applicable legal requirements (including those relating to The Link REIT's connected party transactions) and the continuity, accuracy, clarity, completeness and currency of information disseminated by the Manager and The Link REIT to the public and applicable regulatory agencies.

Management Advisory Committee

The Management Advisory Committee comprises of the Chief Executive Officer, the Director of Finance, three committee members appointed by the Strategic Partner and such other persons as may be nominated by the Chief Executive Officer. The Management Advisory Committee serves as a forum for the Strategic Partner to discuss with, and provide advice to, the Chief Executive Officer and the Director of Finance regarding the strategic plans and policies of the Manager and The Link REIT, and other related matters.

Board meetings

Board meetings will be held at least four times a year and at least one Board meeting will be held in each calendar quarter. To ensure that Directors will be given sufficient time to consider the issues to be tabled at the various Board meetings, details of the venue, time and length of the meeting are required to be given at least 10 clear days in advance of the meeting (except if there are exceptional circumstances or if the majority of Directors agree to a shorter period of notice).

No Board meeting, or any adjourned Board meeting, will be quorate unless a simple majority of Directors for the time being (excluding any Directors which the Manager has a right to exclude for that purpose, whether pursuant to a contract or otherwise) are present at the time when the relevant business is transacted. A Director who, whether directly or indirectly, has a material interest in a contract or proposed contract with the Manager, which is of significance to the Manager's business, must declare the nature of his interest either at the earliest Board meeting or by giving a general notice to the Directors before the question of entering into the contract is taken into consideration on behalf of the Manager.

A Director prohibited from voting by reason of a conflict of interest will not be allowed to vote on the relevant matter and will not be counted for the purposes of establishing the necessary quorum for the meeting.

Matters to be considered by the Board will be adopted on the basis of a simple majority of votes. In the event of a split vote, the Chairman of the Board will have a casting vote.

Appointment and removal of Directors

Directors may be nominated for appointment and/or removal by: (i) the Board following a recommendation made by the Nomination Committee; or (ii) any Unitholder in accordance with the terms of the Trust Deed. The Manager, in its capacity as manager of The Link REIT, may convene a meeting of Unitholders for the purpose of seeking the approval of Unitholders for any proposed appointment of Directors by way of Ordinary Resolution. The quorum for a general meeting of Unitholders to consider the appointment of a Director nominated by the Nomination Committee is the same as that for passing business which does not require a Special Resolution, whilst the quorum where the person has not been nominated by that committee is the same as that required for passing a Special Resolution. All Directors (other than the SP Directors) will be appointed for specific terms. One-third of the independent non-executive Directors who are subject to retirement by rotation will retire at every annual general meeting from and including the first annual general meeting and the retiring Directors on each occasion will be those who have been longest in office since their last appointment or re-appointment, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. Independent non-executive Directors will be eligible for re-appointment up to a maximum period in office of six years. There is no maximum term for other Directors.

The Chairman has been appointed for an initial term of three years. Upon the expiration of such initial term, he may be re-appointed up to a maximum period in office of six years.

Unitholders have the right to remove an incumbent Director. A Director may also be removed from office if served with a notice of removal signed by all of the other Directors. An outgoing Director must abstain from voting in respect of a resolution proposed at a Board meeting in respect of the appointment of his successor.

Pursuant to the Articles of Association, a Director will need to vacate his office in certain circumstances, such as in the event that he becomes bankrupt, is convicted of an indictable offence, has been absent from Directors' meetings for six months or more without special leave of absence from the Board or fails to comply with the required standard set out in any code of conduct adopted by the Board and the Board resolves that he is thereby disqualified to continue as a Director. In addition to these circumstances, the SP Directors will be entitled to hold office only for so long as the Co-operation Agreement remains in effect.

General meetings

The Link REIT will in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. The Trustee or the Manager may at any time convene a meeting of Unitholders. The Manager will also convene a meeting if requested in writing by not less than two Unitholders registered as together holding not less than 10% of the issued and outstanding Units. At least 21 days' notice of the meeting will be given to the Unitholders and the notice will specify the time and place of the meeting and the resolutions to be proposed.

Two or more Unitholders present in person or by proxy registered as holding not less than 10% of the Units for the time being in issue will form a quorum for the transaction of all business, except for the purpose of passing a Special Resolution. The quorum for passing a Special Resolution will be two or more Unitholders present in person or by proxy registered as holding not less than 25% of the Units in issue.

Reporting and transparency

The Link REIT will prepare its accounts in accordance with HKFRS with a financial year-end of 31 March and a financial half-year of 30 September. In accordance with the REIT Code, the annual report and accounts for The Link REIT will be published and sent to Unitholders no later than four months following each financial year-end and the interim results no later than two months following each financial half-year. In addition, The Link REIT aims to provide Unitholders with relevant operational information, such as occupancy levels and utilisation rates of the properties that it holds, along with the publication of such financial results following each financial year-end and financial half-year.

As required by the REIT Code, the Manager will ensure that public announcements of material information and developments with respect to The Link REIT will be made on a timely basis in order to keep Unitholders apprised of the position of The Link REIT. Announcements will be made either by publishing them in at least one leading Hong Kong English language and one Chinese language daily newspaper, or by disseminating them by electronic means without publishing them in any newspaper.

Distribution payments

The Manager's policy is to distribute to Unitholders as dividends an amount equal to 100% of The Link REIT's Total Distributable Income for each financial year as more fully described in the section headed "Distribution Policy" in this Offering Circular. Pursuant to the Trust Deed, The Link REIT is in any event required to ensure that the total amount distributed to Unitholders as dividends will be no less than 90% of Total Distributable Income for each financial year. It is The Link REIT's current policy that distributions will be made shortly following the publication of its year-end and the interim results, respectively.

For further details of The Link's REIT's distribution policy, see the section headed "Distribution Policy" in this Offering Circular.

Issues of further Units post-listing

To minimise the possible material dilution of holdings of Unitholders, any further issue of Units will need to comply with the pre-emption provisions contained in the REIT Code. Such provisions require that further issues of Units be first offered on a pro rata pre-emptive basis to existing Unitholders except that Units may be issued: (i) free of such pre-emption rights up to an aggregate maximum in any financial year of 20% of the number of Units in issue at the end of the previous financial year; (ii) as consideration for the acquisition of additional real estate; and (iii) free of pre-emption rights in other circumstances provided that the approval of Unitholders by way of an Ordinary Resolution is obtained.

The Manager and The Link REIT may consider structuring an employee option scheme following completion of the Global Offering. The adoption of any such scheme will, however, be subject to approval by the Board and must be in accordance with the REIT Code. Subject as set out in the section headed "Connected Party Transactions" in this Offering Circular, the Manager and The Link REIT will also observe the restrictions in the REIT Code which prevent issues of new Units to connected persons unless: (i) specifically approved by Unitholders by way of Ordinary Resolution at a general meeting; and (ii) an announcement, circular or notice is issued, in each case in accordance with the requirements set out in the REIT Code.

The Link REIT is also subject to certain restrictions in respect of the Units held by it, the details of which are set out in the section headed "The Global Offering" in this Offering Circular.

Dealings in Securities of The Link REIT by the Directors and Senior Executives of the Manager

To monitor and supervise any dealings in the securities of The Link REIT by the Directors and senior executives of the Manager and their respective associates, the Manager has adopted a code governing dealings in the securities of The Link REIT by Directors and senior executives of the Manager which contains rules on dealings by the Directors and senior executives of the Manager, and their respective associated parties, equivalent to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules. Pursuant to this code, Directors and

senior executives of the Manager wishing to deal in the securities of The Link REIT must first have regard to provisions analogous to those set out in Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct. In addition, there are occasions where Directors and senior executives of the Manager cannot deal in the securities of The Link REIT even though the requirements of the SFO, if it applied, would not be contravened. In addition, a Director or senior executive of the Manager must not make any unauthorised disclosure of confidential information or make any use of such information for the advantage of himself or others.

Directors or senior executives of the Manager who are aware of or privy to: (i) any negotiations or agreements related to intended acquisitions or disposals which are significant transactions; (ii) or any price-sensitive information, must refrain from dealing in the securities of The Link REIT as soon as they become aware of them or privy to them until proper disclosure of the information, in accordance with the REIT Code and any applicable Listing Rules, is made. Directors or senior executives of the Manager who are privy to relevant negotiations or agreements or any price-sensitive information should caution those Directors and senior executives of the Manager who are not so privy that there may be unpublished price-sensitive information and that they must not deal in The Link REIT's securities for a similar period.

Interests held by Directors and senior executives of the Manager and their respective associates will be published in the annual and interim reports of The Link REIT. To facilitate this, the Manager has adopted a code containing rules on disclosure of interests and dealings by Directors and senior executives of the Manager .

Under the Trust Deed, Unitholders are also bound by the investigative and administrative power of the Manager in respect of their holdings of Units which are or are suspected to be related to such Directors, senior executives, officers and senior employees who are bound by the codes of good practice. Such investigative and administrative powers of the Manager include requiring the relevant Unitholders to provide information about their holdings of Units by way of statutory declarations and freezing the rights attached to the Units pending compliance with the investigation.

Under the Trust Deed and the REIT Code, significant holders of Units (being the holders of 10% or more of the outstanding Units for the time being) will also be required to notify the Trustee of their holdings in The Link REIT. For further details of the Trust Deed, see the section headed "The Trust Deed" in this Offering Circular.

Matters to be decided by Unitholders by Special Resolution

Pursuant to the Trust Deed, decisions with respect to certain matters require specific prior approval of Unitholders by way of Special Resolution. Such matters include: (i) termination of The Link REIT (except in the circumstances described in the section headed "The Trust Deed — Special Provisions in Case of Successful Legal Challenge" in this Offering Circular); (ii) merger of The Link REIT; (iii) modification of the Trust Deed; (iv) disposal by the Trustee of all or any of the Manager Shares; (v) any change to the maximum fee payable to the Trustee or any change to the structure of the Trustee's fee; (vi) removal of the Manager if the Trustee states in writing that such removal is in the best interests of Unitholders; (vii) removal of the Trustee if the Manager states in writing that such removal is in the best interests of Unitholders; and (viii) disposal by the Trustee of any of the land or an interest, option or other right over any of the land forming part of the Deposited Property within two years of the acquisition of such land. As stated above, the quorum for passing a Special Resolution is two or more Unitholders present in person or by proxy registered as holding not less than 25% of the Units in issue.