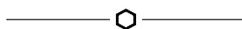


CORPORATE GOVERNANCE



INTRODUCTION

Viva Industrial Trust (“VIT”) is a stapled group comprising Viva Industrial Real Estate Investment Trust (“VI-REIT”) and Viva Industrial Business Trust (“VI-BT”). VI-REIT and VI-BT are managed by Viva Industrial Trust Management Pte. Ltd. (the “REIT Manager”) and Viva Asset Management Pte. Ltd. (the “BT Trustee-Manager”), respectively.

VI-REIT is a real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 23 August 2013 and as amended and restated by a first amending and restating deed dated 14 October 2013 entered into between the REIT Manager and Perpetual (Asia) Limited (in its capacity as trustee of VI-REIT) (the “REIT Trustee”). VI-BT is a business trust constituted in the Republic of Singapore pursuant to a trust deed dated 14 October 2013, entered into by the BT Trustee-Manager. The REIT Trustee, the REIT Manager and the BT Trustee-Manager (collectively, the “Managers”) executed a stapling deed dated 14 October 2013 to create the stapled group.

VI-BT has been inactive since VIT was listed on the Main Board of Singapore Exchange Securities Trading Limited (“SGX-ST”). Similarly, the BT Trustee-Manager has been inactive.

The REIT Manager was issued a Capital Markets Services Licence by the Monetary Authority of Singapore (“MAS”) pursuant to the Securities and Futures Act, Chapter 289 of Singapore (“SFA”) on 25 October 2013.

VIT is required to comply with the following relevant legislation and guidelines:

- (a) The SFA and its subsidiary legislations;
- (b) MAS Notices and Guidelines issued pursuant to the SFA;
- (c) The Code on Collective Investment Schemes (including the Property Funds Appendix) (the “CIS Code”);
- (d) The Listing Manual of SGX-ST (the “Listing Manual”);
- (e) The Business Trusts Act, Chapter 31A of Singapore (the “BTA”) and the Business Trust Regulations 2005 (the “BTR”); and
- (f) The Code of Corporate Governance 2012 (the “CG Code”).

For the purpose of avoiding any conflict of interest between VI-REIT and VI-BT, the REIT Manager Board and the BT Trustee-Manager Board comprise the same directors.

Due to the different legislative and regulatory requirements in relation to a REIT as compared with a business trust, the corporate governance procedures and disclosure requirements in relation to the REIT Manager are different from those in relation to the BT Trustee-Manager.

The Managers are committed to establishing and maintaining high standards of corporate governance and believe that sound corporate governance policies and practices are essential to protect the assets of VIT and the interests of its stapled securityholders.

This report sets out VIT’s corporate governance framework and practices with specific reference to guidelines set out in the CG Code in relation to the REIT Manager only as the BT Trustee-Manager is inactive (unless otherwise stated). Any deviations from the CG Code are explained.

CORPORATE GOVERNANCE



BOARD MATTERS

Principle 1: The Board's conduct of affairs

The board of directors of the REIT Manager (the "REIT Manager Board" or "Board") is responsible for the overall corporate governance of the REIT Manager including establishing goals for management and monitoring the achievement of these goals. The REIT Manager is also responsible for the strategic business direction and risk management of VI-REIT. All the REIT Manager Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of performance of directors.

The key roles of the REIT Manager Board are to:

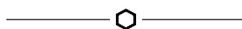
- guide the corporate strategies and directions of the REIT Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- oversee the proper conduct of the REIT Manager;
- ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced;
- Identify the key stakeholder groups and recognise that their perceptions affect the REIT Manager's reputation;
- set the values and standards of the REIT Manager (including ethical standards), and ensure that obligations to stapled securityholders and other stakeholders are understood and met; and
- consider sustainability issues such as environmental, social and governance factors, as part of the strategic formulation of the REIT Manager.

Each member of the REIT Manager Board has a fiduciary duty to discharge his duties and responsibilities in the best interests of the REIT Manager and the stapled securityholders.

In the discharge of its function, the REIT Manager Board is supported by the Audit and Risk Committee, Investment Committee and Nominating and Remuneration Committee (collectively, the "Committees") of the REIT Manager, which provide independent oversight of management and serve to ensure that there are appropriate checks and balances. The Committees function under clear written terms of reference.

The REIT Manager Board meets every quarter to discuss the financial and operational performance of VIT, including any significant acquisitions and disposals and business outlook. The REIT Manager Board also meets as and when circumstances warrant. The REIT Manager's Constitution allow for the meetings of its Board to be held via telephone conferencing.

CORPORATE GOVERNANCE



The number of meetings of the REIT Manager Board and the Committees held for the financial year ended 31 December 2016 ("FY2016"), as well as the attendance of the directors and members at these meetings is disclosed below:

	Board	Audit and Risk Committee	Nominating and Remuneration Committee	Investment Committee
No of Meetings held	5	4	1	2
Name of Directors	No. of Meetings attended for FY2016			
Dr Leong Horn Kee	5/5	n/a	1/1	2/2
Teo Cheng Hiang Richard	5/5	4/4	n/a	2/2
Dr Choong Chow Siong	5/5	4/4	1/1	n/a
Ronald Lim Cheng Aun	5/5	4/4	1/1	n/a
Tan Hai Peng, Micheal	5/5	n/a	1/1	2/2
Wilson Ang Poh Seong	5/5	n/a	n/a	2/2
Tan Kim Seng	4/5	n/a	1/1	1/2

n/a: Not applicable as the Director is not a member of the Committee.

The REIT Manager has put in place a set of internal controls wherein key matters are specifically reserved for approval by the REIT Manager Board and these key matters include approved limits for capital expenditure, investments, divestments, bank borrowings, income distribution and other returns to stapled securityholders. To facilitate operational efficiency, approval of operational transactions below certain level are further delegated to management.

The REIT Manager Board has delegated authority to the Investment Committee ("IC") to assist it in fulfilling its investment approval responsibilities. The IC is chaired by Mr Teo Cheng Hiang, Richard and comprises a total of five members. The other members of the IC are Dr Leong Horn Kee, Mr Wilson Ang Poh Seong, Mr Tan Hai Peng Micheal and Mr Tan Kim Seng. The IC held two meetings in FY2016.

The IC is charged with the following duties and responsibilities:—

- (i) reviewing and recommending to the REIT Manager Board VI-REIT's proposed investment strategy and the investment criteria and guidelines annually;
- (ii) evaluating and recommending any proposed investments, asset enhancements and divestments to be made or entered into by VI-REIT; and
- (iii) reviewing from time to time or when necessary, VI-REIT's investment, divestment and asset enhancement plans.

To keep pace with regulatory changes, where these changes have an important bearing on the disclosure obligations of the REIT Manager or its directors, the directors will be briefed either during Board meetings of the REIT Manager or at specially convened sessions involving the relevant professionals. The management will also provide the REIT Manager Board with complete and adequate information in a timely manner through regular updates, and at least quarterly during the quarterly Board meetings on financial results, market trends and business developments.

The REIT Manager will issue a formal letter of appointment setting out the directors' duties and responsibilities to any new director. The new director is required to attend a briefing on the business activities and the governance practices of the REIT Manager. During FY2016, no new director was appointed.

CORPORATE GOVERNANCE



When there is any change in the existing rules of the Listing Manual, Companies Act, the Code, the directors will be updated by the management and Company Secretary at the quarterly Board meetings. The directors, who are members of the Audit and Risk Committee, will also be updated on any change in the financial reporting standards by the external auditor at the quarterly Audit and Risk Committee meetings.

All directors are provided with continuing training in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and the CIS Code, and industry-related matters conducted by external parties such as Singapore Institute of Directors and SGX-ST.

Employees are also guided by the REIT Manager's core values and are expected to comply strictly with the Employee Code of Conduct stated in the Employee's Handbook. Any violation of these rules and standards may be subject to disciplinary action, including termination of employment for serious offences such as disruptive behaviour, gambling and theft.

BOARD COMPOSITION AND GUIDANCE

Principle 2: Strong and independent element on Board

The REIT Manager Board comprises seven members. All the members of the Board except for the Chief Executive Officer ("CEO"), are non-executive directors ("NEDs"). Of the six NEDs, four of them, being more than half of the Board, are independent directors, thus providing for a strong and independent element on the Board.

The Independent Directors of the REIT Manager Board are Dr Leong Horn Kee, Mr Teo Cheng Hiang Richard, Dr Choong Chow Siong and Mr Ronald Lim Cheng Aun. The REIT Manager Board considers Mr Tan Kim Seng and Mr Tan Hai Peng Micheal to be non-independent given their relationships with the Sponsors.

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

- the Chairman of the REIT Manager Board should be a non-executive director of the REIT Manager;
- the REIT Manager Board should comprise directors with a broad range of commercial experience including expertise in fund management, investment, audit, accounting and the property industry; and
- while VI-REIT Units remain stapled to VI-BT Units, in order to avoid any conflict of interest between VI-REIT and VI-BT, each of the directors of the REIT Manager Board will also be a director of the BT Trustee-Manager Board.

In order for the BT Trustee-Manager Board to comply with the requirement under Regulation 12 of the BTR, a majority of the directors of the BT Trustee-Manager Board is required to comprise directors who are independent from management and business relationships with the BT Trustee-Manager. Accordingly, both the REIT Manager Board and the BT Trustee-Manager Board are comprised of majority independent directors.

Four of the seven directors of the REIT Manager Board are independent of the management. This enables the management to benefit from their external, diverse and objective perspective on issues that are brought before the REIT Manager Board. It would also enable the REIT Manager Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process.

None of the independent directors has served on the REIT Manager Board for more than nine years from the date of their first appointment.

The Nominating and Remuneration Committee reviews annually the balance and diversity of skills, experience, gender and knowledge required by the REIT Manager Board and Committees. The REIT Manager Board, with the concurrence of the Nominating and Remuneration Committee, having reviewed and considered the size of the REIT Manager Board and the Committees, is of the view that the current size is appropriate for the nature and scope of its operations and facilitates effective decision-making for the existing needs and demands of the REIT Manager's operations.

CORPORATE GOVERNANCE



The REIT Manager Board, with the concurrence of the Nominating and Remuneration Committee, is also of the view that the composition of the REIT Manager Board and the Committees, as a group, provides an appropriate balance and diversity of skills, experience, and knowledge of the REIT Manager's operations. No individual or group dominates the REIT Manager Board's or Committees' decision-making process.

The NEDs always constructively challenge and help develop proposals on strategy and reviews the management's performance in meeting agreed goals and objectives, and monitor the reporting of management's performance. To provide a more effective check on the management, the NEDs of the REIT Manager Board would meet amongst themselves on an informal basis at least once a year without the presence of the management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Clear division of responsibilities between Chairman of the Board and Chief Executive Officer of the REIT Manager

The position of Chairman of the REIT Manager Board and CEO are held by two different individuals in order to maintain effective checks and balances. The Chairman of the REIT Manager Board is Dr Leong Horn Kee, an Independent Director while the CEO is Mr Wilson Ang Poh Seong.

There is a clear separation of the roles and responsibilities between the Chairman and the CEO. The Chairman, Dr Leong Horn Kee is responsible for the overall management of the REIT Manager Board, as well as ensuring that the members of the Board and the management work together with integrity and competency, and he engages the Board members in constructive debate on strategy, business operations, enterprise risk and other plans. His other roles include the following:

- (i) leading the REIT Manager Board to ensure its effectiveness on all aspects of its roles;
- (ii) setting the agenda items for Board meetings and ensure adequate time is available for discussion of all agenda items, in particular strategic issues;
- (iii) promoting a culture of openness and debate at the Board meetings;
- (iv) ensuring that the directors receive accurate, adequate, timely and clear information;
- (v) ensuring effective communication with stapled securityholders;
- (vi) facilitating the effective contribution of NEDs at Board meetings; and
- (vii) promoting high standards of corporate governance.

The CEO, Mr Wilson Ang Poh Seong, has full executive responsibilities over the business directions and operational decisions in the day-to-day management of VI-REIT and the REIT Manager.

BOARD MEMBERSHIP

Principle 4: Formal and transparent process for appointment and re-appointment of Directors to the Board

The REIT Manager Board has, on 27 October 2015, incorporated the Nominating Committee functions into the terms of reference of the Remuneration Committee and renamed the Remuneration Committee as the Nominating and Remuneration Committee ("NRC"). The NRC is regulated by a set of written terms of reference which are disclosed on page 68 of this Annual Report. The composition of the NRC can be found on page 67 of this Annual Report.

CORPORATE GOVERNANCE



The NRC has put in place a process for the selection and appointment of directors, including a set of guidelines governing this process. The process will start with an assessment of the need for a new appointment, drawing up the desired profile, searching for the desired candidate through various channels, shortlisting from the candidate pool, and finally the nomination to the Board for approval. The final appointment is subject to the MAS giving its approval.

In its search and selection process for new directors, the NRC considers the attributes of the existing Board members, reviews the composition of the Board including the diversity of skills, knowledge and experience on the Board. Other considerations include, but are not limited to background, gender, age, and ethnicity. The short-listed candidates would be required to furnish their curricula vitae stating in details their qualifications, working experience, employment history, in addition to completing certain prescribed forms to enable the NRC to assess the candidates' independence status and compliance with the REIT Manager's established internal guidelines.

The NRC will then meet and interview the candidates to assess their suitability taking into account factors such as integrity, independent mindedness, core competencies, time commitment, track records of making good decisions, experience in high-performing corporations or property funds and financial knowledge to ensure that the candidates are aware of the expectations and the level of commitment required. The NRC will also carry out due diligence checks on the shortlisted candidates through its own contacts and network.

The REIT Manager Board would generally avoid approving the appointment of alternate directors, unless in exceptional cases of medical emergency. No alternate director has ever been appointed to the REIT Manager Board since VIT became listed on the SGX-ST.

Directors of the REIT Manager are not subject to periodic retirement by rotation. The REIT Manager Board, however, recognises that Board renewal is a continuous process and one that is essential for ensuring that the REIT Manager Board remains relevant in VI-REIT's business environment. Nominations, which may be made by any of the REIT Manager's shareholders, are openly discussed and objectively evaluated by the NRC before any appointment and/or re-appointment is made. Appointment of directors is also subject to MAS approval.

The NRC has determined that the maximum number of listed company board representations which any director of the REIT Manager may hold is seven. All directors have complied with this guideline.

To determine the independence of the directors, a form of Declaration of Independence or Non-Independence was sent to each of the directors immediately after the end of FY2016. Each director has made his declaration by signing on the form.

These duly signed forms were tabled at the NRC meeting held in January 2017 for the NRC's review. At the Board meeting, the Board has determined, taking into account the views of the NRC, that each of the Independent Directors is independent based on his self-declaration and that there were no circumstances which would likely affect or appear to affect their judgment.

Key information regarding the directors such as academic and professional qualifications, present directorships in other listed companies and other principal commitments are disclosed on pages 13 to 15 of this Annual Report.

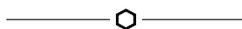
BOARD PERFORMANCE

Principle 5: Formal annual assessment of the effectiveness of the Board as a whole and its committees and contribution by each director to the effectiveness of the REIT Manager Board

The REIT Manager Board has in place a formal system of evaluating Board performance and assessing the effectiveness of the Board, the Committees and the individual directors through the use of performance evaluation forms.

The evaluation of the Board's performance as a whole deals with matters on Board composition, information, process, accountability, risk and internal controls, performance benchmark and standards of conduct. The Committees' evaluation deals with the efficiency and effectiveness of each Committee in assisting the Board. The criteria for the evaluation of individual directors include, amongst others, the directors' attendance and participation at meetings of the Board and its Committees, understanding of business plans and strategies, and ability to articulate thoughts and opinions in a clear and concise manner.

CORPORATE GOVERNANCE



Each director is required to complete the evaluation forms, and return them to the Company Secretary on a private and confidential basis. The Company Secretary compiles the summary of the results of the evaluation and tables the summary at the Board meeting for the Board's review.

The last performance evaluation was carried out in January 2017 in respect of FY2016. Based on the results compiled from the evaluation forms, and the Board's review at the Board meeting held in January 2017, the Board was satisfied that the Board was effective as a whole and that each and every director had demonstrated commitment and had contributed to the effective functioning of the Board and the Committees.

No external facilitator was appointed to assist in the performance evaluation for FY2016. The NRC will seek advice from an external consultant where required although currently the NRC appraises directors internally.

ACCESS TO INFORMATION

Principle 6: Complete, adequate and timely information and access to management

Management provides the REIT Manager Board with complete, adequate and detailed information on the business and operations of VI-REIT on a regular and quarterly basis, at the meetings of the REIT Manager Board and its Committees.

The REIT Manager Board is provided with an agenda for each meeting and Board papers and related materials are circulated well in advance to enable the directors to review the information and to obtain such details and explanations where necessary. At quarterly meetings, directors are updated on developments and changes in the operating environment, including changes in accounting standards, as well as the applicable statutes and regulations affecting VIT and/or the REIT Manager or changes that may have significant bearing on VIT and/or the REIT Manager.

All directors have unrestricted access to senior management to enable them to carry out their duties.

In addition, directors have separate and independent access to the advice of the Company Secretary who is responsible to the REIT Manager Board for ensuring that established procedures and relevant statutes and regulations are complied with. The appointment and removal of the Company Secretary is subject to the approval of the REIT Manager Board.

The directors may seek and obtain independent legal and other professional advice on matters relating to VIT at the REIT Manager's expense to enable them to discharge their duties.

REMUNERATION MATTERS

Principle 7: Procedures for developing remuneration policies

Principle 8: Level and mix of remuneration

Principle 9: Disclosure of remuneration

VI-REIT is externally managed by the REIT Manager and accordingly has no personnel of its own. Remuneration of all directors and employees of the REIT Manager are paid by the REIT Manager and not by VI-REIT.

The NRC of the REIT Manager comprises the following five members, all of whom are NEDs:

Mr Ronald Lim Cheng Aun (Chairman)
Mr Tan Kim Seng
Mr Tan Hai Peng Micheal
Dr Leong Horn Kee
Dr Choong Chow Siong

CORPORATE GOVERNANCE



The NRC is regulated by a set of written terms of reference. The responsibilities of the NRC include the following:

- (i) regularly and strategically review the structure, size and composition (including the skills, qualifications, experience and diversity) of the REIT Manager Board and its Committees;
- (ii) identify and nominate candidates to fill Board vacancies as they occur;
- (iii) review the independence of NEDs and that of alternate director, if any, annually, or when necessary, along with issues of conflict of interest;
- (iv) develop the performance evaluation framework for the Board, the Committees and individual directors;
- (v) identify and develop training programmes for the Board and assist with similar programmes for the Committees;
- (vi) provide the Board with its succession plans for the Board Chairman, directors, CEO and senior management of the REIT Manager;
- (vii) review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each director, as well as for each key management personnel. The recommendations shall cover the following:
 - (a) all aspects of remuneration, including but not limited to salaries, allowances, bonuses, benefits-in-kind;
 - (b) details such as a breakdown (in percentage terms) of remuneration earned through base/fixed salary, variable or performance-related bonuses, benefits-in-kind and other incentives; and
 - (c) the total potential cost to the REIT Manager;
- (viii) review the REIT Manager's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous; and
- (ix) consider whether directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme).

The NRC held its meeting in January 2017 to review and determine the remuneration packages of the CEO and key management personnel, to ensure that they are adequately but not excessively remunerated.

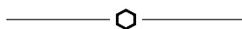
The NRC may seek expert advice inside and/or outside the REIT Manager on remuneration of all directors, as and when required.

POLICY IN RESPECT OF DIRECTORS' REMUNERATION

Directors' fees are established and reviewed annually based on each director's level of responsibilities on the Board and the Committees, and are benchmarked against market practices. The Chairman of the Board and of each Committee is paid a higher fee compared with members of the Board and of such Committee in view of the greater responsibility carried by that office.

The CEO, as an Executive Director, does not receive director's fees. He is the lead member of management. His remuneration comprises salary, allowances and bonuses. The CEO is not present during the discussions relating to his own remuneration and the terms and conditions of his service, and the review of his performance. However, the Board's views of the CEO's performance are shared with him.

CORPORATE GOVERNANCE



REMUNERATION POLICY IN RESPECT OF KEY MANAGEMENT PERSONNEL

The NRC exercises broad discretion and independent judgment in ensuring that the amount and mix of remuneration are in line with market practices, aligned with the interests of our stapled securityholders and promote the long-term success of VIT.

In establishing the remuneration structure of the key management personnel, the NRC ensures that the level and mix of remuneration is competitively benchmarked against the relevant industry market rates and tied to the performance of VIT and the individual employee. The total remuneration mix comprises fixed and variable components. The fixed component comprises the annual basic salary, annual wage supplement and fixed allowances. The variable component comprises the variable bonus payable in cash and stapled securities of VIT (if applicable), which is tied to the performance of VIT and the individual employee. For the avoidance of doubt, no new stapled securities will be issued by VIT for the payment of variable bonus to the key management personnel as such stapled securities will be paid by the REIT Manager from the stapled securities that it holds. In determining the actual quantum of the annual adjustment to basic salary and the variable bonus, the NRC had taken into consideration, among other factors, the extent to which the key performance indicators of VIT and the individual employee have been met.

The directors, the CEO and the key management personnel (who are not directors or the CEO) are remunerated on an earned basis and there are no termination, retirement or post-employment benefits that are granted over and above what have been disclosed.

None of the NEDs has a service contract with the REIT Manager. They receive a base fee and an additional fee for serving on the Committees. The CEO has a service contract with the REIT Manager and does not receive any directors' fees.

The REIT Manager's report on each individual NED's and the key management personnel's remuneration paid and payable in respect of FY2016 is disclosed below.

Remuneration	Salary S\$	Bonus S\$	Fees S\$	Other Benefits S\$	Share Plan S\$	Total S\$
Non-Executive Directors						
Dr Leong Horn Kee	–	–	90,000	–	–	90,000
Dr Choong Chow Siong	–	–	75,000	–	–	75,000
Mr Ronald Lim Cheng Aun	–	–	75,000	–	–	75,000
Mr Teo Cheng Hiang Richard	–	–	75,000	–	–	75,000
Mr Tan Hai Peng Micheal	–	–	65,000	–	–	65,000
Mr Tan Kim Seng	–	–	65,000	–	–	65,000

The CEO and the top five key management personnel (who are not directors) are entitled to monthly basic salary and allowances, annual wage supplement and variable bonus, and certain staff benefits.

Given the confidentiality and sensitivity of remuneration matters, the Board believes that disclosing the remuneration of the CEO and the top five key management personnel (who are not directors) on a named basis (whether in exact quantum or in bands of S\$250,000) is not in the best interests of VIT and its stapled securityholders. In view of the highly competitive human resource environment, it is important for the REIT Manager to retain talent for the long-term interests of VIT and its stapled securityholders, and ensure that stability and continuity of business operations with a competent and experienced management team are in place.

CORPORATE GOVERNANCE



In view of the current competitive conditions in the real estate and fund management industries, such disclosure of the remuneration of key management personnel may potentially result in the loss of key management personnel. In addition, the non-disclosure of the remuneration of key management personnel does not compromise the ability of the REIT Manager to meet the code on good corporate governance as the NRC, comprising Independent and Non-Independent NEDs, reviews the remuneration package of such key management personnel who are remunerated based on their roles and responsibilities, as well as the performance of VIT and the individual employee to ensure that they are fairly remunerated. Therefore, the Board believes that the non-disclosure of the remuneration of the CEO and the top five key management personnel (who are not directors) will not be prejudicial to the interests of VIT and its stapled securityholders. Remuneration of the directors and key management personnel are not paid out of the trust property of VIT, but are directly paid by the REIT Manager from the fees it receives.

The REIT Manager does not have any employee who is an immediate family member of a director or CEO, and whose remuneration exceeds S\$50,000 during FY2016.

There is no contractual provision in the service contracts of executive director and key management personnel to allow the REIT Manager to reclaim incentive components from its executive director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the REIT Manager.

ACCOUNTABILITY AND AUDIT

Principle 10: Board should present a balanced and understandable assessment of the REIT's performance, position and prospects

The REIT Manager Board is responsible for providing a balanced and understandable assessment of VI-REIT's performance, position and prospects including interim and other price sensitive public reports and reports to regulators.

The REIT Manager Board complies with the relevant rules of the Listing Manual with prompt announcements of VIT's quarterly and full-year unaudited financial results, press releases, presentation slides and other price sensitive information to stapled securityholders via SGXNET and VIT's website.

Management provides the REIT Manager Board with a continual flow of relevant information on VI-REIT on a timely basis such that the REIT Manager Board may effectively discharge its duties. The REIT Manager Board may require additional information from time to time to enable it to make a balanced and informed assessment of the REIT Manager's performance, position and prospects.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: A sound system of risk management and internal controls to safeguard stapled securityholders' interests and the REIT's assets

The REIT Manager Board has established a framework for the management of VI-REIT and the REIT Manager, including a system of internal controls and a business risk management process.

The REIT Manager Board meets quarterly or more frequently if necessary to review the financial performance of VI-REIT against a previously approved budget. The REIT Manager Board also reviews the business risks of VI-REIT, examines liability management and will act upon any comments from both the internal and external auditors of VI-REIT. The REIT Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of VI-REIT. In assessing business risk, the REIT Manager Board will consider the economic environment and risks relevant to the property industry. It reviews management reports and feasibility studies on individual projects prior to approving major transactions. The management meets regularly to review the operations of VI-REIT and the REIT Manager and discuss any disclosure issues.

CORPORATE GOVERNANCE



The REIT Manager will also perform the following:

- (i) the REIT Manager will make periodic announcements on the use of the proceeds raised from any equity fund raising exercise as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the annual report;
- (ii) in relation to interest rate hedging transactions, (a) the REIT Manager will seek the approval of its Board on the policy for entering into any such transactions, (b) the REIT Manager will put in place adequate procedures which must be reviewed and approved by the REIT Manager Audit and Risk Committee, and (c) the REIT Manager Audit and Risk Committee will monitor the implementation of such policy, including reviewing the instruments, processes and practices in accordance with the policy approved by the REIT Manager Board; and
- (iii) the REIT Manager Audit and Risk Committee will review and provide their views on all hedging policies and instruments to be implemented by VI-REIT to the REIT Manager Board, and the trading of such financial instruments will require the specific approval of the REIT Manager Board.

Management has identified and reviewed its key risks to assess the adequacy and effectiveness of the REIT Manager's risk management and internal control systems, specifically on financial, operational, compliance and information technology risks. The REIT Manager Board, through the Audit and Risk Committee, will continuously identify, review and monitor the key risks, control measures and management actions as part of the risk management process.

The REIT Manager has also instituted/established the following:

- (i) procedures to deal with conflicts of interest; and
- (ii) internal controls system to ensure that all Interested Person Transactions ("IPTs") will be undertaken on normal commercial terms and will not be prejudicial to the interests of VI-REIT and VI-REIT Unitholders.

The REIT Manager Board has received assurance from the CEO and the Chief Financial Officer ("CFO") of the REIT Manager that:

- (i) the financial records have been properly maintained and the financial statements give a true and fair view of VIT's operations and finances; and
- (ii) the risk management and internal control systems addressing the financial, operational, compliance and information technology risks were adequate and effective.

Based on the internal controls and risk management system established by the Management, the assurance from the CEO and CFO, works performed by the external auditor and internal auditor, the REIT Manager Board, with the concurrence of the REIT Manager Audit and Risk Committee, is of the view that the risk management and internal controls systems addressing financial, operational, compliance and information technology risks were adequate and effective as at 31 December 2016.

AUDIT AND RISK COMMITTEE

Principle 12: Establishment of Audit and Risk Committee with written terms of reference.

The REIT Manager Audit and Risk Committee ("ARC") is appointed by the REIT Manager Board. The ARC comprises three Independent Directors and they are Dr Choong Chow Siong as Chairman and Mr Teo Cheng Hiang Richard and Mr Ronald Lim Cheng Aun as members. None of the members of the ARC is a former partner of the REIT Manager's or VIT's external auditor, Deloitte & Touche LLP ("Deloitte") or has any financial interest in Deloitte.

CORPORATE GOVERNANCE



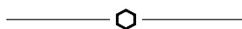
The REIT Manager Board has determined that Dr Choong Chow Siong, Mr Teo Cheng Hiang Richard and Mr Ronald Lim Cheng Aun have recent and relevant accounting and financial management knowledge to discharge their responsibilities as members of the ARC.

The role of the ARC is to monitor and evaluate the effectiveness of the REIT Manager's internal controls. The ARC will review the quality and reliability of information prepared for inclusion in financial reports, and will be responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance. Given the organisation size and operations of the REIT Manager, the ARC assumed the function of the Board risk committee to oversee the enterprise risk management framework and policies.

The key responsibilities of the ARC include:

- (i) monitoring the procedures established to regulate Related Party Transactions, including ensuring compliance with the provisions of the Listing Manual relating to IPT and the provisions of the Property Funds Appendix relating to IPT;
- (ii) monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Appendix;
- (iii) reviewing the arrangements by which employees of the REIT Manager may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action;
- (iv) examining the effectiveness of financial, operational, compliance and information technology risks management policies and systems at least annually;
- (v) reviewing external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial actions are taken by the management;
- (vi) reviewing the adequacy of external audits in respect of cost, scope and performance;
- (vii) making recommendations to the REIT Manager Board on the appointment, re-appointment and removal of external auditors and approving the remuneration and terms of engagement of external auditors;
- (viii) reviewing, on an annual basis, the independence and objectivity of the external auditors and where the external auditors also provide a substantial volume of non-audit services to VI-REIT, keeping the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- (ix) reviewing internal audit reports annually to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with;
- (x) ensuring that the internal audit function is adequately resourced and effective and has appropriate standing within the REIT Manager;
- (xi) meeting with external and internal auditors, without the presence of the REIT Manager Executive Officers, at least on an annual basis;
- (xii) reviewing the financial statements and the internal audit report;
- (xiii) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of VI-REIT and any formal announcements relating to VI-REIT's financial performance;
- (xiv) investigating any matters within the ARC's terms of reference, whenever it deems necessary;
- (xv) reporting to the REIT Manager Board on material matters, findings and recommendations; and
- (xvi) deliberating on resolutions relating to conflicts of interest situations involving VI-REIT.

CORPORATE GOVERNANCE



The ARC has access to the management and has the discretion to invite any director or management staff to attend its meetings. The ARC also has the authority to obtain independent professional advice if it deems necessary in the discharge of its responsibilities.

The ARC has reviewed the audit plans from both the internal and external auditors for FY2016 to ensure that the scope of the plans has sufficiently covered the audit of the internal controls of VI-REIT. The ARC has met with the internal and external auditors without the presence of the Executive Director and the management of the REIT Manager once in FY2016 and again in January 2017.

ARC meetings are held quarterly to review the financial statements of VI-REIT before recommending to the REIT Manager Board for approval on the release of the financial results. In the process, the ARC also reviewed significant financial reporting matters and judgements to ensure that the appropriate disclosure and accounting policies are applied. The following significant financial reporting matter was discussed with management and the external auditors and was reviewed by the ARC:

Significant financial reporting matter	How the ARC reviewed this matter and what conclusion was made
Fair valuation of investment properties	<p>The fair values of investment properties are based on the valuations undertaken by independent registered valuers. The ARC considered the approach and methodology applied to the valuation methods and estimates of the valuers.</p> <p>The ARC reviewed the reasonableness of the direct comparison method, income capitalisation method and discounted cash flow method used in assessing the fair valuation of the investment properties and concluded that the investment properties were fairly stated as at 31 December 2016.</p> <p>The fair valuation of investment properties was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in their audit report for the financial year ended 31 December 2016. Refer to page 96 of this Annual Report.</p>

The ARC also monitors the procedures established to regulate IPTs, including reviewing any IPTs entered into from time to time and ensuring compliance with the relevant provisions of the Listing Manual and the Property Funds Appendix. If a member of the ARC has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

The ARC has undertaken a review of all audit and non-audit services provided by Deloitte. The ARC was of the opinion that the provision of such services has not affected the independence of the external auditors. The breakdown of the audit and non-audit fees paid and payable to Deloitte is as follows:

Fees for audit and non-audit services paid and payable to Deloitte for FY2016

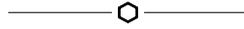
Breakdown of fees for audit and non-audit services	S\$
Audit Services	153,000
Non-Audit Services	98,000
% of Audit Services	64%

The ARC has determined that Deloitte is independent. The ARC confirms that VIT has complied with SGX-ST Listing Rules 712 and 715 in relation to its auditing firm.

Whistle-blowing policy

The REIT Manager has put in place a whistle-blowing policy applicable to all staff of the REIT Manager. Any staff member who is aware of or suspects any irregularity, misconduct or any breach of the laws is encouraged to disclose the matter to the senior management, CEO or any member of the ARC.

CORPORATE GOVERNANCE



INTERNAL AUDIT

Principle 13: Internal audit function

The REIT Manager Board recognizes the importance of maintaining a system of internal controls, procedures and processes for safeguarding the stapled securityholders' investments and VI-REIT's assets. The REIT Manager has outsourced the internal audit function to BDO LLP, who adopts the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The internal auditor's primary reporting line is to the Chairman of the ARC and administratively to the CEO. The internal auditor has unfettered access to all the REIT Manager's documents, records, properties and personnel including access to the ARC. The ARC reviews and approves the annual internal audit plan, and ensures that the internal auditor has adequate resources to perform its functions. The ARC also reviews the results of the internal audits and management's actions in resolving any audit issues reported. The ARC is satisfied with the suitability of the internal auditors and is of the view that the internal audit function is adequately resourced and has effectively performed its functions, and has appropriate standing within the REIT Manager.

STAPLED SECURITYHOLDERS' RIGHTS AND RESPONSIBILITIES

Principle 14: Stapled securityholders' rights

Principle 15: Communication with stapled securityholders

Principle 16: Conduct of stapled securityholders' meetings

VIT is committed to timely and full disclosure of material information to its stapled securityholders and the investing community. VIT releases all material information by way of public releases or announcements through SGXNET and its corporate website at www.vivaitrust.com.

The REIT Manager also conducts results briefing for media and analysts in conjunction with the release of VIT's annual financial results. These briefing materials are also made available on SGXNET and VIT's corporate website. In addition, the REIT Manager also takes an active role in investor relations such as meeting fund managers and participating in non-deal road shows to meet potential investors and update existing investors on VIT's development. VIT's corporate website also serves as a resource centre for investors and a channel for regular dialogue between investors and management.

Distribution policy

VI-REIT's distribution policy is to distribute at least 90% of its distributable income. Distributions are made on a quarterly basis at the sole discretion of the REIT Manager.

VI-BT remains inactive as at the date of this report. In the event that VI-BT becomes active and profitable, VI-BT's distribution policy will be to distribute as much of its income as practicable, and the declaration and payment of distributions by VI-BT will be at the sole discretion of the BT Trustee-Manager.

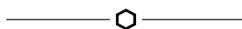
Conduct of Stapled Securityholders' meetings

All stapled securityholders will receive the Annual Report and notices of general meetings. Stapled securityholders are encouraged to attend and participate by voting at the general meetings. If the stapled securityholder is unable to attend the general meetings, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meetings through proxy forms sent in advance. A stapled securityholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her behalf at the meeting.

All the directors of the REIT Manager and external auditors of VIT will be present at VIT's Annual General Meeting ("AGM") to address the queries raised by stapled securityholders.

All resolutions put to every general meeting of VIT are voted separately unless the resolutions are interdependent and linked so as to form one significant proposal.

CORPORATE GOVERNANCE



For greater transparency and fairness in the voting process, voting at general meetings will be conducted by poll. The voting results of all the votes cast for or against each resolution are made available at the meeting and will be announced via SGXNET after the general meetings. Minutes of the general meetings will be made available to the stapled securityholders upon request.

DEALINGS IN STAPLED SECURITIES

Each director and the CEO of the REIT Manager is to give notice to the REIT Manager of his acquisition of stapled securities or (in the event that unstapling has taken place) VI-REIT Units or of changes in the number of stapled securities or, as the case may be, VI-REIT Units which he holds or in which he has an interest, within two business days after such acquisition or the occurrence of the event giving rise to changes in the number of stapled securities or, as the case may be, VI-REIT Units which he holds or in which he has an interest.

All dealings in stapled securities or, as the case may be, VI-REIT Units by the directors of the REIT Manager will be announced via SGXNET, with the announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>.

The REIT Manager and its directors and employees are prohibited from dealing in the stapled securities:

- in the period commencing one month before the public announcement of the annual results and (where applicable) property valuations, and two weeks before the public announcement of the quarterly results of VIT or (in the event that unstapling has taken place) VI-REIT, and ending on the date of announcement of the relevant results or (as the case may be) property valuations; and
- at any time while in possession of price sensitive information.

The directors and employees of the REIT Manager are also prohibited from communicating price sensitive information to any person and dealing with the stapled securities on short term considerations.

Pursuant to Section 137ZC of the SFA, the REIT Manager will be required to, inter alia, announce to the SGX-ST the particulars of any acquisition or disposal of interest in VI-REIT Units by the REIT Manager as soon as practicable, and in any case no later than the end of the business day following the day on which the REIT Manager became aware of the acquisition or disposal. In addition, all dealings in VI-REIT Units by the CEO will also need to be announced by the REIT Manager via SGXNET, with the announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com> and in such form and manner as the MAS may prescribe.

CONFLICTS OF INTERESTS

The REIT Manager has instituted the following procedures to deal with conflicts of interest issues:

- The REIT Manager will not manage any other REIT which invests in the same type of properties as VI-REIT;
- All executive officers will be employed by the REIT Manager;
- All resolutions in writing of the REIT Manager Board in relation to matters concerning VI-REIT must be approved by a majority of the directors, including at least one director who is independent from management and business relationships with the REIT Manager;
- At least a majority of the REIT Manager Board shall comprise such independent directors;
- In respect of matters in which a REIT Manager director or his Associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the REIT Manager directors and must exclude such interested director;

CORPORATE GOVERNANCE



- In respect of matters in which a Sponsor and/or its subsidiaries have an interest, direct or indirect, for example, in matters relating to potential acquisitions of additional properties or property-related investments by VI-REIT in competition with such Sponsor and/or its subsidiaries, any nominees appointed by such Sponsor and/or its subsidiaries to the REIT Manager Board to represent its interests will abstain from deliberations and voting on such matters. In such matters, the quorum must comprise a majority of the REIT Manager directors who are independent from management and business relationships with the REIT Manager and must exclude nominee directors of such Sponsor;
- Save as to resolutions relating to the removal of the REIT Manager, the REIT Manager and its Associates are prohibited from voting or being counted as part of a quorum for any meeting of the VI-REIT Unitholders convened to approve any matter in which the REIT Manager and/or any of its Associates has an interest, and for so long as the REIT Manager is the manager of VI-REIT, the controlling shareholders (as defined in the Listing Manual) of the REIT Manager and of any of its Associates are prohibited from voting or being counted as part of a quorum for any meeting of the VI-REIT Unitholders convened to consider a matter in respect of which the relevant controlling shareholder of the REIT Manager and/or of any of its Associates have an interest; and
- It is also provided in the VI-REIT Trust Deed that if the REIT Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the REIT Trustee for and on behalf of VI-REIT with a Related Party of the REIT Manager, the REIT Manager shall be obliged to consult with a reputable law firm (acceptable to the REIT Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the REIT Trustee, on behalf of VI-REIT, has a prima facie case against the party allegedly in breach under such agreement, the REIT Manager shall be obliged to take appropriate action in relation to such agreement. The directors of the REIT Manager will have a duty to ensure that the REIT Manager so complies.

Notwithstanding the foregoing, the REIT Manager shall inform the REIT Trustee as soon as it becomes aware of any breach of any agreement entered into by the REIT Trustee for and on behalf of VI-REIT with a Related Party of the REIT Manager and the REIT Trustee may take such action as it deems necessary to protect the rights of the VI-REIT Unitholders and/or which is in the interests of the VI-REIT Unitholders. Any decision by the REIT Manager not to take action against a Related Party of the REIT Manager shall not constitute a waiver of the REIT Trustee's right to take such action as it deems fit against such Related Party.

INTERESTED PERSON TRANSACTIONS

The REIT Manager's internal control system

The REIT Manager has established an internal control system to ensure that all future IPTs:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of VI-REIT and its unitholders.

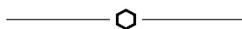
As a general rule, the REIT Manager must demonstrate to the REIT Manager's ARC that such transactions satisfy the foregoing criteria, which may entail:

- (i) obtaining (where practicable) quotations from parties unrelated to the REIT Manager; or
- (ii) obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

Further, the following procedures will be undertaken:

- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S\$100,000 in value but less than 3.0% of the value of VI-REIT's net tangible assets (based on the latest audited financial statements) will be subject to review by the REIT Manager's ARC at regular intervals;

CORPORATE GOVERNANCE



- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of VI-REIT's net tangible assets (based on the latest audited financial statements) will be subject to the review and prior approval of the REIT Manager's ARC. Such approval shall only be given if such transaction is on normal commercial terms and is consistent with similar types of transactions made by the REIT Trustee with third parties which are unrelated to the REIT Manager; and
- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of VI-REIT's net tangible assets (based on the latest audited financial statements) will be reviewed and approved prior to such transaction being entered into, on the basis as described in the preceding paragraph, by the REIT Manager's ARC which may, as it deems fit, request for 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 transaction would have to be approved by the VI-REIT Unitholders at a meeting duly convened.
- The aggregate value of the IPTs entered into by VI-REIT in FY2016 is set out below:

Name of Interested Person/Party	Aggregate value of all IPTs during the financial year under review		
	VIT S\$'000	VI-REIT Group S\$'000	VI-BT S\$'000
The REIT Manager			
Management fees paid and payable	6,163	6,163	–
Acquisition fee paid in relation to the acquisition of investment properties	450	450	–
Rental income and utilities charges received and receivable	204	204	–
Viva Real Estate Asset Management Pte Ltd (the "Property Manager") (Note (a))			
Property and lease management fees paid and payable	2,419	2,419	–
Marketing commission paid and payable	1,437	1,437	–
Project management fee paid and payable	400	400	–
The REIT Trustee			
Trustee fees paid and payable	183	183	–
Ho Seng Lee Industries Pte Ltd (Related party of the REIT Manager) (Note (b))			
Rental income received and receivable	1,922	1,922	–
Wee Poh Construction Co. (Pte.) Ltd. (Related party of the REIT Manager) (Note (b))			
Progress claims paid and payable under the construction contract for the asset enhancement initiative at Viva Business Park	16,457	16,457	–

Notes:

- The Property Manager is a related corporation of the REIT Manager.
- A wholly-owned subsidiary of Ho Lee Group Pte Ltd ("HLG"), which is related to the REIT Manager by virtue of HLG's indirect equity interest in the REIT Manager of 27.8%.

There were no IPTs conducted under stapled securityholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review.

CORPORATE GOVERNANCE



Material contracts

Except for the IPTs as disclosed above, there were no material contracts entered into by VIT involving the interests of the CEO of the Managers, each director of the Managers' Board, controlling shareholders of the Managers or controlling stapled securityholders of VIT during FY2016.

STATEMENT OF POLICIES AND PRACTICES

VI-BT has been inactive since VIT became listed on the Main Board of SGX-ST. Although VI-BT is inactive, the BT Trustee-Manager Board (with similar composition of the REIT Manager Board) is committed to complying with the requirements under the Listing Manual, the BTA and BTR, the SFA, as well as the VI-BT Trust Deed and the Stapling Deed.

The statement on policies and practices in relation to the management and governance of VI-BT (as described in Section 87 (1) of the BTA) is set out on pages 88 to 94 of this Annual Report.

UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT

With reference to the Managers' announcements dated 17 November 2016, 28 November 2016, 11 January 2017 and 16 January 2017 (collectively, the "Use of Proceeds Announcements"), the net proceeds of approximately S\$43.5 million raised from the private placement completed on 7 November 2016 (the "Private Placement") have been fully utilised to partially fund the acquisition of a logistics property located at 6 Chin Bee Avenue, Singapore 619930 on 16 January 2017.

The aforementioned use of proceeds is in accordance with the intended use and is materially in accordance with the allocated percentage of the proceeds of the Private Placement as originally stated and further updated by the Managers in the Use of Proceeds Announcements.