

MAS' proposals for consultation

Strengthening corporate governance

- Reit manager, directors to put investors' interests first before that of the manager and shareholders, if conflict of interest occurs
 - Improve board independence of Reit manager by: 1) Requiring 1/3 of directors to be independent if investors can vote on their appointment (or 1/2 if they cannot); 2) Requiring majority of directors be independent
 - Reit manager to disclose remuneration policy for directors and executive officers, as well as pay of directors, CEO and at least top five executive officers on a named basis
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Aligning incentives

- Ensure method of determining performance fees strongly aligns the interests of Reit manager and unitholders
 - Reit managers to charge an acquisition/divestment fee only to recover their costs
 - Prohibit linking of directors and key executives' pay to the performance of any entity other than the Reit
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Operational Flexibility

- Raise Reits' development limit from 10% to 25% of their deposited property, if certain conditions are met
 - Propose a single-tier leverage limit of 45% (from 35%) and remove the option for credit-rated Reits to leverage up to 60%
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Reit Structures

- Review effectiveness of current approach of using disclosure to impose market discipline on use of income support arrangements