FRASERS LOGISTICS & INDUSTRIAL TRUST

MINUTES OF THE ANNUAL GENERAL MEETING
HELD ON THURSDAY, 14 JANUARY 2020, AT 2.00 P.M.
INTERCONTINENTAL SINGAPORE, GRAND BALLROOM (LEVEL 2)
80 MIDDLE ROAD, SINGAPORE 188966

Present: Unitholders (present in person or by proxy)
As per attendance list

In attendance:

Directors of Frasers Logistics & Industrial Asset Management Pte. Ltd., as manager of Frasers Logistics & Industrial Trust ("FLT", and the manager of FLT, the "Manager")

Mr Ho Hon Cheong, Chairman
Mr Goh Yong Chian
Mr Paul Gilbert Say
Mr Panote Sirivadhanabhakdi
Mr Chia Khong Shoong
Mr Rodney Vaughan Fehring

Executive Officers of the Manager

Mr Robert Stuart Claude Wallace, Chief Executive Officer
Ms Susanna Cher Mui Sim, Chief Financial Officer

Representative from Perpetual (Asia) Limited, as trustee of FLT

Ms Sin Li Choo

Company Secretary of the Manager

Ms Catherine Yeo

Representative from KPMG LLP, as External Auditors of FLT

As per attendance list
1. Introduction

1.1 Prior to the commencement of the Annual General Meeting ("AGM" or the "Meeting"), Ms Catherine Yeo ("Ms Yeo"), the Company Secretary of the Manager, informed the Meeting that Perpetual (Asia) Limited, as trustee of FLT (the "Trustee"), has nominated Mr Ho Hon Cheong, Henry (the "Chairman"), to preside as the Chairman of the Meeting. In accordance with the trust deed constituting FLT dated 30 November 2015 (as amended, restated, and supplemented) (the "Trust Deed"), Mr Ho presided as the Chairman of the Meeting. Noting that the requisite quorum for the Meeting had been met, Ms Yeo invited the Chairman to proceed with the Meeting.

1.2 The Chairman welcomed all unitholders of FLT ("Unitholders") and introduced the panellists for the Meeting. The Chairman thanked the representatives of the Trustee and KPMG LLP, FLT’s auditors, for their attendance at the AGM. The Chairman then advised the Meeting that all Resolutions as set out in the notice of AGM dated 17 December 2019 ("Notice of Meeting") would be put to the vote by way of a poll at the Meeting and that polling would be conducted using a wireless handheld device.

1.3 The Chairman then invited Ms Yeo to explain the procedures for voting by electronic poll. Following Ms Yeo’s explanation of the electronic poll voting procedures, she further informed Unitholders that the Meeting proceedings would be recorded in order to facilitate the preparation of minutes as well as for record-keeping purposes, and that Unitholders may be identified by name in the minutes of the Meeting. She further informed the Meeting that the minutes will be published on the corporate website of FLT in due course. Ms Yeo then informed the Meeting that RHT Governance, Risk & Compliance (Singapore) Pte. Ltd. had been appointed as the scrutineers for the Meeting. The Chairman welcomed the participation of all Unitholders and went through the procedure for the facilitation of questions with respect to the resolutions being proposed at the Meeting, and reminded Unitholders to state their name, or in the case of a proxy, to state the name of the Unitholder whom he or she represents, whenever they wished to make a comment or ask a question for record keeping purposes.

1.4 The Chairman then stated that the annual report of FLT for the financial year ended 30 September 2019 ("FY2019", and the annual report for FY2019, the "Annual Report") was made available to all Unitholders on the corporate website of FLT on 17 December 2019, and contained the Sustainability Report, the Corporate Governance Report, the Report of the Trustee, the Statement by the Manager, the Independent Auditors’ Report and the Audited Financial Statements for FLT for FY2019. The Chairman then noted that printed copies of the Notice of Meeting was sent to all Unitholders on 17 December 2019. The Notice of Meeting was, with the approval of the Unitholders, taken as read.

1.5 The Chairman further noted that Resolutions 1, 2 and 3 as found in the Notice of Meeting are ordinary resolutions, and such resolutions are passed if more than 50% of the total votes present and voting are cast in their favour.

2. Ordinary Resolution 1:

Adoption of the Report of the Trustee, Statement by the Manager, the Audited Financial Statement and the Auditors’ Report
2.1 The Chairman proposed Resolution 1 as set out in the Notice of Meeting, as follows:

2.2 “Resolution 1 seeks Unitholders’ approval to receive and adopt the Report of the Trustee issued by Perpetual (Asia) Limited, as trustee of Frasers Logistics & Industrial Trust, the Statement by the Manager issued by Frasers Logistics & Industrial Asset Management Pte. Ltd., as manager of Frasers Logistics & Industrial Trust, the Audited Financial Statements of Frasers Logistics & Industrial Trust for the financial year ended 30 September 2019 and the Auditors’ Report thereon.”

2.3 Resolution 1 was, with the approval of the Unitholders, taken as read.

2.4 The Chairman invited Mr Robert Wallace, the Chief Executive Officer of the Manager (the “CEO”), to give a short presentation summarising the key highlights and performance of FLT in FY2019.

2.5 After the presentation, the Chairman informed the Meeting that for any Unitholders with comments or questions in relation to the proposed merger of FLT and Frasers Commercial Trust (“FCOT” and the proposed merger, “Proposed Merger”) which was announced on 2 December 2019, the more appropriate platform for specific questions on the merits of the Proposed Merger would be the extraordinary general meeting of the Unitholders to be convened for approval of the Proposed Merger, by which time the Unitholders would be more informed as they would have received the circular in relation to the Proposed Merger, which would contain more information on the Proposed Merger, including the advice of the independent financial advisor. However, the Chairman expressed his understanding that the developments of the Proposed Merger would be of interest to the Unitholders and informed the Unitholders that time had been set aside after the conclusion of the Meeting for a presentation on the structure of the Proposed Merger. The Chairman requested for any questions regarding the structure of the Proposed Merger to be deferred until after the conclusion of the Meeting. The Chairman then invited questions and comments from the floor.

2.6 Mr Witt Gunther (“Mr Gunther”), a Unitholder enquired about the impact on FLT’s assets and employees in Australia in light of the bushfires occurring in Australia. He also asked for more explanation regarding the outlook of FLT. He highlighted that although the Annual Report had some explanation regarding the market situation in Australia, the numerous acquisitions and disposals of assets by FLT over the past few years made it difficult to predict the potential distribution per unit (“DPU”) for the current financial year. Therefore, he asked for more clarification regarding FLT’s strategy in the acquisitions and disposals of properties so as to get a better understanding of FLT’s plans for DPU. He then commended the CEO’s presentation, in particular the comparisons showing the performance of FLT in FY2019 against its performance over the years.

2.7 In response, the CEO confirmed that FLT’s properties were not affected by the bushfires and that after assessing the locations of the bushfires in relation to FLT’s properties in New South Wales and Victoria, the majority of the bushfires were at least 250 km away from FLT’s assets in New South Wales and around 70 km away from FLT’s assets in Victoria.

2.8 Despite the uncertainty surrounding the possible end of these bushfires, the CEO expressed hope that the situation would improve. Even then, he reiterated that although FLT was not
impacted by the bushfires, the management team of the Manager (the “Management Team”) was very concerned about those who were affected by the bushfires in Australia. With regard to the acquisitions and disposals of assets, he clarified that the Management Team follows a structured process when evaluating potential acquisitions and disposals of assets. He emphasised that the Management Team’s principal objective which is to deliver stable distributions to the Unitholders has resulted in an appreciation of FLT’s unit price over time. He explained that the investment evaluation process involves ranking the assets based on their performance and Management may sell assets at the lower end of the scale if such assets were deemed non-core and it was difficult to enhance their performance. With regard to acquisitions, he highlighted that the main reason for FLT’s growth was the acquisition of the right assets in the right markets. He added that the Management Team had ensured that key attributes such as the weighted average lease expiry (“WALE”) and age of the assets were taken into consideration when acquiring assets for FLT. He confirmed that Mr Gunther’s third point to compare the financial highlights against previous years’ performances will be taken into account.

2.9 Mr Gunther expressed his hope that such acquisitions and disposals of assets would lead to an improvement in yield and DPU for the current financial year.

2.10 With regard to the 12 assets bought in FY2019, the CEO explained that the Management Team looked at the prospective returns on these assets on a pro forma basis which indicated that these acquisitions are expected to be accretive to Unitholders. He stated that this information could be found in the circular dated 30 July 2019 regarding the proposed acquisition of 12 prime logistics properties strategically located in Germany and Australia.

2.11 Mr Ah Hot Gerard Andre (“Mr Ah Hot”), a Unitholder, enquired whether there would be an increase in the cost of insurance for properties in Australia as a result of the bushfires in Australia. He asked about the potential impact of the increase in cost of insurance to FLT.

2.12 The CEO explained that it was still too early to determine definitively whether the bushfires would have an impact on the cost of insurance. However, he clarified that most of the insurance costs of FLT would be passed on to the customers.

2.13 With regard to the leasing conditions in Australia, Mr Ah Hot then referred to slide 13 of the presentation by the CEO and enquired about the negative rental reversion of 3.8% in FY2019. He highlighted that the rental reversion was negative in the financial year ended 30 September 2018 as well. He enquired the reason for this continuous negative rental reversion and sought clarification whether it was due to soft leasing conditions in Australia or some technical aspect.

2.14 The CEO explained that FLT calculates the rental reversions by comparing the rent on the last day of the lease against the rent on the renewal term of the lease whilst some real estate investment trusts (“REITs”) calculate rental reversions on the basis of the average rent of the previous and renewal terms which would in many cases show a positive reversion. He explained that over a five-year term, the rental had actually increased every year at an average rate of 3.1%, and on renewal, the rent is reset to market rate. With regard to FLT’s negative reversion of 3.8%, he explained that it was due to rent growing at 3.1% which was outpacing market rental growths. He clarified that the market rent was still growing but just not at 3.1% and that the average annual increment was outpacing the market rental growth.
2.15 Mr Ah Hot then enquired whether FLT would have a 0% reversion in good market conditions based on the rent on the last day of the lease against the rent on the renewal of the lease.

2.16 The CEO confirmed that there would be a 0% reversion if there was an average annual rent growth of 3.1% every year. However, he reiterated that this does not indicate a decreasing market rent but that the market rent was not growing at 3.1%.

2.17 Mr Ah Hot asked whether FLT had any positive or zero rental reversions in the past few years.

2.18 The CEO explained that since the annual rent of 3.1% was the average, FLT had recorded both positive and negative rental reversions on leasing renewals.

2.19 Mr Ah Hot then enquired about the link between the Consumer Price Index ("CPI") inflation and rent increment in FLT’s European portfolio. He also asked whether due to FLT’s large portfolio of European properties it would be possible to determine the exact increment in rent and whether it would be around 1% to 2% or lower.

2.20 The CEO explained that the rent increment in the European Portfolio were majority linked to the CPI which was around 1.5% to 1.6%.

2.21 Mr Tan See Peng @ Tan Kah Hua ("Mr Tan"), a Unitholder, commended the Sustainability Report in the Annual Report. He then enquired about the annual usage of water in FLT’s assets so as to compare the improvement in usage of water over the years. He added that this would allow the Unitholders to determine if there were any improvements in the conservation of water. Further, in light of the recent floods in Jakarta and thunderstorm in Philippines, he asked whether the Management Team was planning to install more solar panels on the rooftops of FLT’s assets to combat climate change.

2.22 The CEO agreed with Mr Tan that sustainability is very important to FLT and taken very seriously by the Management Team. He highlighted that FLT was ranked as number one in the world for being the Global Sector Leader of the Listed Industrial Sector under the Global Real Estate Sustainability Benchmark. He clarified that a large percentage of properties in FLT’s portfolio had solar panels installed and that the Management Team was trying to increase this percentage even further. If a property currently does not have solar panels on it, he clarified that the Management Team would likely plan to add solar panels to it. In the asset enhancement initiative ("AEI") completed for CHEP Australia Ltd, the Management Team had installed a 250kW solar PV system. He then referred to slide 7 of the presentation and reiterated that 37% of the properties have solar PVs installed with a total capacity of 4,110 kW. He added that the Management Team was trying to install energy-efficient LED lighting to more properties in order to reduce the cost of electricity. He then referred to page 120 of the Annual Report which highlighted the energy management targets of FLT in 2020. He clarified that the usage of electricity and water was included in the Sustainability Report on pages 120 and 121 of the Annual Report and that such usage was dependent on FLT’s customers which the Management Team had no control over. However, the Management Team would look into helping FLT’s tenants conserve water and reduce expenses by enhancing FLT’s properties to have rainwater collection and reuse systems.
2.23 Mr Raymond Lee, a Unitholder, then enquired about the effect of the fluctuating Australian dollar foreign exchange rate and its possible impact on future decisions made by the Management Team. He asked about the Management Team’s strategy to solve this issue and whether it would have a negative effect on the DPU.

2.24 The CEO responded that the value of the Australian dollar had changed dramatically over the last couple of years from around S$1.05 to S$0.93. He emphasised that FLT does not speculate on foreign currency but manages foreign exchange volatility on FLT’s distributable income with hedging instruments and targets to hedge distributions on a rolling six-month basis. He then emphasised that the European portfolio provided a diversification of income source from Australia to Europe and reduced FLT’s exposure to the Australian currency. With regard to the 25-basis point rate cut to the cash rate in Australia, he then commented that it had already been priced into the Australian dollar.

2.25 Mr Pooi Choon Teck ("Mr Pooi"), a Unitholder, then referred to slide 13 of the presentation by the CEO and enquired about the high interest coverage ratio of 9.3 times.

2.26 In response, Ms Susanna Cher, the Chief Financial Officer of the Manager (the “CFO”), explained that the interest coverage ratio was based on the formula that the Management Team had agreed with the lenders in its facility agreements. It was based on the cash available for debt servicing over the interest expense. She highlighted that the interest costs have decreased especially in the third and fourth quarter due to the refinancing of a A$170 million loan to a A$170 million five-year green loan facility which had been swapped to Euro to take advantage of the negative Euribor interest rates. She explained that this led to a reduction of FLT’s weighted average cost of debt from 2.4% per annum to 2.2% per annum which resulted in the interest coverage ratio improving from the past average of 7 or 8 times to 9.3 times.

2.27 Mr Pooi enquired whether the interest coverage ratio was calculated based on the net income less the finance cost and whether this calculation method was used by other REITs to calculate interest coverage ratio.

2.28 The CFO reiterated that the basis used had been agreed with all the lenders.

2.29 As there were no further questions, the Chairman proceeded to put Resolution 1 to vote by poll. The result of the poll on Resolution 1 was as follows:

<table>
<thead>
<tr>
<th>For</th>
<th>Against</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Units</td>
<td>%</td>
</tr>
<tr>
<td>1,306,673,434</td>
<td>99.87%</td>
</tr>
</tbody>
</table>

2.30 Based on the results of the poll, the Chairman declared Resolution 1 as carried.

3. Ordinary Resolution 2:

Re-appointment of Auditors of FLT and authority to the Manager to fix their remuneration

3.1 The Chairman proposed Resolution 2 set out in the Notice of Meeting, as follows:
“Resolution 2 seeks Unitholders’ approval for the re-appointment of KPMG LLP as the Auditors of Frasers Logistics & Industrial Trust to hold office until the conclusion of the next annual general meeting, and the authorisation for the Manager to fix their remuneration.”

3.2 The Chairman informed the Meeting that the Audit, Risk and Compliance Committee of the Manager, with the board of directors’ endorsement, had nominated KPMG LLP for re-appointment as auditors of FLT and that KPMG LLP had expressed their willingness to accept the re-appointment.

3.3 As there were no questions, the Chairman proceeded to put Resolution 2 to vote by poll. The result of the poll on Resolution 2 was as follows:

<table>
<thead>
<tr>
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<th>For</th>
<th>Against</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Units</td>
<td>1,307,697,784</td>
<td>1,045,340</td>
</tr>
<tr>
<td>%</td>
<td>99.92%</td>
<td>0.08%</td>
</tr>
</tbody>
</table>

3.4 Based on the results of the poll, the Chairman declared Resolution 2 as carried.

4. Ordinary Resolution 3:

Approval for the Manager to issue Units and to make or grant convertible instruments

4.1 The Chairman invited Ms Yeo to explain Resolution 3, as follows:

“This resolution seeks Unitholders’ approval to authorise Frasers Logistics & Industrial Asset Management Pte. Ltd., as manager of Frasers Logistics & Industrial Trust, to issue Units and/or to make or grant instruments which are convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), of which up to 20% of the total number of issued Units (excluding treasury Units, if any), may be issued other than on a pro rata basis to Unitholders. The mandate, if approved and unless revoked or varied, shall be effective from the date of this Meeting until the conclusion of the next annual general meeting or the date by which the next annual general meeting is required by applicable law or regulations to be held, whichever is earlier. The basis of calculation of the Units that may be issued is described in the full text of this Resolution and the Explanatory Notes to this Resolution on pages 257 to 259 of the Annual Report.”

4.2 Resolution 3 was, with the approval of the Unitholders, taken as read.

4.3 As there were no questions, the Chairman proceeded to put Resolution 3 to vote by poll. The result of the poll on Resolution 3 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>For</th>
<th>Against</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Units</td>
<td>1,267,173,115</td>
<td>41,284,259</td>
</tr>
<tr>
<td>%</td>
<td>96.84%</td>
<td>3.16%</td>
</tr>
</tbody>
</table>
4.4 Based on the results of the poll, the Chairman declared Resolution 3 as carried.

5. **Closure**

5.1 The Chairman wished all Unitholders a happy, healthy and prosperous Lunar New Year and thanked the Unitholders for their attendance and support on behalf of the Board and the Management Team, and declared the Meeting closed at 10.50 a.m.

Confirmed By

Mr Ho Hon Cheong

Chairman of the Meeting