

CORPORATE GOVERNANCE

Global Logistic Properties Limited (the “Company”) is committed to ensuring the highest standards of corporate governance as a means of enhancing corporate performance and accountability. The Company has established a series of well-defined policies and processes to protect key stakeholder interests, guided in part by adhering to the principles prescribed under the Singapore Code of Corporate Governance 2005 (the “Code”).

The Board of Directors (the “Board”) and management of the Company (the “Management”) recognise the importance of strong corporate governance and the maintenance of high standards of accountability to our shareholders, and remain firmly committed to seeing that those standards are satisfied through an evolving suite of governance practices that are woven into the fabric of the Company’s business.

Since listing on the Singapore Exchange Securities Trading Limited (“SGX”) in October 2010, the Board and Management have undertaken an aggressive and aligned pursuit of best practices in corporate governance and will continue to enhance its governance framework to ensure it remains relevant and well balanced with the Company’s pursuit of its business objectives.

This Corporate Governance Report sets out the Company’s corporate governance processes, practices and activities during the financial year ended 31 March 2011 (“FY2011”) with specific reference to the guidelines of the Code.

THE BOARD’S CONDUCT OF ITS AFFAIRS (PRINCIPLE 1)

A critical function of the Board is to protect and enhance long-term value and returns for its shareholders. Beyond carrying out its statutory responsibilities, the Board also:

1. provides leadership and guidance on the overall strategic direction and business conduct of the Company;
2. reviews the performance of the senior management team and ensures that they are appropriately remunerated;
3. oversees processes for evaluating the adequacy of internal controls, risk management, financial reporting, and compliance;

4. sets the Company’s values and ensures that the necessary human resources are in place to meet the long term objectives of the Company and obligations to shareholders;
5. reviews and approves annual budgets, major funding proposals, significant investment and divestment proposals, and a variety of other strategic initiatives tabled by Management; and
6. reviews and sets corporate governance standards and practices ensuring that business objectives are pursued through prudent and effective controls.

Apart from matters specifically reserved for Board approval, such as material acquisitions and dispositions of assets, corporate or financial restructuring, share issuances and a variety of responsibilities not specifically delegated pursuant to the Company’s Memorandum and Articles of Association, the Board also appoints the Chief Executive Officer (the “CEO”), approves the policies and guidelines for Board and senior Management remuneration, and approves the appointment of Directors. The Board is the highest authority of approval and to optimise operational efficiency has delegated certain of its functions to four standing committees, namely, the Audit Committee, Nominating Committee, Compensation Committee and Investment Committee.

The Board convenes regularly scheduled meetings to, among other things, coincide with its review and approval of the Company’s financial results. The Company’s Articles of Association permits Board and Board Committee meetings to occur via telephone conference, videoconference or other electronic means of communication to facilitate participation at meetings by Directors who are unable to attend in person. A two-day offsite meeting was also held in Shanghai in March 2011 to further foster in-depth discussion and consideration of the Company’s long-term vision and strategy. In addition to its regular quarterly meetings, the Board also convenes ad-hoc meetings from time to time as business and other matters warrant. Details of Board and Board Committee meetings held and attendance since the Company’s listing in October 2010 are set forth below.

**BOARD AND BOARD COMMITTEE MEETINGS AND ATTENDANCE
FROM 18 OCTOBER 2010 TO 31 MARCH 2011**

Board of Directors	Meetings Held ^(*)				
	Board	Audit Committee	Nominating Committee	Compensation Committee	Investment Committee
	2	2	0	1	3
Attendance					
Ang Kong Hua	2	1	-	1	-
Jeffrey H. Schwartz	2	-	-	-	3
Ming Z. Mei	2	-	-	-	3
Dr. Seek Ngee Huat	2	-	-	1	3
Lim Swe Guan ⁽¹⁾	2	-	-	-	-
Tham Kui Seng	2	2	-	-	1
Wei Benhua ⁽²⁾	2	-	-	-	3
Yoichiro Furuse	2	-	-	-	1
Steven Lim Kok Hoong	2	2	-	-	-
Dr. Dipak Jain	2	-	-	1	-
Paul Cheng Ming Fun	2	2	-	-	-

(*) The Company was listed on 18 October 2010. All Directors were appointed on 24 September 2010.

(1) Mr. Lim Swe Guan is an alternate director to Dr. Seek Ngee Huat.

(2) Mr. Wei Benhua resigned as a Director on 2 May 2011.

Upon appointment, each Director is issued a formal letter of appointment explaining the roles, duties and responsibilities expected together with committee assignments. Directors undergo a comprehensive orientation programme to explain the Company's business, governance practices, core values, strategic direction and industry-specific training. Directors also receive ongoing education and training through the circulation of articles of interest, reports and press releases pertaining to the Company's business.

As a newly listed company, the Directors also undertook extensive training by outside legal consultants to better

understand continuing listing obligations of the Company, disclosure obligations, and general requirements of a Director serving on a board of an SGX listed company. This training was further supplemented during the February meeting and the strategic meeting in March. The Directors receive regular updates from all levels of Management concerning key aspects of the Company's business and participated in an on-site facility tour during the strategic meeting. The Company also provides regular updates on risk management practices and has developed with the Directors a variety of programs involving conflicts of interest in transactions with the Company, dealings in Company securities, and disclosure of interests in securities.

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THE BOARD AND ITS COMMITTEES

The Board has delegated certain of its functions to Board Committees whose purpose is to assist the Board in discharging its duties in an efficient manner with members bearing expertise in the committees on which they serve. Each Committee is governed by a charter which outlines its terms of reference, responsibilities and composition. Board Committees will review their charters annually to make sure they follow best practices and continue to address the responsibilities delegated to them. Any changes to the charters will be recommended to and discussed by the Board. Committee chairs provide regular updates of activities to the full Board to give each Director insight into all aspects of the Company and minutes of all Board Committee meetings are available to each Director.

Audit Committee

The Audit Committee ("AC") is chaired by Steven Lim Kok Hoong and comprises a total of four members. The other members of the AC are Ang Kong Hua, Tham Kui Seng, and Paul Cheng Ming Fun. All members of the AC are non-executive and independent. The AC held two meetings since the Company's listing in October 2010 and its roles and responsibilities are detailed further below.

Compensation Committee

The Compensation Committee ("CC") is chaired by Ang Kong Hua and comprises a total of three members. The other members of the CC are Seek Ngee Huat and Dipak Jain. All members of the CC are non-executive and a majority are independent. The responsibilities of the CC include regularly reviewing the appropriateness and relevance of the executive remuneration policy, overseeing equity based plans and the terms of awards thereunder, reviewing succession plans for senior Management, and providing overall guidance on compensation recommendations for the Board of Directors and Management. The CC held one meeting since the Company's listing in October 2010 and its roles and responsibilities are detailed further below.

Investment Committee

The Investment Committee ("IC") is chaired by Seek Ngee Huat and comprises a total of five members since the resignation of Wei Benhua on 2 May 2011. The other members of the IC are Yoichiro Furuse, Tham Kui Seng, Jeffrey H. Schwartz, and Ming Z. Mei. The IC is charged with reviewing and providing the Board of Directors with an annual investment and divestment strategy and identifying new business directions and strategies. It monitors and approves investment criteria, share-based transactions, credit facility transactions above a certain threshold, investments in new markets outside of China and Japan, and certain investments or divestments in China and Japan which are above a threshold delegated to Management. The IC held three meetings since the Company's listing in October 2010.

Nominating Committee

The Nominating Committee ("NC") is chaired by Dipak Jain and comprises a total of three members. The other members of the NC are Steven Lim Kok Hoong and Paul Cheng Ming Fun. All members of the NC are non-executive and independent. The Chairman of the NC is not a substantial shareholder or directly associated with a substantial shareholder. The primary responsibilities of the NC include overseeing the review and appointment process of new Directors, reviewing and recommending to the Board nominees for re-election, and ensuring the existence of a formal assessment of Board effectiveness as a whole and contribution of each Director. The NC held its first meeting in May 2011 and its roles and responsibilities are detailed further below.

BOARD COMPOSITION AND GUIDANCE (PRINCIPLE 2)

The Directors believe in having a strong and independent element on the Board that is sized to promote effective and candid discussion and efficient decision-making. Through FY2011 the Board had ten Directors, seven of whom were independent. With the resignation of Mr. Wei on May 2, the Board now comprises nine Directors, six of whom are independent and non-executive. The composition of the Company's Board and Board Committees is as follows:

Name of Directors	Designation	Audit Committee	Nominating Committee	Compensation Committee	Investment Committee
Ang Kong Hua (Chairman)	Non-Executive / Independent	Member	-	Chairman	-
Jeffrey H. Schwartz (Deputy Chairman)	Executive / Non-Independent	-	-	-	Member
Ming Z. Mei (CEO)	Executive / Non-Independent	-	-	-	Member
Dr. Seek Ngee Huat	Non-Executive / Non-Independent	-	-	Member	Chairman
Lim Swe Guan ⁽¹⁾	Alternate Director	-	-	-	-
Tham Kui Seng	Non-Executive / Independent	Member	-	-	Member
Wei Benhua ⁽²⁾	Non-Executive / Independent	-	-	-	Member
Yoichiro Furuse	Non-Executive / Independent	-	-	-	Member
Steven Lim Kok Hoong	Non-Executive / Independent	Chairman	Member	-	-
Dr. Dipak Jain	Non-Executive / Independent	-	Chairman	Member	-
Paul Cheng Ming Fun	Non-Executive / Independent	Member	Member	-	-

Note: All Directors and Committee members were appointed on 24 September 2010

(1) Mr. Lim Swe Guan is an alternate director to Dr. Seek Ngee Huat.

(2) Mr. Wei Benhua resigned as Director on 2 May 2011.

The NC is responsible for assessing the independence of the Directors. Each Director is required annually to complete an independence questionnaire, based on the guidelines provided in the Code, which is then reviewed and discussed by the NC. The NC evaluates each Director, including his independence, before making its recommendation to the full Board. In addition, each NC member is required to abstain from voting or influencing resolutions of the NC in which he has a conflict of interest in the subject matter under consideration, including determinations of independence and suitability for continued service on the Board.

After completing its assessment, the NC concluded, and the Board of Directors agreed, that there are presently six independent Directors.

The Chairman of the Board is Ang Kong Hua. He is a director of Government of Singapore Investment Corporation Private Limited ("GIC") and GIC Special Investments Private Limited ("GIC SI"). GIC is the holding company of GIC Real Estate Private Limited, which is the fund manager of the investment held by Government of Singapore Investment Corporation (Realty) Private Limited ("GIC Realty"). GIC Realty is our

substantial shareholder. Mr. Ang's role as a director of GIC and GIC SI is of a non-executive nature and he is not involved in the day-to-day management of GIC and GIC SI or accustomed or under any obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of GIC and GIC SI in discharging his duties as our Chairman. Nonetheless, Mr. Ang will not participate in any discussions of the Board in relation to any interested person transactions involving GIC Realty and its subsidiaries (together, the "GIC Realty Group") or any matters that might give rise to a conflict of interest with GIC Realty Group and shall abstain from voting on any such proposals at any meeting of the Board.

The other five independent Directors, namely Tham Kui Seng, Yoichiro Furuse, Steven Lim Kok Hoong, Dipak Jain and Paul Cheng Ming Fun, all of whom do not have any concurrent appointments as directors of any entity within GIC, will be able to make decisions with respect to interested person transactions and conflicts of interests involving the GIC Realty Group and the Company and its subsidiaries. In addition, members of the AC will oversee all interested person transactions and conflict of interest issues involving GIC Realty Group and the Group.

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Taking into consideration the foregoing, the Board of Directors has determined that Mr. Ang's relationship with GIC and GIC SI would not interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment of the best interests of the Company and its subsidiaries. On the basis of the foregoing, the Board is of the view that Mr. Ang is regarded as independent.

Yoichiro Furuse is a President of Evanston Corporation, which provided advisory and consultancy services to the Company from 19 July 2009 to 18 October 2010. The scope of Mr. Furuse's advisory services included advising the Company on corporate strategy, marketing and financing, and introducing the Company to potential customers and financial institutions. The aggregated payments made by the Company for all services provided by Evanston Corporation in respect of any financial year ended March 31 is less than S\$200,000. The provision of advisory services by Evanston Corporation to the Company was terminated immediately prior to the Company's listing with SGX in October 2010. Taking into consideration the foregoing, the Board of Directors has determined that Mr. Furuse's relationship with Evanston Corporation would not interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment of the best interests of the Company and its subsidiaries. On the basis of the foregoing, the Board is of the view that Mr. Furuse should be regarded as independent director.

In addition to reviewing a Director's independence, the NC also reviews and discusses the contribution of each Director to the Company and Board as a whole, his attendance and preparedness at meetings and his skills in meeting the various and changing needs of the Board. The NC is also responsible for examining the size and composition of the Board to ensure it operates in an efficient manner with effective decision-making, sufficient competencies represented as needed, and a healthy balance of executive and non-executive directors operating in an open forum allowing for independent judgment. After conducting its reviews and assessment and deliberating the items outlined above, the NC makes its recommendation to the full Board on any Director appointment, whether new or through re-election or reappointment.

The Board, in view of the nature and scope of business operations, considers that the present Board size and composition is efficient and effective when it comes to decision-making and has adequate strong and independent elements. As evidenced by their respective business and working experience set out elsewhere in the Annual Report, the Directors possess the appropriate expertise to act as directors of our Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (PRINCIPLE 3)

The roles of the Chairman and Chief Executive Officer ("CEO") of the Company remain distinct through a clear division of responsibilities. The Board has recently adopted Role Statements for both the Chairman and CEO for greater transparency. The Chairman's Role Statement provides that his responsibilities include, without limitation:

- leading the Board and upholding the highest standards of integrity and probity;
- constructively determining and approving with the full Board the Company's strategy;
- ensuring that the Board is properly organised, functions effectively and meets its obligations and responsibilities;
- promoting effective communication and constructive relations amongst the Directors, within Board Committee and between the Directors and management;
- ensuring that Board matters are effectively organised to enable Directors to receive timely and clear information in order to make sound decisions;
- promoting high standards of corporate governance;
- establishing a relationship of trust with the CEO; and
- ensuring effective communication with the shareholders.

The CEO, together with the Deputy Chairman, is the highest-ranking executive officer of the Company whose primary role is to effectively manage and supervise the day-to-day business and operations of the Company, all in accordance with the strategy, policies, budget and business plans approved by the Board. The CEO's Role Statement provides that his responsibilities include, without limitation:

- running the Company's business and developing its vision, mission, core values, strategies and business objectives;
- providing clear and decisive leadership and guidance to employees of the Company;
- accounting to the Board for all aspects of the Company's administration, operations and performance;
- providing timely strategic and operational information to the Board, including performance reports and other matters that the Board may not otherwise be aware of;
- managing and cultivating relationships with regulators, leading communication efforts with shareholders and the public and ensuring compliance with disclosure obligations; and
- developing organisational structures which ensure an effective and cohesive senior management team.

The Board also has the assistance of the non-executive and independent Directors in fulfilling a pivotal role in corporate accountability and transparency. Their presence is important as they provide unbiased independent views, advice and judgment to address the interests of the Company and those of the shareholders and other stakeholders.

As the roles of the Chairman and CEO are separate, and given the independence of our Chairman, the Board has determined that it need not appoint a lead independent director at this time. The independent and non-executive Chairman does not have any relationships with the executive Management of the Company's Group.

BOARD MEMBERSHIP (PRINCIPLE 4) AND BOARD PERFORMANCE (PRINCIPLE 5)

The Board has a formal and transparent process for the appointment and re-appointment of Directors.

Pursuant to the Company's Articles of Association, at least one-third of the Board, including executive and non-executive Directors, must retire from office by rotation and are subject to re-election at every Annual General Meeting ("AGM"). All Directors are required to retire at least once

every three years. Newly appointed Directors are subject to retirement and re-election at the AGM immediately following their appointment. As all current Directors were appointed on 24 September 2010, therefore, each Director is eligible for re-election by the shareholders at the upcoming AGM.

The NC will review the size and composition of the Board on an annual basis and make any recommended modifications to the Board. The NC further advises the Board on the appointment, re-nomination and retirement of Directors. Whether a Director voluntarily retires or is required to retire from office by rotation, or the need for a new Director otherwise arises, the NC seeks to maintain the proper balance of expertise, skills and attributes among Directors, including relevant core competencies in areas such as accounting and finance, real estate, strategic planning and customer based knowledge. Before making its recommendations to the full Board, the NC is free to seek advice from external consultants, and will ultimately provide a shortlist of candidates for the Board's consideration.

The NC considers attendance, preparedness, participation and ability to think independently when evaluating the performance and contributions of a Director for recommendation to the Board, as well as the evolving needs of various skills and expertise to best serve the business of the Company both now and in the future.

To ensure that Directors possess the necessary experience, skills and knowledge needed to best serve the Company and its shareholders, the Directors embark on regular training and education concerning the business of the Company and its performance. In addition to the strategic planning session in March 2011, the Directors underwent on-site facilities tours and meetings with local officials to better understand the logistics industry, receive regular in-depth briefings on a variety of industry-specific topics, engage in regular compliance and governance training, and may attend other appropriate courses, conferences and seminars at their discretion.

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Starting with its first meeting in May 2011, the NC undertakes a process to evaluate the effectiveness of the Board as a whole and the contributions by each Director. As part of this process, each Director is required to complete appraisal forms to assess the overall effectiveness of the Board. The appraisal process focuses on evaluating the appropriate size and composition of the Board, access to information, processes and accountability, and communication with management. The evaluations are reviewed by the NC for further recommendation to the Board, all as a means to continuously review the Board's effectiveness and ability to perform its duties. The NC further established a platform which going forward will allow each Director to assess the effectiveness of other Directors through a series of targeted questionnaires and individual meetings with the NC Chairman.

ACCESS TO INFORMATION (PRINCIPLE 6)

In advance of each meeting, Management provides the Board with information specific to the agendas for that meeting, which typically include general business and operational updates, strategic initiatives, and financial reports. In addition, as matters arise outside of scheduled meetings, the Board is provided with periodic updates on key operational activities.

The Board has separate, independent, and regular access to senior Management and the Company Secretary. The Company Secretary attends all meetings of the Board and Board Committees, prepares minutes arising therefrom, and ensures that proper protocols are observed and applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. As needed, the Board and Board Committees are free to seek external advice at the Company's cost to ensure they have ready access to all resources needed to make informed decisions.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (PRINCIPLE 7)

A central responsibility of the CC is to assist the Board in developing formal and transparent policies on remuneration matters. The CC has developed and recommended to the Board the Company's current policies for remunerating Board members and key executives to appropriately attract, retain and motivate Directors and key executives needed for the

successful operation of the business. The recommendations arose out of extensive work with external consultants on both Board and executive compensation which centred on retention and attraction of key individuals through an appropriate mix of cash compensation and stock-based awards.

LEVEL AND MIX OF REMUNERATION (PRINCIPLE 8) DISCLOSURE ON REMUNERATION (PRINCIPLE 9)

The fees for non-executive Directors for the financial year ended 31 March 2011 comprised a basic retainer, additional fees for appointment to and chairing of Board Committees, attendance fees and a stock issuance. As executive Directors, neither Jeffrey H. Schwartz nor Ming Z. Mei receive Director fees but are both remunerated as members of management. The general framework for the foregoing fees was as follows, all in US dollars per annum:

Basic Retainer Fee	
Board Chairman	\$ 85,000
Director	\$ 50,000
Fees for Audit Committee	
Committee Chairman	\$ 40,000
Committee Members	\$ 20,000
Fees for Other Committees	
Committee Chairman	\$ 30,000
Committee Members	\$ 15,000
Attendance Fees (per meeting)	\$ 1,500
Restricted Stock Grant (\$ Value)	\$ 35,000

The proposed framework for Directors' fees for the financial year ending 31 March 2012 is the same as that for FY2011 except for the annual restricted stock grant value which is proposed to be increased to \$50,000. The grant will be issued under the GLP Restricted Share Plan. The CC assessed independent advice from seasoned consultants to determine the level and mix of remuneration for the Board and management for the upcoming year.

The Directors' remuneration from 24 September 2010, the date on which they were all appointed, through the financial year ended 31 March 2011 is as follows:

Name of Director	Directors' Fees	Fixed Component ⁽¹⁾	Variable Component ⁽²⁾	Benefits ⁽³⁾	Equity ⁽⁴⁾	Total
Ang Kong Hua	\$76,305	-	-	-	\$18,227	\$94,532
Jeffrey H. Schwartz	-	\$502,977	\$0	\$41,100	\$0 ⁽⁵⁾	\$544,077
Ming Z. Mei	-	\$565,235	\$0	\$0	\$0 ⁽⁵⁾	\$565,235
Dr. Seek Ngee Huat	\$58,473	-	-	-	\$18,227	\$76,701
Tham Kui Seng	\$51,766	-	-	-	\$18,227	\$69,993
Wei Benhua ⁽⁶⁾	\$41,350	-	-	-	\$18,227	\$59,578
Yoichiro Furuse	\$38,350	-	-	-	\$18,227	\$56,578
Steven Lim Kok Hoong	\$60,681	-	-	-	\$18,227	\$78,909
Dr. Dipak Jain	\$53,974	-	-	-	\$18,227	\$72,201
Paul Cheng Ming Fun	\$50,266	-	-	-	\$18,227	\$68,493

- (1) Fixed Component refers to base salary plus employer's statutory contributions to the Singapore Central Provident Fund made from 24 September 2010 through 31 March 2011. Base salaries for each of Mr. Schwartz and Mr. Mei are set forth in their respective service agreements which commenced on 18 October 2010 and provide for a monthly base salary of US\$83,300. Mr. Mei's base monthly salary is inclusive of an allowance of US\$100,000 per annum for housing expenses and tuition for his dependent children.
- (2) Variable Component refers to cash bonuses awarded for performance for the year ended 31 March 2011. Pursuant to the service agreements of Mr. Schwartz and Mr. Mei, each is entitled to an annual bonus of approximately US\$1,000,000, the actual amount of which is ultimately determined by the Board upon recommendation of the Compensation Committee. At 31 March 2011 no cash bonuses have yet been awarded to either Mr. Schwartz or Mr. Mei.
- (3) Benefits for Mr. Schwartz include a monthly housing reimbursement. Mr. Mei's housing allowance and tuition reimbursement are part of his base salary as described above.
- (4) Pursuant to a resolution passed by the sole shareholder of the Company in September 2010, each non-executive Board member is entitled to receive a share value award equal to US\$35,000 per annum as of 31 March 2011. On a pro-rata basis, from commencement of service on 24 September 2010, the share value award is US\$18,227. Actual grants have not yet been provided, however, as the Compensation Committee is finalising terms and conditions of all share grants under the Company's RSP and PSP plans. Once final, the share calculation will be performed and grants will be issued. It is presently contemplated that shares awarded to the non-executive Board members will be granted under the GLP Restricted Share Plan which will vest over a set period of time.
- (5) Pursuant to their service agreements, Mr. Schwartz and Mr. Mei are each entitled to receive a share value award of approximately US\$1,300,000 for each full year of employment thereunder. As of 31 March 2011 no grants have yet been awarded to either Mr. Schwartz or Mr. Mei. Final determination of share value awards rests with the Board and once made, the share calculation will be performed and grants will be issued. It is presently contemplated that share awards to Mr. Schwartz and Mr. Mei will be divided evenly between the GLP Restricted Share Plan and GLP Performance Share Plan, with the former vesting pro-rata over a set period of time and the latter vesting only upon the occurrence of pre-established conditions. The final terms and conditions recommended by the Compensation Committee and approved by the Board will ultimately determine the precise makeup and terms of the grants issued.
- (6) Mr. Wei resigned from the Board of the Company on 2 May 2011.

No Director is involved in deciding his own remuneration. Fees are recommended by the Compensation Committee and approved by the Board and remain subject to the approval of shareholders. To attract and retain Directors, timely payment of their fees is essential. Accordingly, the Company will seek shareholder approval of Directors' fees for the current financial year so that they may be paid quarterly in arrears for that year rather than 17 months after services are provided. As partial payment of Director fees will be issued in Company stock with a vesting period, the Board remains aligned with the interests of other shareholders.

The Company advocates a performance based remuneration system for executive Directors and key management that is

flexible and responsive to the market. The remuneration is linked to the Company and an individual executive's performance, and total remuneration comprises a fixed monthly salary and other benefits, as well as variable performance bonus and participation in the GLP PSP and GLP RSP which are further described in the Directors Report. The aggregate number of new shares to be issued under the share plans is subject to a maximum limit of 15.0% of the Company's total issued share capital when taken into account together with all other share plans concurrently implemented by the Company. As of the date of this Corporate Governance Report no actual awards have yet been granted to any Director or employee of the Company.

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The Company has entered into a service agreement with Jeffrey H. Schwartz and Ming Z. Mei for a period of four years from 18 October 2010 and renewable thereafter unless otherwise terminated by either party by giving six months' notice in writing. Certain other key management personnel are also employed under service agreements which generally stipulate remuneration terms and other benefits consistent with the Company's prevailing policies.

The remuneration of the Company's five top-earning key executives, other than executive Directors, in bands of S\$250,000 for the period from 1 April 2010 through financial year ended 31 March 2011 are set out as follows:

Bands	Executives
S\$1,750,000 to below S\$2,000,000	Masato Miki
S\$1,000,000 to below S\$1,250,000	Heather Fang Xie
S\$750,000 to below S\$1,000,000	Yoshiyuki Chosa Kent Yang
Below S\$250,000	Stephen Schutte ⁽¹⁾

(1) Employment commenced in January 2011

No employee of the Group whose remuneration exceeded S\$150,000 during FY2011 was an immediate family member of any of the members of the Board.

ACCOUNTABILITY (PRINCIPLE 10)

The Board presents a balanced and understandable assessment of the Company's performance, position and prospects through the release of its quarterly and full year financial results. The Audit Committee and Board review and approve all results and corresponding releases before they are disseminated to the public. For FY2011, the Company's CEO and Chief Financial Officer ("CFO") have provided assurance to the Board on the integrity of its financial statements and on the Company's risk management, compliance and internal control systems. In keeping with SGX listing rules, the Board provides a negative assurance statement to shareholders in respect of interim financial statements, which is supported by a negative assurance statement from the Company's CEO and CFO.

AUDIT COMMITTEE (PRINCIPLE 11)

The AC comprises four members, all of whom are non-executive and independent, and who bear relevant business experience, knowledge of the operations, finance and auditing procedures of the Company, and with at least two members having accounting or related financial management expertise or experience. The AC is required to meet four times per year and has met twice since the Company listing in October 2010 through March 2011.

The AC has full discretion to investigate any matter within its terms of reference and may commission any investigation into matters involving suspected fraud or irregularity of internal controls or infringement of law, rule or regulation which has or is likely to have a material impact on the Company's operating results or financial position. The AC is required to discuss any such matters with the external auditors and report to the Board at the appropriate time. It has direct access to internal and external auditors and full discretion to invite any Director or officer to attend its meetings.

The AC is principally charged with assisting the Board in discharging its statutory and other responsibilities concerning internal controls, financial and accounting matters, compliance and business and financial risk management. During the year, the AC reviewed the Group's financial information and any public financial reporting with management and external auditors prior to submission to the Board. The duties of the AC include:

- (a) reviewing and approving the audit plan prepared by the external auditors and the audit plan prepared by the internal audit department;
- (b) reviewing with external auditors and the internal audit department the adequacy and effectiveness of the Group's internal control system;
- (c) reviewing with the internal audit department the program, scope and results of the internal audit and management's response to their findings to ensure that appropriate follow-up measures are taken;

- (d) reviewing the independence and objectivity of the external auditors, and the nature and extent of non-audit services provided by them and made recommendations to the Board on the re-appointment of the external auditors;
- (e) reviewing interested person transactions for potential conflicts of interest as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place; and
- (f) reviewing filings with the SGX-ST or other regulatory bodies which contain the Group's financial information and ensured proper disclosure.

During its meetings, the CEO, Deputy Chairman, CFO, and other select executives were also in attendance. The AC is responsible for overseeing the Company's whistleblower policy and to that end has approved the Global Logistic Properties Limited Whistleblowing Policy ("GLP Whistleblowing Policy") through which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or otherwise. The AC is charged with reviewing periodic updates from the head of Internal Audit as to any reported impropriety, including the steps taken and ultimate resolution thereof, and with ensuring that the GLP Whistleblowing Policy overall provides an effective means of anonymous reporting. The GLP Whistleblowing Policy also permits staff to communicate directly with the CEO or Chairman of the AC if they feel circumstances warrant.

INTERNAL CONTROLS AND INTERNAL AUDIT (PRINCIPLES 12 AND 13)

The Board believes that the system of internal controls and processes maintained by management through the date of this report adequately meets the needs of the Company in today's business environment. The system is designed to provide reasonable and not absolute assurance in achieving certain internal control standards while allowing the Company to appropriately manage risk at varying levels while pursuing its business objectives.

The Company possesses an in-house internal audit function to assist the AC in discharging its responsibilities in ensuring there is sound control over the Company's operations, including statutory compliance, accounting and asset management. The head of the Internal Audit Department ("IAD") reports directly to the AC Chairman and administratively to the Deputy Chairman of the Board and CEO. The IAD has adopted the Standards for Professional Practice of Internal Auditing established by the Institute of Internal Auditors and consults regularly with outside experts to create sound internal audit practices.

The IAD uses a risk-based approach in developing its internal audit plan which aligns its focus on key risks across the Group's business. This plan is approved by the AC and aims to assist the Board in promoting sound risk management through assessing the design and effectiveness of controls that govern key business processes. IAD also seeks to identify and report on risks identified in consultation with the AC and ensure proper closure and remediation of any such risks.

The Company's external auditors, KPMG LLP, have also provided an independent perspective and analysis on the internal financial control system. Material non-compliance and internal control weaknesses and recommendations for improvements noted during their audit are reported to the AC. The AC has reviewed the effectiveness of the actions taken by the management on the recommendations made by the internal audit team and external auditors in this respect. The AC has also met separately with the external auditors without the presence of management.

Structurally, the Company has created a clearly defined operating structure with lines of responsibility and delegated authority together with adequate reporting mechanisms to senior management and the Board. The Company is guided by its robust Operating Manual applicable to all employees which governs a multitude of responsibilities and establishes various checks and balances on operating procedures. The Company also maintains a whistleblower system permitting the anonymous reporting of financial or other abuses as outlined in its Whistleblowing Policy.

CORPORATE GOVERNANCE

In light of the work performed by the IAD during the financial year and the review undertaken by the external auditors, the AC is of the opinion that there are adequate internal controls in place within the Company.

COMMUNICATION WITH SHAREHOLDERS (PRINCIPLES 14 AND 15)

The Company remains committed to maintaining high standards of disclosure and corporate transparency. This is achieved through regular and open communication with shareholders, the investment community and the media. Through its Investor Relations and Communications Departments ("IRC"), the Company is focused on providing relevant and timely information about the Company's business developments and performance. Senior Management actively participates in one-on-one meetings, roadshows, conferences and investor events led by the IRC.

All material information, including quarterly financial results, is disclosed regularly and on a timely basis via SGXNET. The Company is also undertaking the development of a new, robust website containing an abundance of investor-related information which will provide a locus of presentations, stock exchange announcements, annual reports, corporate calendar, and other items generally of interest to stakeholders in the Company.

As the Company approaches the upcoming AGM, it has designed the inaugural event to be held at a convenient location with easy access via public transportation. Any registered shareholder who cannot attend may appoint a proxy to attend and vote on his behalf. It is anticipated that the AGM will contain presentations to update the shareholders on the progress of the Company, and Directors and senior management will be in attendance to field questions and concerns of shareholders. The Company's external auditors will also be present to assist the Board as needed. The Company understands the importance of separate resolutions at General Meetings on each substantially separate issue and supports the Code's principle with regard to the "bundling" of resolutions.

In preparation for the AGM, shareholders are encouraged to refer to SGX's investor guides, namely An Investor's Guide To Reading Annual Reports and An Investor's Guide To Preparing For Annual General Meetings. The guides, in both English and Chinese versions are available on the SGX website.

DEALING IN SECURITIES

The Company has adopted and implemented the Global Logistic Properties Limited Internal Compliance Code on Dealing in Securities by Relevant Officers ("Securities Policy") to guide the Board, management and all employees in transacting in Company securities.

The Securities Policy reminds Directors and officers of the Company to not deal, directly or indirectly, in the Company's securities on short-term considerations and to be mindful of the law on insider trading as prescribed by the Securities & Futures Act, Chapter 289 of Singapore. The Securities Policy also makes clear that it is an offence to deal in Company securities, and securities of other listed companies, while possessing material non-public information and prohibits trading as well during the following blackout periods:

- i) the period commencing two weeks before the announcement of the Company's financial statements for the first, second and third quarters of its financial year; and
- ii) the period commencing one month before the announcement of the Company's financial statements for its full financial year.

Each of the above blackout periods will end after the relevant results of the Company are announced. All Directors and employees are notified of when each blackout period will commence by way of an internal memo issued by the General Counsel.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with Interested Persons are reported to the AC on a timely manner. The AC has reviewed the Interested Person Transactions (“IPT”) entered into during the financial year by the Company and the aggregate value of IPT entered during the financial year ended 31 March 2011 is set out below. As the Company does not have shareholders’ mandate under Rule 920, there is no IPT reporting associated therewith.

Interested Person	Aggregate Value	Nature of Transaction
Schwartz -Mei Group	US\$405,400	Allocation of IPO expenses
Schwartz -Mei Group	US\$532,545	Reimbursement of Office expenses
Associates of Recosia China	US\$2,432,608	Payment of arm’s length office leases
Government of Singapore Investment Corporation Private Limited	US\$62,819	Payment of consulting fee for internal audit services
Recosia China	US\$1,314,038	Payment of Loan interest

MATERIAL CONTRACTS (RULE 1207(8) OF THE LISTING MANUAL)

Except as disclosed in Interested Person Transactions, there were no material contracts entered into by the Company or any of its subsidiaries involving interests of any Director or controlling shareholder during the financial year ended 31 March 2011.

RISK MANAGEMENT

Identifying potential risk and managing its uncertainty in the pursuit of business objectives is a key objective of the Company. The Company regularly reviews and improves its business and operational activities to identify areas of significant business risk and take appropriate measures to control and mitigate that risk. Successfully managing risk involves reducing uncertainty while achieving business results and providing the Board, management and the Company’s shareholders with reasonable assurances that significant risks can be appropriately identified and managed.

Risks arise in varying forms from financial to reputational, and beyond its documented policies the Company seeks to inculcate a culture of compliance among its employees through awareness, ownership and identification which is promoted from the top levels of the Board and senior management. Through its Operating Manual, Whistleblowing Policy, Disclosure Policy and Code of Ethics, employees are continually reminded of the steps taken to avoid unnecessary risks that could have long-term effects on the Company.

The AC is charged with overseeing risk management practices generally and in conjunction with the IAD seeks to identify areas of concern and implement plans to mitigate significant risks to the Company. With the various systems, practices and policies the Company has implemented and which are discussed above, together with a culture of risk-awareness, the AC is of the opinion that there are adequate internal controls in place within the Company.