



Securities Trading Policy

1. Introduction

The Goodman Group (“Goodman”) has issued this Policy in order to raise awareness about the insider trading prohibitions in the Corporations Act. It is also intended to strengthen those requirements with additional compliance standards and procedures for directors and employees who wish to trade in Goodman Related Securities. For the purposes of this policy, **Goodman Related Securities** include:

- (a) stapled securities of Goodman Group (**Securities**);
- (b) options over Securities;
- (c) derivatives or hybrid products in respect of Securities; and
- (d) any other tradeable financial product in respect of Securities.

Directors and employees are encouraged to be long-term holders of Goodman Securities. However, it is important that care is taken in the timing of any acquisition or disposal of Goodman Related Securities.

The purpose of this policy is to assist directors and employees to avoid conduct known as ‘insider trading’. In some respects, this policy extends beyond the strict requirements of the *Corporations Act 2001* (Cth) (the **Corporations Act**).

This policy provides a basic explanation of what constitutes insider trading and Goodman’s policy to prevent it, including:

- a description of what conduct may constitute insider trading;
- a description of the safest times for directors and employees to buy or sell Goodman Related Securities in order to minimise the risk of insider trading and
- the steps for directors and employees to take when buying or selling Goodman Related Securities.

Directors and employees must also contact the Company Secretary before trading in securities of funds in which Goodman holds substantial investments or has a management interests such as Goodman Property Trust in New Zealand or J-REP in Japan. Any approval to trade may be subject to obtaining advice and confirmations from those entities.

The Corporations Act provides penalties for breach of the insider trading provisions. A failure to comply with those provisions and/or the requirements of this Policy may also be a breach of an Employee’s terms of employment.

2. What is Insider Trading?

In summary, under the Corporations Act and this Policy, Employees in possession of inside information must not:

- trade in Goodman Related Securities; or
- procure or encourage someone else to trade in Goodman Related Securities.

This policy applies to all directors and employees of the Group, all of whom may possess “inside information”. Inside information is information concerning Goodman’s financial position, strategy or operations which is not generally available in the market, and that, if it were made public, would be likely to have a material effect on the price of Goodman Related Securities. It does not matter how or where the person obtains the information – it does not have to be obtained from Goodman to constitute inside information.

It is important to note that not only is a director or employee prohibited from trading in Goodman Related Securities themselves when in possession of inside information, they are also prohibited from communicating the inside information to any other person who is likely to purchase or sell the Goodman Related Securities or who is likely to procure a third person to purchase or sell Goodman Related Securities. (This requirement is in addition to the obligation of directors and employees to maintain at all times the confidentiality of all of the Group’s confidential information.)

Set out in Appendix 1 is a summary of the legal provisions relating to Insider Trading.

3 Guidelines for trading in Goodman Related Securities

3.1 General Rule

Directors and employees of Goodman should not buy or sell Goodman Related Securities when they are in possession of price sensitive information relating to Goodman which is not generally available to the market.

Directors and key senior executives are also subject to the special provisions set out in Appendix 2.

3.2 Trading in Goodman Related Securities

The only appropriate time for a director or employee to acquire or sell the Goodman Related Securities is when he or she is not in possession of price sensitive information that is not generally available to the market.

(a) Blackout Periods

To avoid any adverse inference being drawn of unfair dealing, directors and employees should not deal in Goodman Related Securities during the period from 2 weeks before the end of a financial period (ie. from after 16 June and 17 December) through to the release of Goodman’s half-yearly or yearly results.

A trading blackout will be notified to directors and employees during those times and may also be notified by the Company Secretary or Group Chief Executive Officer at other times when considered appropriate.

Approval will not be given during a trading blackout unless the Group CEO or Chairman is satisfied of circumstances amounting to hardship and that the person is not in possession of price sensitive information which is not generally available to the market.

(b) Consent during other times

Any director or employee wishing to buy or sell Goodman Related Securities **must** advise the Chairman (in the case of directors), the Group Chief Executive Officer (in the case of the Chairman or an employee) or the Company Secretary (in the case of an employee) of their intention to do so **before** buying or selling the Goodman Related Securities. This requirement extends to any intended trading by immediate family members, where the director or employee is aware of such intended trading. This notification obligation operates at all times.

Directors and employees **must not** buy or sell the Goodman Related Securities until approval has been given by the Chairman, Group Chief Executive Officer or Company Secretary. Approval to trade lasts 10 Business days after which time fresh approval should be sought if a person intends to trade. Confirmation should be provided that the securities were bought or sold by the directors, employees and, if they are aware, their family members.

This procedure should prevent potential embarrassment and adverse publicity relating to trading in Goodman Related Securities when, for example, there may be important corporate information (whether or not material in a legal context) not publicly released, or when projected financial results may deviate from market expectations.

3.3 No short-term trading in Goodman Related Securities

It is contrary to the policy for directors and employees to be engaged in short-term trading of Goodman Related Securities.

3.4 No Price Insurance

It is also contrary to the policy for directors or senior executives to seek or enter into derivative contracts that hedge their exposure to movements in the price of Goodman Related Securities that have not vested.

3.5 Employee schemes

This policy does not affect:

- (a) applications for; and
- (b) acquisitions under those applications of,

Goodman Related Securities by employees of Goodman made under employee equity plans.

However, this policy **does** apply to any subsequent disposal by those employees of Goodman Related Securities acquired under those employee equity plans.

3.6 Margin Lending

This policy applies to decisions to sell Goodman Related Securities by a mortgagee, chargee or margin lender under a margin loan or other financing arrangements. Directors or employees may apply, on the basis of hardship, for consent to trade from the Chairman or Group CEO notwithstanding that a trading blackout that might otherwise apply as noted under section 3.2(a) above. Any trade in breach of this policy should immediately be disclosed to the Company Secretary for reporting to, and consideration by, the Board.



3.7 Policy Administrator

If you are in any doubt as to whether you possess inside information, or have any other query about this policy, the Corporations Act or how either may apply to you, you should contact the Company Secretary.

Adopted by the Board on 24 June 2008

Appendix 1: Legal summary of insider trading

Prohibition

In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of tradeable financial products (ie, information that is 'price sensitive'); and
- (b) that person:
 - (i) buys or sells tradeable financial products;
 - (ii) procures someone else to buy or sell tradeable financial products; or
 - (iii) passes on that information to a third party where that person knows, or ought reasonably to know that the third party would be likely to buy or sell the tradeable financial products or procure someone else to buy or sell the tradeable financial products of the company.

Information is generally available where the information is:

- readily observable; or
- made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in the tradeable financial products and a reasonable period has elapsed to allow the information to be disseminated; or
- able to be deduced, concluded or inferred from those types of the information.

Penalties

Insider trading is a criminal offence.

The criminal penalties for a breach of the insider trading prohibition include:

- For an individual – a fine of up to \$220,000 and a jail term of up to 5 years; and
- For a corporation – a fine of up to \$1,100,000.

In addition, the insider trader, and any other persons involved in the contravention, may also be liable to compensate third parties for any resulting loss.

Examples of price sensitive information

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if it has not already been disclosed to the market and if it were made available to the market, may be likely to affect materially the price of Goodman Related Securities:

- Goodman considering a major acquisition or disposal of assets;
- the threat of major litigation against Goodman;
- Goodman's financial results materially exceeding (or falling short of) the market's expectations;
- a proposed change in distribution policy;
- a proposed new issue of Securities;
- a significant change in executive management.



Dealing through third parties

A director or employee of Goodman can still be guilty of insider trading in relation to Goodman Related Securities even though they are not the actual person who bought or sold the securities. The prohibition extends to:

- Dealings by directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies; and
- Directors and employees procuring third parties to deal in the Goodman Related Securities, which includes inducing or encouraging those third parties to deal.

Information however obtained

It does not matter how or where the person obtains the information – it does not have to be obtained from Goodman to constitute inside information.



Appendix 2: Special provisions for Directors and Key Senior Executives

As noted in the ASX Companies Update of 29 February 2008, in certain circumstances the existence of “margin loans” or similar arrangements financing securities holdings may constitute material price sensitive information. Such information, while not relating directly to the economic performance and prospects of an entity, may be used in connection with various trading strategies by market participants to affect the price of an entity’s securities.

Where any director or key senior executive has a “margin loan” arrangement that uses their holding in Goodman Related Securities as security for the loan, such arrangements are to be disclosed to the Chairman and the Group CEO and updates provided whenever there is a significant change to the value of the security supporting the loan. The Board (or a Committee of the Board) will review that information annually or whenever there is a significant change having regard to the requirement to comply with continuous disclosure obligations in the context of any material margin loan arrangements.