



risk and compliance committee charter+

What is the purpose of the Risk and Compliance Committee?

The Risk and Compliance Committee (“Committee”) has been established by resolution of the Boards of Goodman Limited (“GL”), Goodman Funds Management Limited (“GFML”) as the responsible entity for Goodman Industrial Trust (“GIT”), and Goodman Logistics (HK) Limited (“GLHK”) (collectively referred to as the “Board”) to assist the Board fulfil its responsibilities in relation to Goodman’s system of risk and compliance management.

The Committee reports to the Board regarding the effectiveness of its risk management and compliance framework in relation to:

- + Operational risk management including internal risk management systems, internal audit and insurance requirements;
- + Development and asset risk management including development, sustainability and safety; and
- + Compliance including internal compliance systems and external compliance audit functions (including the obligations of GFML as the responsible entity of GIT, a registered managed investment scheme).

The Committee’s responsibilities apply to:

- + GL and its consolidated group;
- + GIT and its consolidated group;
- + GLHK and its consolidated group;
- + GFML,

together “Goodman Entities”.

The Committee provides a structured reporting line for Goodman’s risk assurance and compliance functions and also provides a formal forum for communication between the Board, Audit Committee and risk and compliance management of Goodman.

Authority

The Committee may consider any matter which falls within the roles and responsibilities delegated to it by the Board, notwithstanding that the particular matter(s) may have been previously referred to and considered by another Board committee.

Risk and Compliance Committee Charter

Content Owner: Group Legal

Effective Date: April 2018

Key Contact: Group Head of Legal and Company Secretary

Goodman Limited ABN 69 000 123 071

Goodman Funds Management Limited ABN 48 067 796 641 AFSL Number 223621

as responsible entity for Goodman Industrial Trust ARSN 091 213 839

Goodman Logistics (HK) Limited Company No. 1700359 ARBN 155 911 149

The Board delegates to the Committee the power to do all things necessary to perform its duties and fulfil its purpose including:

- + to approve principles, policies, strategies, processes and control frameworks for the management of risk, audit and compliance; and
- + to sub-delegate its powers and discretions to executives of the Group, with or without the power to delegate further.

The Board of GLHK has reserved the right to make decisions in respect of any matters delegated to and considered by the Committee and the Committee will only make recommendations to the Board of GLHK.

The Committee shall have unlimited access to the:

- + executives of the Group;
- + external auditors; and
- + internal auditors.

Access to records and information

The Committee will have access to:

- + all of a relevant company's, trust's or scheme's records, including those records provided by agents appointed by the Group to perform functions in respect of the scheme;
- + the appointed auditor of the scheme; and
- + information from Goodman which is relevant to the Committee's assessment of Goodman maintaining its compliance with the Corporations Act.

The Committee shall have the authority and resources to consult or obtain advice from independent experts or advisers where it considers such consultation or advice necessary to carry out its duties.

The Committee shall have access to the internal and external awareness and education programmes in relation to risk and compliance. Such programmes will be on request or as organised and made available to them by Management.

Duties and responsibilities

The Committee's main responsibilities are divided into the following areas:

Risk Management

- + Benchmark Goodman's risk management systems, practices and procedures against industry standards and legal requirements.
- + Review and monitor all material risks in Goodman's risk management systems, including sustainability risks (economic, environmental and social), market risks (including product design and pricing risk), and operational risks (including safety, human resources, succession planning, fraud, legal and reputational risk).
- + Review and monitor the effectiveness of Goodman's risk management systems and framework at least annually.
- + Evaluate the processes Goodman has in place for identifying and assessing risks.
- + Evaluate the processes Goodman has in place for continuously improving internal controls, particularly those related to areas of significant risk.

Internal Audit

- + Review and approve the internal audit plan.
- + Review any internal audit reports and monitor the resolution of any internal audit issues.
- + Review the procedures for the receipt, retention and treatment of complaints received on accounting, internal accounting controls or auditing matters, and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters or any other matters raised by such employees.
- + Review the effectiveness of the internal audit programme and performance and objectivity of the internal audit function including:
 - Review significant results of internal audits and Management's responsiveness to findings and recommendations.
 - The internal control structure and procedures for financial reporting processes including the review of the Management declarations process.
 - Co-ordination between external audit including provision of the internal audit plan to the external auditors and review of the external audit plan in relation to the work on internal controls.
 - Independence of the internal audit programme from the external auditors and management.
- + Review the effectiveness of the external auditor in relation to any work performed over internal controls.
- + Provide advice to the Audit Committee on the adequacy of systems and controls in respect to financial reporting.
- + Provide a report to the Audit Committee on complaints concerning accounting and auditing matters that are unresolved or significant.

Insurance

- + Review the financial lines insurance programme and make recommendations to the Board on the adequacy of the level and type of insurance proposed.

Development and Asset Management

- + Provide oversight of the practices and procedures in relation to development and construction contracting and design specification.

Sustainability

- + Benchmark Goodman's Corporate Responsibility and Sustainability Programme ("CR&S Programme"), practices and procedures against industry and legal requirements.
- + Review and monitor the effectiveness of the Goodman's CR&S Programme at least annually.
- + Make recommendations to the Board on the adequacy of sustainability activities and any proposed changes to the scope of works and authorities.

Safety

- + Provide oversight of Goodman's Safety Framework.
- + Review annually the Own+Develop+Manage safety metrics.
- + Request for further information or action as required.

- + Make recommendations to the Board on the adequacy of safety activities and any proposed changes to the scope of works and authorities.

General Compliance

- + Benchmark Goodman's compliance framework, practices and procedures against industry standards and legal requirements.
- + Review and monitor the effectiveness of the Goodman's compliance framework at least annually including that proper compliance reporting and monitoring systems are in place.
- + Oversee compliance with applicable laws and regulations and provide oversight of internal policies including in relation to the conduct of Goodman employees.
- + Report to the Board as soon as practicable after becoming aware of any significant breach of compliance standards, laws, regulations or other legal obligations.

Compliance as a responsible entity

- + Monitor GFML's compliance as a responsible entity with GIT's Compliance Plan and report on its findings to the GFML Board.
- + Report to ASIC if the Committee is of the view that GFML, as the responsible entity, has not taken, or does not propose to take, appropriate action to deal with a matter previously reported to it as the responsible entity.
- + Assess at regular intervals whether a Compliance Plan is adequate, to report to the responsible entity on the assessment and to make recommendations to GFML, as the responsible entity, about any changes that it considers should be made to a Compliance Plan.
- + Report to GFML, as the responsible entity, any:
 - Breach of the Corporations Act involving the scheme.
 - Any breach of the provisions included in the scheme's Constitution in accordance with section 601GA of the Corporations Act.

External Compliance Audit

- + Monitor that appropriately qualified and independent auditors are engaged to review the scheme's Compliance Plans.
- + Consider whether, taken as a whole, the various relationships between the relevant Goodman entity and the external auditor impair or appear to impair the auditor's judgment or independence in respect of Goodman.
- + Review and approve the annual audit plans of the scheme's auditors and facilitate coordination where more than one (1) audit firm or audit plan is involved.
- + Review and where appropriate, recommend to the Board, approval of the scheme auditor's annual review of the scheme for lodgement with ASIC.
- + Recommend to the Board the appointment, evaluation and dismissal of the scheme's auditor.

Corporate Governance and other matters

- + Refer to the Audit Committee, in writing, any matters that have come to the attention of the Risk and Compliance Committee that are relevant to the Audit Committee in relation to the control environment or compliance with regulatory obligations.

- + Refer to the Audit Committee, in writing, any matters that have come to the attention of the Risk and Compliance Committee that are relevant to the Audit Committee in relation to the legal report and adequacy of provisions for legal costs and potential adverse findings.
- + Monitor that there are appropriate policies and procedures for the reporting and investigation of ethical concerns raised by employees or external parties. Report any unresolved or significant matters to the Board.

General Committee Provisions

- + The provisions of the Board Charter relating to Committees including their composition, meetings, conduct and reporting apply to the Committee. In addition, all members shall have the necessary knowledge and skills to carry out their obligations under the Corporations Act, the Constitution(s), Compliance Plan and risk management and compliance framework.

Definitions

- + Compliance Plan means the Compliance Plan of a scheme prepared in accordance with Chapter 5C.4 of the Corporations Act.
- + GFML or responsible entity means Goodman Funds Management Limited (ACN 067 796 641) (AFSL 223621).
- + Scheme means any registered managed investment scheme for which Goodman Funds Management Limited (ACN 067 796 64) (AFSL 223621) is the responsible entity.

Governance

Approved by the Boards of Goodman Group with effect from April 2018.