

### Why do we have this policy?

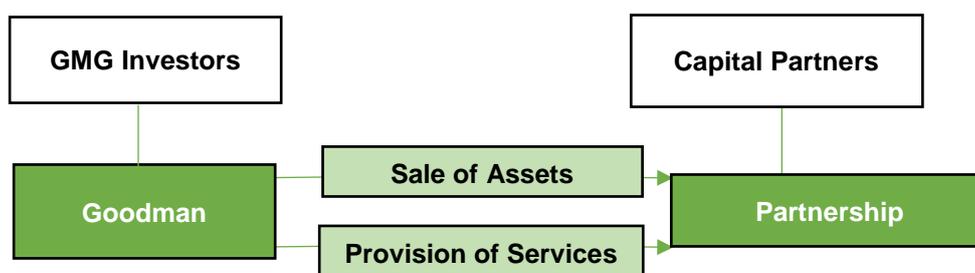
Goodman Group (“Goodman”) has a related party policy to outline the process it has adopted to deal with related party transactions between Goodman and its managed funds and investment partnerships (“Partnerships”). Goodman’s “Own+Develop+Manage” business model involves Goodman providing “management” services to its Partnerships and developing and selling assets to its Partnerships for them to own. Goodman values the transparency and independent decision making processes governing the way in which it deals with its Partnerships.

This policy is in addition to the requirements of the *Corporations Act 2001* (“Corporations Act”) and the ASX Listing Rules (“Listing Rules”) that apply to transactions between a public company or a Responsible Entity (“RE”) of a registered managed investment scheme and their directors, controllers and other persons of influence. It is also in addition to similar legislative provisions in other jurisdictions that may apply to Goodman and its Partnerships and their own governing documents, management agreements and policies.

### Who is a related party?

Goodman is comprised of three entities, Goodman Limited (“GL”), Goodman Industrial Trust (“GIT”) and Goodman Logistics (HK) Limited (“GLHK”), the securities of which are stapled together. These entities have the benefit of an exemption from the related party provisions in the Corporations Act and the Listing Rules as a result of stapling relief granted by the Australian Securities & Investments Commission (“ASIC”) and Australian Securities Exchange (“ASX”) in respect of transactions between co-operating economic entities with one set of investors. Such transactions are in accordance with the Stapling Deed and generally on arm’s length terms.

For the purposes of this policy and in accordance with Partnership constituent documents, related party transactions include transactions between Goodman (and entities it controls) and the Partnerships (and their controlled entities) and reflects the interests of the different investor groups (as depicted below).



### Related Party Policy

Policy Owner: Group Legal

Effective Date: 16 November 2016

Key Contact: Group Head of Legal & Company Secretary

From the Partnerships' perspective, such transactions would be related party transactions and the Partnerships have their own arrangements to deal with such transactions as detailed below.

Transactions with directors of Goodman's public companies and RE's, will be reviewed on a case by case basis and appropriate procedures applied. In addition, Goodman's conflicts of interest policy will apply to any such transactions as detailed below.

### **What is a related party transaction?**

This policy applies to transactions between Goodman and its Partnerships. Generally such transactions are either in relation to:

- + providing services such as funds management, asset management, development management, property management and other services such as legal, finance, valuation, IT etc. and are governed by Partnership constituent documents under agreed fee regimes or cost recovery basis; or
- + the sale of a property (including land, developments or stabilized assets) from Goodman to the Partnerships and are independently approved by the Partners of the Partnerships.

### **What is the process for approving related party transactions?**

Goodman's Partnerships each have their own governing arrangements dealing with, amongst other things, related party transactions.

When entering into related party transactions, Goodman must ensure that the transaction is either:

- + in accordance with the Partnership's governing documents and other management agreements (e.g. fees for services) or otherwise exempted from specific approval by relevant exceptions such as arm's length terms; or
- + approved by the relevant non-Goodman parties or their representatives.

Goodman may consider the following in the process of carrying out a proposed related party transaction:

- + independent review and/or decision making by non-executive or non-Goodman representatives;
- + an independent valuation that provides a reasonable basis for the Board or its delegates to consider that the transaction is on arm's length terms;
- + submitting capability statements to the Partnership's governing body setting out competency and capability of the related party to provide the relevant services;
- + market benchmarking information to establish that a related party fee is consistent with a fee that would have otherwise been charged by an un-related party commissioned to do the same work;
- + functional separation of operations to ensure information flows are appropriately protected;
- + separate legal representation being engaged to act for each party and provide a sign off on the respective legal terms; and
- + providing a sign off prior to all Board meetings that all necessary procedures were followed for any proposed related party transaction.

### **Conflicts of interest**

Goodman has a conflicts of interest policy which sets out its procedures for managing conflicts of interests where Goodman's interests diverge from or conflict with the personal interests of its directors, officers, employees, contractors, secondees and suppliers. A copy of the conflicts of interest policy is available at [www.goodman.com](http://www.goodman.com).

In addition to personal conflicts of interest, actual or potential conflicts of interest may arise in the context of transactions and dealings between Goodman and its related parties or one Goodman entity and another. In these circumstances, Goodman will apply appropriate procedures to control or avoid any such actual or potential conflicts of interest.

### **For further information**

If you have any questions about this policy or the legal requirements around related party transactions or conflicts of interest, please contact the Group Head of Legal & Company Secretary.

Adopted by the Risk and Compliance Committee on 16 November 2016.

### **Governance**

The policy is updated on a periodic basis to ensure that the policy remains relevant and current.