



## Goodman Group Board Charter

This charter sets out the roles, responsibilities and operation of the Boards of Goodman Limited (**GL**), Goodman Funds Management Limited (**GFML**) as responsible entity for Goodman Industrial Trust (**GIT**) and Goodman Logistics (HK) Limited (**GLHK**) (collectively, the **Boards of Goodman Group**) and its delegation of authority to management.

### 1 Purpose

- 1.1 Goodman Group is comprised of three entities, GL, GIT and GLHK, the securities of which are stapled together in accordance with the Stapling Deed. The respective Boards of GL, GFML and GLHK will co-operate in relation to those matters covered by the Stapling Deed.
- 1.2 The purpose of the Boards is to provide strategic direction to the Group, to ensure that the operations of the Group are being effectively managed, and to review and approve all aspects of Goodman's business for the benefit of securityholders, customers and employees.
- 1.3 GFML as responsible entity of Goodman PLUS Trust is also obliged to act in the best interests of PLUS holders. However, certain rights in respect of the PLUS are reserved to GFML as responsible entity of GIT. To the extent that conflicts of interests arise, GFML will establish appropriate protocols to manage such conflicts.

### 2 Board Structure and Appointment

- 2.1 The membership of the Boards shall be reviewed by the Boards from time to time having regard to the ongoing needs of the Group such that:
  - (i) the Boards have a proper understanding of, and competence to deal with the current and emerging issues of the business;
  - (ii) the size and composition of the Boards are conducive to effect decision making with the benefit of experience, expertise and skills in the interests of the Group; and
  - (iii) the Boards can effectively review and challenge the performance of management.
- 2.2 Of the total number of Board Directors, a majority shall be Non-Executive Directors who are assessed by the relevant Board to be Independent.
- 2.3 At least half of the GLHK Board must be Hong Kong residents in accordance with the constituent documents of GLHK. As a result of this requirement it will seek to have at least half of its members be Independent Non-Executive Directors.
- 2.4 Directors shall be proposed for re-election subject to satisfying the Boards performance requirements. The Boards shall make recommendations to

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Effective Date: 21 December 2015  
Key Contact: 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



Goodman's securityholders regarding the appointment or removal of Directors.

### 3 Duties and Responsibilities

- 3.1 The Boards have the power to do all things necessary to perform their duties and fulfil their purpose including to:
- (i) set strategic direction for the Goodman business;
  - (ii) approve strategic alliances;
  - (iii) review progress against strategy;
  - (iv) approve principles, policies, strategies, processes and control frameworks for the management of Goodman's business; and
  - (v) sub-delegate their powers and discretions to Committees of the Boards, executives of Goodman, or management committees with or without the power to delegate further.
- 3.2 The Boards shall:
- (i) approve the business' budget annually;
  - (ii) monitor financial performance against budget;
  - (iii) determine distribution policy;
  - (iv) determine the amount, nature and timing of distributions to be paid;
  - (v) make determinations regarding the capital structure of the businesses of Goodman;
  - (vi) approve the tax risk management policy;
  - (vii) approve the financial risk management policy; and
  - (viii) consider and approve interim and final financial statements, the Annual Report and the Directors' Declaration for Goodman (including GL, GIT and GLHK, GMP and GFML).
- 3.3 The Boards may consider any matter which falls within its roles and responsibilities, notwithstanding that the particular matter(s) may have been previously referred to and considered by any other Board or management committee.
- 3.4 The Boards shall give effect to the Stapling Deed including the obligations of co-operation and consultation and notice of each relevant matter will be effected by making available the Board papers and minutes of each entity at all times to each Director.

### 4 Delegation of Authority

- 4.1 The Boards have delegated certain responsibilities to standing committees which operate in accordance with Charters approved by the Boards.
- 4.2 The Boards have delegated day to day management of the businesses of Goodman Group to management through the Chief Executive Officer subject to

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agreed authority limits applicable to the senior executive team.

## 5 Board Performance and Ethical Obligations

- 5.1 In giving effect to this charter, the Boards will at all times act honestly, fairly, diligently and in accordance with the relevant Constitutions of GL, GFML, GIT and GLHK, the Stapling Deed and the law.
- 5.2 Directors must discharge their duties in good faith and in the best interest of the securityholders of the Group and for a proper corporate purpose.
- 5.3 Directors must act with care and diligence, demonstrate commercial reasonableness in their decision making and make decisions with the level of care and skill expected of a Director of a listed entity.
- 5.4 Each Director is expected to observe the highest standards of corporate governance and act in a manner consistent with Goodman's policies and procedures in relation to all matters including but not limited to disclosing and managing conflicts of interest and dealing in Group securities.
- 5.5 Non-Executive Directors are required to consult with the Chairman before accepting any new commitments which may impact on the time they have available to undertake their responsibilities as a Director of Goodman.
- 5.6 The Boards are responsible for formally evaluating the performance of the respective Board and their Committees at least every two (2) years.
- 5.7 The Boards shall monitor declarations of interest by the Directors and regularly re-assess the status of all independent Directors and confirm whether or not they continue to satisfy the standards required to establish independence.
- 5.8 The Boards shall monitor dealings in securities by the Directors.

## 6 Powers and Resources of Directors

- 6.1 To facilitate independent judgment on Board decisions, all Directors shall have access to the following:
  - (i) executives of Goodman;
  - (ii) insurance brokers;
  - (iii) internal auditors;
  - (iv) external auditors; and
  - (v) external legal advisors.
- 6.2 Directors may request presentations to be made by senior management to the Boards in respect of issues of interest to the Boards and to provide further information on relevant topics as required.
- 6.3 In the event that any Director wishes to take professional advice in relation to any aspect of performance of their duties as a Director of Goodman, the Director may do so at Goodman's expense. A Director will consult the Chairman or

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Company Secretary before obtaining external advice.

## 7 Meetings

- 7.1 The Boards will determine the frequency, duration and agendas of each Board's meetings. The Board's policy is to meet at least six (6) times per calendar year and more frequently if required.
- 7.2 Proceedings of the Boards are governed in accordance with the Constitutions of the relevant entities.
- 7.3 Subject to the terms on which a power of the Directors is delegated to a Committee, the meetings and proceedings of Committees are, to the greatest extent practical, governed by the provisions of the Constitutions which regulate the meetings and proceedings of Directors.
- 7.4 Meetings may be held using any technology agreed by the members, for example, by phone, Internet relay chat, video or voice conference.
- 7.5 Reports should be distributed at least five (5) business days prior to a meeting.
- 7.6 The Secretary must ensure that minutes of the Board and Committee meetings and records of their reports and recommendations are kept. A copy of any of them signed by the Chair is taken to be a true record unless the contrary is proved.
- 7.7 The minutes of Committees are reported to the Boards.
- 7.8 The Chair of a Committee (or their delegate) shall report to the Boards on the business of the Committee including any recommendations from the Committee for the Board's consideration.

## 8 Board Committees

- 8.1 The Boards have established the following standing Board Committees:
  - (i) Audit Committee;
  - (ii) Remuneration and Nomination Committee; and
  - (iii) Risk and Compliance Committee.The Boards may establish other standing committees from time to time.
- 8.2 The Boards will adopt a charter for each Committee, setting out the responsibilities delegated by the Board to the Committee and the Committee's structure and operation.
- 8.3 The Boards may establish ad hoc committees, such as due diligence committees.
- 8.4 The Boards shall determine the Chair and composition of Committees. The Chair and the majority of each standing Committee will be independent Directors. Each member must be a Non-Executive Director and at least one member of each

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Committee will be a Director of GLHK, GL and GFML.

- 8.5 A standing Committee must meet at least four (4) times a year, unless the Committee members agree it is not necessary for a particular quarter.
- 8.6 Only Committee members are entitled to attend and vote at meetings. Other Directors may also attend Committee meetings (subject to any conflict of interest). The Committee may invite such other persons to its meetings as it deems necessary.
- 8.7 The Secretary of the Committee shall be the Company Secretary or their designated representative.

## 9 Chairman

- 9.1 The Directors will appoint an independent Director as Chairman of the respective Boards.
- 9.2 The principal role of the Chairman is to provide leadership to the respective Board and ensure that the Board works effectively and discharges its responsibilities.

## 10 Company Secretary

- 10.1 The appointment and, where appropriate, removal of the Company Secretary is a matter for the full Board.
- 10.2 The Company Secretary is accountable to the respective Boards, through the Chairman, for monitoring and enhancing corporate governance processes and ensuring that the principles and procedures of the Board are followed.
- 10.3 All Directors will have access to the Company Secretary.

## 11 Definitions

**GFML** means Goodman Funds Management Limited (ACN 067 796 641; AFSL 223621.)

**GL** means Goodman Limited (ACN 000 123 071).

**GLHK** means Goodman Logistics (HK) Limited (Company No. 1700359; ARBN 155 911 149).

**GLHK Board** means the board of Directors of GLHK.

**GIT** means the Goodman Industrial Trust (ARSN 091 213 839).

**GMP** means the Goodman PLUS Trust.

**Goodman or Group** means GL, GIT, GLHK, trading as Goodman Group and where

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the context requires, their controlled entities.

**Independent** has the meaning set out in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition*, Recommendation 2.3 (including Box 2.3 with a materiality measure of 5% of the relevant entity).

**Stapling Deed** means the Stapling Deed dated 25 January 2005 as amended and restated on 13 August 2012 between GL, GFML as responsible entity of GIT, and GLHK.

This Charter was approved by a GL and GFML Board resolution dated 11 December 2015 and GLHK Board resolution dated 21 December 2015.

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