



## 1 Purpose

1.1 The Risk and Compliance Committee (**Committee**) has been established by resolution of the Boards of Directors of Goodman Limited (**GL**), Goodman Funds Management Limited (**GFML**) as responsible entity for Goodman Industrial Trust (**GIT**) and Goodman Logistics (HK) Limited (**GLHK**) (the **Boards** of Goodman Group **Group**) to assist the Boards to fulfil their responsibilities in relation to:

- (i) internal risk management systems;
- (ii) internal audit framework;
- (iii) internal compliance systems and external compliance audit functions (including the Committee acting as the Compliance Committee for each registered managed investment scheme of which GFML is the Responsible Entity);
- (iv) sustainability program;
- (v) Work Health and Safety Committee; and
- (vi) insurance program.

1.2 The Committee's responsibilities apply to:

- (i) GL and its consolidated group;
- (ii) GIT and its consolidated group;
- (iii) GLHK and its consolidated group;
- (iv) GFML; and
- (v) Goodman PLUS Trust and other managed investment schemes or trusts (including their consolidated entities) in respect of which GFML is the responsible entity or trustee,

together 'Goodman Entities'.

1.3 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 Boards and risk and compliance management of Goodman.

## 2 Authority

2.1 The Committee may consider any matter which falls within the roles and responsibilities delegated to it by the Boards, 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: 20 June 2014

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



**2.2** Subject to any resolution of the Boards, the Committee has the power delegated by the Boards to do all things necessary to perform its duties and fulfil its purpose including:

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

**2.3** 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.

**2.4** The Committee shall have unlimited access to the:

- (i) executives of the Group;
- (ii) external auditors; and
- (iii) internal auditors.

### **2.5 Access to records and information**

**2.5.1** The Committee will have access to:

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

**2.5.2** 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.

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

## **3 Duties and responsibilities**

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

### **3.1 Risk management**

**3.1.1** Benchmark Goodman's risk management systems, practices and procedures against industry standards and legal requirements.

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- 3.1.2 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 Work Health & Safety, human resources, succession planning, fraud, legal and reputational risk).
- 3.1.3 Review and monitor the effectiveness of Goodman's risk management systems and framework at least annually.
- 3.1.4 Evaluate the processes Goodman has in place for identifying and assessing risks.
- 3.1.5 Evaluate the processes Goodman has in place for continuously improving internal controls, particularly those related to areas of significant risk.

### **3.2 Internal audit**

- 3.2.1 Review and approve all internal audit plans for the relevant company, trust or Scheme.
- 3.2.2 Review any internal audit reports.
- 3.2.3 Monitor the resolution of any audit issues.

### **3.3 General Compliance**

- 3.3.1 Ensure that a compliance program which includes all elements of *AS:3806 Compliance Programs* is established, implemented, managed and evaluated across Goodman.
- 3.3.2 Ensure that a compliance framework and structure which is properly resourced, documented and continuously updated exists throughout Goodman and that proper compliance reporting and monitoring systems are in place.
- 3.3.3 Periodically review the effectiveness of the system for monitoring compliance with applicable laws and regulations, and internal policies and comment on the adequacy of the system, making recommendations for amendments where necessary.
- 3.3.4 Report to the relevant Board as soon as practicable after becoming aware of any significant breach of compliance standards, laws, regulations or other legal obligations.

### **3.4 Compliance as a Responsible Entity**

- 3.4.1 Monitor to what extent the Responsible Entity complies with the relevant Scheme's Compliance Plan(s) and report on its findings to the Responsible Entity and to the relevant Board.
- 3.4.2 Report to ASIC if the Committee is of the view that the Responsible Entity has not taken, or does not propose to take, appropriate action to deal with a matter previously reported to the Responsible Entity.

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- 3.4.3 Assess at regular intervals whether a Compliance Plan is adequate, to report to the Responsible Entity on the assessment and to make recommendations to the Responsible Entity about any changes that it considers should be made to a Compliance Plan.
- 3.4.4 Report to the Responsible Entity any:
- (i) Breach of the Corporations Act involving a Scheme.
  - (ii) Any breach of the provisions included in a Scheme's Constitution in accordance with section 601GA of the Corporations Act.

### **3.5 External Compliance Audit**

- 3.5.1 Ensure that appropriately qualified and independent auditors are engaged to review the Schemes' Compliance Plans.
- 3.5.2 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.
- 3.5.3 Review and approve the annual audit plans of the Schemes' auditors and ensure coordination where more than one (1) audit firm or audit plan is involved.
- 3.5.4 Review and where appropriate, recommend to the Boards, approval of the Schemes' auditor's annual review of the Schemes for lodgement with ASIC.
- 3.5.5 Recommend to the Boards the appointment, evaluation and dismissal of Scheme auditors.

### **3.6 Sustainability**

- 3.6.1 Ensure that the Group's Corporate Responsibility and Sustainability Program (**CR&S Program**) meets regulatory and industry requirements.
- 3.6.2 Ensure that the CR&S Program and associated projects are appropriately resourced, documented and updated.
- 3.6.3 Evaluate the effectiveness of the CR&S Program.
- 3.6.4 Make recommendations to the Boards on the adequacy of sustainability activities and any proposed changes to the scope of works and authorities.

### **3.7 Work Health and Safety Committee**

- 3.7.1 Review the minutes of the Work Health and Safety Committee.

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- 3.7.2 Call for further information or action as required.
- 3.7.3 Make recommendations to the Boards on the adequacy of the Work Health and Safety Committee's activities and any proposed changes to the scope of works and authorities.

### **3.8 Insurance**

- 3.8.1 Review the corporate insurance program and make recommendations to the Boards on the adequacy of the level and type of insurance proposed.

## **4 General Committee Provisions**

- 4.1 The provisions of the Board Charter relating to Committees including their composition, meetings, conduct and reporting apply to the Committee.
- 4.2 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 Plan.

## **5 Definitions**

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

This Charter was approved by a GL and GFML Board resolution dated 11 June 2014 and a GLHK Board resolution dated 20 June 2014.

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