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Corporate governance

Introduction

Corporate governance is the system by which organisations are directed and managed. It influences how an organisation's objectives are achieved, how its risks are monitored and assessed and how its performance is optimised.

The Board has adopted an overall corporate governance framework that is designed to meet best practice standards and recognises that an effective corporate governance culture is critical to success.

At all times, the Board strives to achieve governance outcomes which effectively balance the needs of GMT and GMT Bond Issuer Limited, investors, regulators and the wider market.

The governance section of the Goodman Property Trust website contains all the relevant policies, charters and other documents described in this report.

GMT and GMT Bond Issuer Limited

GMT is an NZX listed unit trust created by the Trust Deed and administered under the Financial Markets Conduct Act 2013 ("FMCA"). Covenant Trustee Services Limited is the Trustee and supervisor of GMT and is appointed to hold the assets of GMT on trust for Unitholders. The Trustee has the rights and powers in respect of the assets of GMT it could exercise as if it was the absolute owner of such assets, but subject to the FMCA and the rights given to the Manager by the FMCA and the Trust Deed.

GMT Bond Issuer Limited is a wholly owned subsidiary of GMT and issuer of Goodman+Bonds. Goodman+Bonds are debt securities listed on the NZDX. They are direct, secured, unsubordinated, obligations of the issuer, ranking equally with debt owed to GMT's main banking syndicate. Public Trust is the Bond Trustee for Goodman+Bonds.

GMT Bond Issuer Limited has no activities other than those necessary or incidental to the issuing of Goodman+Bonds and complying with its obligations at law.

Relationship with Goodman Group

Goodman Group is the Trust's largest investor, owning approximately 21.4% of Units on issue at 31 March 2019.

It is also the Manager of the Trust through its wholly owned subsidiary, Goodman (NZ) Limited. The Manager receives fees for the fund management, property services, development management and other services it provides through Goodman (NZ) Limited and Goodman Property Services (NZ) Limited. These fees are summarised on the website within the corporate governance section.

Goodman Group's cornerstone investment and management contract, which includes a market leading performance fee structure, ensures close alignment of interests between Goodman Group and other Unitholders.

Goodman Group holds no Goodman+Bonds.

NZX Corporate Governance Code

The following section assesses GMT's corporate governance framework against the principles and recommendations of the NZX Corporate Governance Code. A more detailed analysis against the NZX Code is set out in the Corporate Governance Statement which can be found in the governance section of the Goodman Property Trust website.

Principle 1 – Code of Ethical Behaviour

The highest standards of behaviour are expected from the Directors and employees of the Manager. These expectations are formalised in the following policies, practices and processes.

Code of Conduct

This policy establishes the standards of ethical and personal conduct expected of Directors and Employees. It is consistent with the wider corporate values of the Manager and compliance with the policy is a condition of employment. Induction training and regular refresher sessions are provided.

The policy specifically requires Directors and employees to act with honesty and integrity in a professional and respectful manner, respecting confidentiality and in accordance with the law. All stakeholders are to be treated fairly and individuals are expected to be transparent, declaring and managing any conflicts of interest.

All Directors and employees are responsible for reporting unethical or corrupt behaviour and the Manager will take whatever disciplinary action it considers appropriate in the circumstances, including dismissal.

Financial Products Trading Policy

This policy reflects the insider trading provisions of the Financial Markets Conduct Act 2013 and strengthens those requirements with additional compliance standards and procedures which Directors and employees who wish to trade in GMT Units or Goodman+Bonds must comply with.

The Manager imposes trading windows through this policy as well as requiring written approval of the CEO or Chairman prior to any trade.

Principle 2 – Board Composition & Performance

The Board works with Management to formulate and implement its strategy for the Trust, monitoring its performance against set objectives. The Board also has the responsibility to ensure business risks are appropriately identified and managed and that the statutory, financial and social responsibilities of the Manager are complied with.

Board Charter

The Board Charter sets out the roles and responsibilities of the Board, while a statement of investment policies and objectives provides the strategic framework.

Corporate governance (continued)

To facilitate the effective execution of its responsibilities, the Board has developed a statement of delegated authority for Management. This statement clarifies which matters are dealt with by the Board and which matters are the responsibility of Management and includes areas such as finance, corporate matters and property transactions.

A copy of the Board's approved mandate and Board Charter can be found on the website within the corporate governance section.

Board Composition

The Board of the Manager comprises seven Directors, with a majority being independent (as defined in the Listing Rules). John Dakin, Gregory Goodman and Phil Pryke are not considered independent due to their relationship with Goodman Group. The biographies of the Directors can be found online at www.goodmanreport.co.nz.

The Board includes:

Name	Classification	Original appointment	Expiry of current term
Keith Smith	Independent Director	13 May 2004	27 July 2019
Leonie Freeman	Independent Director	11 October 2011	3 July 2021
Susan Paterson	Independent Director	11 April 2008	2 August 2020
Peter Simmonds	Independent Director	14 October 2010	27 July 2019
Gregory Goodman	Non-executive Director	23 December 2003	n/a
Phil Pryke	Non-executive Director	28 January 2004	28 February 2020
John Dakin	Executive Director	01 July 2012	30 June 2021

Directors have an average tenure of 11.3 years at 31 March 2019. They are encouraged to undertake training to ensure they have the market knowledge and governance expertise to perform their roles and duties. Any new director receives a comprehensive induction that includes a tour of the Trust's assets.

All Directors are appointed for three-year terms, after which they are eligible for reappointment⁽⁹⁾. Independent Directors are appointed by Unitholders in the manner described in the Trust Deed. As the Manager is a wholly owned subsidiary of Goodman Group, appointment of non-independent directors is made by Goodman Group.

The Board of GMT Bond Issuer Limited replicates the Board of the Manager. A separate Board, including separate Board meetings, is maintained to ensure the obligations of GMT Bond Issuer Limited as the issuer of the Goodman+Bonds are met.

Both entities have written agreements with each Director setting out the terms and conditions of their appointment.

⁽⁹⁾ The exception is Gregory Goodman who has a standing appointment in his role as Group CEO of Goodman Group.

Diversity and inclusion

As an externally managed Unit Trust GMT does not have any employees. The Directors and staff are employed through Goodman (NZ) Limited and Goodman Property Services (NZ) Limited, subsidiaries of Goodman Group.

A diversity and inclusion policy, specific to NZ Directors and employees was adopted in 2018. It recognises that an inclusive and diverse culture provides a greater variety of views and ideas that lead to better business outcomes. Under this policy the Manager undertakes to measure gender, ethnicity and age on a regular basis and to report progress against future targets.

The table below shows gender diversity. Of the 65 employees and directors included, 44.6% are female and 55.4% are male. The average employee has been with Goodman for 6.3 years and is 38.6 years old. It is a team that includes 10 different ethnicities and has speakers of nine languages.

Gender diversity	Total persons	Female		Male	
		2019	2023	2019	2023
Board	7	28.6%	>40%	71.4%	<60%
Executive	7	28.6%	>40%	71.4%	<60%
Managerial	10	20.0%	>35%	80.0%	<65%
Other staff	41	56.1%	=50%	43.9%	=50%

At the balance date and the date of this report the Board comprised two female Directors out of a total of seven Directors. All four of the officers of the Manager are male. This is unchanged from the prior period.

Board Performance

The skill set of the Board is carefully balanced with commercial, property, capital market and financial expertise, all relevant to the effective and informed governance of GMT. The Directors have a wide range of skills and experience, enabling the Board to bring critical judgement and independent assessment to the oversight of the business.

The performance of the Board is reviewed regularly with such process being managed by the Chairman of the Board.

Independent Directors maintain their skills and capabilities through regular training. This includes completing the continuing education requirements of the NZ Institute of Directors and other relevant professional bodies.

Corporate governance (continued)

The Chairman and the Chief Executive Officer

As recommended by the NZX Code, the roles of Chairman and Chief Executive Officer are separated. This separation avoids concentrations of influence and increases accountability.

Keith Smith is the Chairman and John Dakin is the Chief Executive Officer of the Manager. John is also an Executive Director of the Manager.

Board Meetings

The Board typically meets in person five times a year, with one of those meetings focused on business planning and strategy.

During the financial year to 31 March 2019 all seven Directors attended each Board meeting. The 100% attendance record was also maintained in the 2018 financial year.

The Independent Directors are encouraged to meet separately when necessary and, in any event, not less than once a year. They are also entitled to take independent legal advice at the Manager's expense should they believe it necessary to adequately perform their role.

Company Secretary

The company secretarial function is performed by Anton Shead, the Manager's General Counsel. Refer to www.goodmanreport.co.nz for Anton's biography.

Principle 3 – Board Committees

The Board establishes committees to assist in the exercise of its functions and duties and to ensure that all risks are effectively monitored and managed.

Audit Committee

The Audit Committee is a permanent committee which typically meets four times a year. As at the date of this Report, the Audit Committee has a majority of Independent Directors and comprises: Peter Simmonds (Chairman), Keith Smith, Leonie Freeman, Susan Paterson and Phil Pryke. Phil Pryke is the only Director on the Audit Committee who is not independent.

All members of the Audit Committee are non-executive Directors.

The Audit Committee operates under the terms of a formal charter, a copy of which is available on the website within the corporate governance section. The duties and responsibilities of the Audit Committee include the following:

- + monitoring the independence, ability and objectivity of the external auditor;
- + ensuring the Key Audit Partner (as defined in the Listing Rules) is changed every five years;
- + reviewing the financial statements of GMT and GMT Bond Issuer Limited and overseeing the auditing of those financial statements;
- + reviewing and reporting to the Board on the appropriateness of GMT's Financial Risk Management policy;

- + setting the parameters for the internal audit programme, overseeing its implementation and reviewing its outputs and recommendations; and
- + overseeing and advising on the Manager's internal risk management programme.

Remuneration Committee

The NZX Code recommends that a Remuneration Committee be established to benchmark remuneration packages for Directors and senior employees and that this be disclosed to investors.

GMT has not followed this recommendation during the financial year ended 31 March 2019, as its external management structure means that these costs are borne by the Manager and a Remuneration Committee is not required.

In the interests of transparency and good governance the Manager has disclosed the basis upon which the Goodman Group Remuneration and Nominations Committee determines the packages payable to Directors and employees involved with its New Zealand operations. This disclosure is included under Principle 5 on page 99.

Nomination Committee

GMT's Trust Deed gives unitholders the right to nominate and appoint Independent Directors.

The Board, rather than a committee, manage the nomination and appointment process of any new non-independent director. The Goodman Group Remuneration and Nomination Charter applies to the extent relevant and should the Board decide to add a director (whether as the result of a retirement or otherwise), then the Board may constitute a committee to consider that appointment.

Other Committees

The Board may from time to time establish other Committees for a specific purpose. The terms of reference for each committee is agreed by the Board as part of the establishment process. Examples include:

- a) **Due Diligence Committee**
The Board will establish a Due Diligence Committee to oversee and report to the Board on any transaction of a significant size and/or complexity.

A Due Diligence Committee will usually include at least one Independent Director, relevant external consultants and members of Management considered appropriate for the transaction in question.
- b) **Appointments Committee**
The Board will, when it considers appropriate, constitute an Appointments Committee to consider senior executive and director appointments and performance. An Appointments Committee will usually include at least one Independent Director and other persons considered appropriate.

Takeover protocol

The Board has approved a Takeover Response Manual, which establishes the procedure to be followed if there is a takeover offer, including the establishment of an independent committee to manage the response obligations.

Corporate governance (continued)

Principle 4 – Reporting & Disclosure

A fully informed and efficient market builds investor confidence which ultimately contributes to the investment performance of the Trust and its ability to raise capital.

The Manager is committed to keeping Unitholders, regulators and other stakeholders fully and promptly informed of all material information. The Manager has policies and procedures that govern the behaviour of the Directors and employees ensuring balanced and timely information is provided to the market.

Continuous Disclosure Policy

The Manager has a Continuous Disclosure Policy which details the relevant legal requirements and sets out the procedures put in place to ensure compliance with them.

Related Party Policy

The Manager believes that having a Board with a majority of experienced and strong Independent Directors, effectively manages any related party issues or conflicts that could arise with an external management structure.

A comprehensive Related Party Policy summarises the relevant restrictions contained in the Listing Rules, the law and relevant contractual commitments, and how these issues are managed. The Manager uses this policy as a tool to ensure that:

- + Management and the Board are properly briefed and educated on the relevant restrictions and the processes put in place to ensure compliance with these restrictions; and
- + unitholders and the investment market recognise that the Manager deals with related party issues in an appropriate, transparent and robust manner.

Other reporting

The Manager has extended GMT's corporate reporting in recent years to provide a broader overview of the business, explaining how the Trust creates long-term value for all its stakeholders. It includes additional information about the Managers own-develop-manage business model, the current investment strategy and achievements in the sustainability programme.

Sixteen factors were identified as key drivers of the Trust's success in a materiality survey undertaken with a representative group of stakeholders in early 2018. The six most important included, customer relationships, sustainable development, resilient property portfolio, capital structure and financial results, along with health and safety. These six areas are the focus of GMT's corporate reporting.

Access to key governance documents

The governance section of the website, <https://nz.goodman.com/who-we-are/corporate-governance> contains all the relevant policies, charters and other documents described in this report including;

- + The Trust Deed of Goodman Property Trust
- + The Statement of Investment Policies and Objectives for Goodman Property Trust
- + Goodman (NZ) Limited Audit Committee Charter
- + Goodman Property Trust Fee Summary
- + Goodman (NZ) Limited Board Charter
- + Goodman (NZ) Limited Board Mandate
- + Code of Conduct
- + Corporate Governance Statement 2019
- + Financial Products Trading Policy
- + Goodman (NZ) Limited Diversity Policy
- + Continuous Disclosure Policy
- + Related Party Policy

Together with the Trust Deed of GMT Bond Issuer Limited (including the Supplemental Trust Deeds).

Principle 5 – Remuneration

GMT's external management structure means that the Trust does not have any Directors or employees of its own.

The remuneration of the Directors and employees are direct costs of Goodman (NZ) Limited and Goodman Property Services (NZ) Limited respectively. The expense is a cost of managing GMT, a service for which these entities receive fees. For these reasons, during the financial year ended 31 March 2019, GMT has not complied with the NZX Code recommendations for issuers to have a remuneration policy and to recommend Director remuneration to unitholders for approval.

A breakdown of the fees paid by GMT in FY19 is provided in Note 10 of the Financial Statements, page 72.

In the interests of transparency and good governance the Manager has disclosed the basis upon which the Goodman Group Remuneration and Nominations Committee determines the packages payable to Directors and employees involved with its New Zealand operations. This detail is provided with the consent of the Directors and the Chief Executive Officer.

Corporate governance (continued)

Directors remuneration

Directors of Goodman (NZ) Limited are paid fees that reflect the responsibility of governing the Trust and implementing a strategy that creates value for its investors. The level of remuneration is regularly benchmarked against other comparable companies.

Directors were entitled to fees, including fees for Due Diligence Committee matters, as set out below. None of the Directors are paid performance related fees relating to their directorships.

Director	Role	2019 \$	2018 \$
Keith Smith	Chairman, Independent Director	155,000	153,750
Peter Simmonds	Chairman Audit Committee, Independent Director	100,000	102,650
Susan Paterson	Independent Director	90,000	88,750
Leonie Freeman	Independent Director	90,000	96,550
Phil Pryke	Non-executive Director	90,000	99,550
Greg Goodman	Non-executive Director	–	–
John Dakin	Executive Director	–	–

The Chairman receives \$155,000 per annum, the Chairman of the Audit Committee \$100,000 per annum and each other Director \$90,000 per annum. In addition, Directors are paid \$300 per hour for time spent in relation to Due Diligence Committee matters.

Greg Goodman and John Dakin are remunerated by way of salary for their executive roles and are not paid any additional remuneration for their positions as Directors on the Board.

Chief Executive Officer and employee remuneration

The remuneration of the CEO and other employees is designed to attract and retain the most talented and effective individuals. Packages include a base salary, together with short-term and long-term incentive components.

A summary of key remuneration principles is set out below:

- + the basis of remuneration is local market referenced base salary, reviewed annually;
- + employees may be awarded short term incentives in the form of discretionary cash bonuses, subject to GMT, Goodman Group and personal achievement of financial and operational targets;
- + all employees can participate equally in two long term incentive plans designed to maximise long-term alignment with unitholders of GMT ("NZ LTIP") and securityholders of Goodman Group ("Goodman Group LTIP");
- + the NZ LTIP, performance rights are issued which give employees the right to acquire, for nil consideration, Goodman Property Trust units subject to the satisfaction of hurdles assessed over specific three-year testing period timeframes. GMT units awarded are sourced from units held by Goodman Group or purchased on market by Goodman Group;

- + under the Goodman Group LTIP, performance rights are issued which give employees the right to acquire, for nil consideration, stapled securities of Goodman Group subject to the satisfaction of hurdles assessed over specific three-year testing period timeframes; and
- + for both LTIP schemes, an employee is required to remain employed for a five-year period from the initial granting to be eligible to receive all the awards that meet performance hurdles.

Employees automatically receive life cover and salary continuance insurance and for those that are participating, KiwiSaver contributions of 3% are made.

The remuneration of the CEO, including the nature and amount of each major element, is shown below. All amounts are in New Zealand dollars.

	Chief Executive Officer's Short Term Remuneration			
	Salary \$	Bonus ⁽¹⁾ \$	KiwiSaver \$	Total \$
31 March 2019	413,654	500,000	27,900	941,554
31 March 2018	432,693	500,000	28,500	961,192

	Chief Executive Officer's Long Term Remuneration			
	Goodman Group LTIP		NZ LTIP	
	Performance Rights Granted Number	Performance Rights Vesting Number	Performance Rights Granted Number	Performance Rights Vesting Number
31 March 2019	125,000	99,431	961,750	574,649
31 March 2018	125,000	80,881	949,750	421,795

⁽¹⁾ Bonus paid in the year ended 31 March 2019 related to GPSNZ's year ended 30 June 2018. Bonus paid in the year ended 31 March 2018 related to GPSNZ's year ended 30 June 2017.

More than 80% of the CEO's total remuneration is performance based and therefore at risk. On average, other executives have around 65% of their total remuneration at risk. For the year ended 31 March 2019 the ratio between the average base salary paid to an employee and the Chief Executive Officer was 1 to 3.95.

Participation in long term incentive plans

For the year ended 31 March 2019 the NZ LTIP awarded employees a total of 3,117,081 GMT units with a market value of \$4.4 million on the date of vesting. The Goodman Group LTIP awarded employees a total of 594,651 GMG securities with a market value of NZ\$6,702,754 million on the date of vesting.

Corporate governance (continued)

As at 31 March 2019 under both LTIP schemes employees held performance rights some of which had completed their three-year testing period and met some or all of the performance hurdles ("Tested performance rights"). These performance rights will vest to employees over the next three years subject to continuing employment and limited other circumstances. In addition, employees hold performance rights which have not yet reached the end of their three-year testing period ("Untested performance rights").

Total performance rights held by employees at 31 March 2019 are summarised below:

	NZ LTIP	Goodman Group LTIP
Tested performance rights	3,488,245	654,217
Untested performance rights	12,920,000	1,842,121
Total performance rights held	16,408,245	2,493,538

Principle 6 – Risk Management

The Manager maintains a risk management framework for GMT that includes regular reporting to both the Audit Committee and the Board and the undertaking of an annual risk assessment for GMT.

The Board has the overall responsibility for ensuring that risk is managed effectively. This includes consideration of all strategic, operational, financial and compliance risks. The Audit Committee reviews the effectiveness of the risk management process.

Risk register

The register identifies the material risks to the business, assessing the impact and likelihood of each risk along with the steps taken to mitigate possible adverse impacts. Customer, environmental, financial, human, health and safety, regulatory and reputational impacts are all considered.

The Manager's businesses risk function facilitates the annual review of the risk register in conjunction with senior management. Existing risks are reassessed, and new risks considered during the review.

Financial risk management policy

The policy reflects the Boards approach to managing financial risks. It includes policies, controls relating to:

- + Liquidity risk
- + Interest rate risk
- + Foreign exchange risk
- + Counterparty credit risk
- + Operational risk

This policy is reviewed by the Board annually.

Health and Safety

The health, safety and wellbeing of employees, customers, contractors and the wider community is a business priority.

Since the introduction of the Health and Safety at Work Act 2015 the Manager has worked closely with staff and contractors to develop a culture of greater safety awareness. The emphasis on proper processes, vigilance and personal responsibility is consistent with the aim being free of serious harm accidents.

Detailed reporting, including trend analysis, is provided to the Board on a regular basis and used to identify and mitigate future health and safety risks.

There were no serious harm accidents recorded in the last financial year.

Principle 7 – Auditors

The Audit Committee ensures the quality and independence of the external audit process. The Committee ensures the annual audit is carried out independently and without impairment maintaining the credibility and reliability of the Trust's financial reporting.

Annual meeting attendance

The Manager also requires the external auditors to attend the annual meeting to answer Unitholders' questions about the conduct of the audit, as well as the preparation and content of the independent auditor's report.

Internal audit

The Audit Committee approves the annual internal audit programme. The scope of the internal audit programme varies from year to year depending on the outcome of the risk assessment review described in Principle 6.

The service is performed by Goodman Group with its engagement approved by the Trust's supervisor and the Independent Directors.

Principle 8 – Unitholder Rights & Relations

The Board and Manager encourage investor engagement and facilitate this through regular communication and meeting opportunities. The Managers investor relations resource is responsible for delivering this programme. It typically includes:

- + An annual meeting
- + Investor open days
- + Six monthly newsletters
- + Annual reports
- + Live webcasts of the interim and annual result presentations
- + Regular institutional investor and analyst meetings
- + National road show presentations
- + Investor briefings

Corporate governance (continued)

The investor relations section of the website is the repository of important information about GMT and GMT Bond Issuer Limited. It includes, NZX releases, financial result and meeting presentations, reports and newsletters, and distribution histories. It also allows investors to view current prices and link to the Registrar to check their holding, update details and download forms.

Investors have the option of receiving communication in printed or electronic format and live webcasting is provided for the annual meeting and financial result presentations.

A dedicated toll-free investor line is also available for any investment related queries, 0800 000 656 (+64 9 375 6073 from outside New Zealand).

Annual meeting of Unitholders

The Trust Deed requires an annual meeting of Unitholders every year. The Board encourages the participation of Unitholders at these meetings to ensure accountability and familiarity with the objectives of its investment strategy.

The next annual meeting is to be held at Eden Park in Auckland on 3 July 2019.

Further details will be contained in the Notice of Meeting, which is expected to be distributed on or around 5 June 2019. This timing is consistent with the NZX requirement of being at least 28 days ahead of the meeting.

Voting on resolutions is done by poll and online proxy voting is provided for investors unable to attend. Unitholders have one vote per unit they hold.

Other statutory and listing rule disclosures

NZX Waivers

NZX has granted waivers to GMT and GMT Bond Issuer at various times, some of which have been relied upon by GMT and GMT Bond Issuer Limited during the year ended 31 March 2019.

Fees

Under paragraph 39(d) of the waivers that were granted to GMT by NZX on 12 November 2012, GMT is required to disclose in its interim financial statements the fees that were paid to GPSNZ under the property management and development management agreements between HDL and GPSNZ, during the period they were in force.

Included within property management fees and development management fees paid is \$5.2 million paid pursuant to the property management and development management agreements between HDL and GPSNZ for the year ended 31 March 2019.

GMT

On 17 May 2018, NZX granted GMT a waiver from NZX Listing Rule 9.2.1 in relation to the proposed sale of 100% of the shares in Wynyard Precinct Holdings Limited ("WPH") to Viaduct Holdings IV Limited pursuant to the terms of a sale and purchase agreement ("Proposed Transaction"). GMT, through its wholly-owned subsidiary Goodman Nominee (NZ) Limited ("Nominee"), holds 51% of the shares in WPH. Reco Aotearoa Private Limited ("Reco") holds the remaining 49% of shares in WPH. The waiver from NZX Listing Rule 9.2.1 was granted to the extent that the Rule would otherwise require GMT to seek unitholder approval to enter into the Proposed Transaction.

The effect of the waiver from NZX Listing Rule 9.2.1 is that GMT is able to enter into the Proposed Transaction without first obtaining the approval of an ordinary resolution of unitholders. Unitholder approval of the Proposed Transaction would otherwise have been required, as the Proposed Transaction will be a "Material Transaction" (as that term is defined in the NZX Listing Rules) for GMT, and GMT and Reco are considered "Related Parties" (as that term is defined in the NZX Listing Rules) for the purposes of the NZX Listing Rules.

The waiver from NZX Listing Rule 9.2.1 has been granted on the condition that the Independent Directors of Goodman certify, in a form acceptable to NZX, that:

- a) the Proposed Transaction has been negotiated, agreed and entered into on an arm's length and commercial basis;
- b) in their opinion the Proposed Transaction represents fair value and is fair and reasonable to GMT and its unitholders who are not related to, or Associated Persons (as that term is defined in the NZX Listing Rules) of Reco;
- c) Reco did not influence the final decision of the Board to enter into the Proposed Transaction.

The waiver from NZX Listing Rule 9.2.1 has been granted on the further condition that the waiver, its conditions and the implications of this waiver are disclosed in GMT's next annual report.

GMT Bond Issuer

No waivers were relied upon during the period.

A complete copy of the waivers provided by NZX can be found at www.nzx.com under the GMT code.

Summary of recent Trust Deed amendments

There have been no amendments to the Trust Deed during the period from 1 April 2018 to 31 March 2019. A copy of the supplemental deed which amended GMT's Trust Deed with effect from 14 November 2016 is available on the Corporate Governance section of the Goodman Property Trust Website at www.goodman.com/nz. It is also available on the Disclose Register accessible on the Companies Office website (<https://www.companiesoffice.govt.nz/disclose>).

Corporate governance (continued)

Register of Directors' holdings as at the Balance Date (to 31 March 2019)

The table below shows all relevant interests of Directors in Units and Goodman+Bonds under the FMCA, which include legal and beneficial interests in Units.

Director	Units	Goodman+ Bonds
Keith Smith (Chairman) ⁽¹⁾	462,654	150,000
Leonie Freeman ⁽²⁾	173,750	Nil
Susan Paterson ⁽³⁾	329,060	Nil
Peter Simmonds ⁽⁴⁾	201,741	Nil
Gregory Goodman	Nil	Nil
Phil Pryke	Nil	Nil
John Dakin ⁽⁵⁾	1,437,757	Nil

⁽¹⁾ Keith holds a beneficial interest in 378,460 GMT units through The Selwyn Trust. He is also a trustee of that trust. Keith has an interest as a trustee only (i.e. no beneficial interest) in a further 84,194 units, through being trustee of The Gwendoline Trust. Keith also has a beneficial interest in 150,000 GMB020 Bonds held by Gwendoline Holdings Limited.

⁽²⁾ Leonie holds her GMT units through Wave Trust of which she is a trustee and beneficiary.

⁽³⁾ Susan holds her GMT units through SM Taylor Family Trust of which she is a trustee and beneficiary.

⁽⁴⁾ Peter holds his GMT units through the Simmonds Family Trust of which he is a trustee and beneficiary (with the exception of 40,505 units which he holds personally).

⁽⁵⁾ John holds his units through SGH Investment Trust of which he is a trustee and beneficiary.

Other Disclosures for GMT Bond Issuer Limited

Interests register

GMT Bond Issuer Limited is required to maintain an interests register in which the particulars of certain transactions and matters involving the Directors must be recorded. The interests register is available for inspection on request.

Specific disclosures of interests

During the financial period, GMT Bond Issuer Limited did not enter into any transactions in which its Directors had an interest. Accordingly, no disclosures of interest were made.

Indemnity and insurance

In accordance with section 162 of the Companies Act 1993 and its constitution, GMT Bond Issuer Limited has provided insurance for, and indemnities to, Directors for losses from actions undertaken in the course of their duties. The insurance includes indemnity costs and expenses incurred to defend an action that falls outside the scope of the indemnity. The cost of such insurance has been certified as fair by the Directors of GMT Bond Issuer Limited. Particulars have been entered in the interests register pursuant to section 162 of the Companies Act 1993.

Use of company information by Directors

No member of the Board issued a notice requesting to use information received in his or her capacity

as a Director which would not have otherwise been available to that Director.

Donations

GMT Bond Issuer Limited did not make any donations during the financial period.

Audit fees

All audit fees and fees for other services provided by PricewaterhouseCoopers are paid by GMT.

Directors' disclosure

During the year ended 31 March 2019, Directors' disclosed interest or cessation of interest (indicated by (C)), in the following entities pursuant to section 140 of the Companies Act 1993.

Gregory Goodman

A.C.N. 136 625 502 Pty Limited (C)

A.C.N. 136 626 447 Pty Limited (C)

Goodman Wholesale Construction Loan Note Pty Limited (C)

Goodman Wholesale Loan Note Pty Limited (C)

Wynyard Precinct No.1 Limited (C)

Wynyard Precinct No.2 Limited (C)

Wynyard Precinct No.3 Limited (C)

Wynyard Precinct No.4 Limited (C)

Wynyard Precinct No.5 Limited (C)

Wynyard Precinct No.6 Limited (C)

Wynyard Precinct No.7 Limited (C)

Wynyard Precinct Holdings Limited (C)

Susan Paterson

Eroad Limited

Wondermins Limited

Phil Pryke

Dairy Technology Services Limited

Keith Smith

Stiles Holdings Limited (C)

Electronic Navigation Limited (C)

Western Building Supplies Limited

Pine New Zealand Group Limited

John Dakin

Wynyard Precinct No.1 Limited (C)

Wynyard Precinct No.2 Limited (C)

Wynyard Precinct No.3 Limited (C)

Wynyard Precinct No.4 Limited (C)

Wynyard Precinct No.5 Limited (C)

Wynyard Precinct No.6 Limited (C)

Wynyard Precinct No.7 Limited (C)

Wynyard Precinct Holdings Limited (C)

Investor relations

Introduction

Ensuring Unitholders and Bondholders are well informed and easily able to manage their investment is a key priority of the Manager's investor relations team. Regular meetings and communications, its website and a dedicated toll-free contact number provide investors with the means to make informed decisions.

Investor centre

The website, www.goodman.com/nz, enables Unitholders and Bondholders to view information about their investment, download investor forms, check current prices and view publications and announcements.

Publications

For Unitholders and Bondholders who elect to receive printed copies, the Annual and Interim Reports are typically mailed around June and December of each year respectively. Goodresults newsletters detailing the operational activities of the Trust over the intervening periods are mailed to Unitholders in September and March.

Helpline

The Manager has a dedicated toll-free number, 0800 000 656 (+64 9 375 6073 from outside New Zealand), which will connect Unitholders and Bondholders directly with the investor relations team who will assist with any queries.

Unitholder distribution

The Trust typically pays its distributions quarterly in the third month that follows each quarter. For example, the distribution for the March 2019 quarter will be paid in June 2019.

Bondholder interest payments

Interest is paid semi-annually, each year, until redemption. No dividends or distributions have been paid by GMT Bond Issuer Limited.

Registrar

Computershare Investor Services Limited is the registrar with responsibility for administering and maintaining the Trust's Unit and Bond Registers.

If you have a question about the administration of your investment, Computershare can be contacted directly:

- + by phone, on their toll-free number 0800 359 999 (+64 9 488 8777 from outside New Zealand);
- + by email, to enquiry@computershare.co.nz; or
- + by mail, to Computershare Investor Services Limited, Private Bag 92119, Auckland 1142.

Complaints procedure

As a financial service provider registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008, the Manager is a member of an approved dispute resolution scheme (registration number FSP36542).

Complaints may be made to the Manager or through the financial dispute resolution scheme.

Contact details of both are included in the corporate directory at the end of this document.

Top 20 Unitholders

As at 1 May 2019

Rank	Holder Name	Number of units held	% of total issued units
1	Goodman Investment Holdings (NZ) Limited	277,250,271	21.41
2	Accident Compensation Corporation	77,803,843	6.01
3	FNZ Custodians Limited	71,666,609	5.54
4	HSBC Nominees (New Zealand) Limited	66,193,912	5.11
5	Forsyth Barr Custodians Limited	59,461,356	4.59
6	Citibank Nominees (New Zealand) Limited	58,961,010	4.55
7	Investment Custodial Services Limited	45,846,117	3.54
8	HSBC Nominees (New Zealand) Limited A/C State Street	42,757,595	3.30
9	BNP Paribas Nominees (NZ) Limited	32,307,668	2.50
10	JPMorgan Chase Bank NA NZ Branch – Segregated Clients Acct	30,246,418	2.34
11	BNP Paribas Nominees (NZ) Limited	22,955,022	1.77
12	ANZ Wholesale Trans-Tasman Property Securities Fund	19,006,689	1.47
13	Tea Custodians Limited Client Property Trust Account	17,399,732	1.34
14	Custodial Services Limited	12,205,204	0.94
15	Sir Woolf Fisher Charitable Trust Inc	11,139,000	0.86
16	New Zealand Depository Nominee Limited	10,683,024	0.83
17	ANZ Wholesale Property Securities	10,104,719	0.78
18	BNP Paribas Nominees (NZ) Limited	8,618,827	0.67
19	Mssrs. Williams, Parsons, Henshaw and Pearson	7,734,694	0.60
20	Custodial Services Limited	7,529,893	0.58
Units held by top 20 Unitholders		889,871,603	68.72
Balance of Units held		405,028,942	31.28
Total of issued Units		1,294,900,545	100.00

Investor relations (continued)

Substantial Unitholders

As at 31 March 2019

It is a requirement of the Financial Markets Conduct Act 2013⁽¹⁾ that each listed issuer makes available the following information in its Annual Report.

Unitholder	Number of Units Held ⁽²⁾
Goodman Investment Holdings (NZ) Limited	262,447,211 ⁽³⁾
Goodman Limited	262,447,211 ⁽³⁾
Accident Compensation Corporation	58,295,875

⁽¹⁾ The numbers of Units listed above are as at 31 March 2019 according to disclosures made under section 280(1)(b) of the Financial Markets Conduct Act 2013 and (prior to 1 December 2014) notices received under section 26 of the Securities Markets Act 1988. As these disclosures and notices are required to be filed only if the total holding of a Unitholder changes by 1% or more since the last notice filed, the numbers noted in this table may differ from those shown in the list of top 20 Unitholders. The list of top 20 Unitholders is shown as at 1 May 2019, rather than 31 March 2019.

⁽²⁾ The total number of Units on issue as at 31 March 2019 was 1,294,900,545.

⁽³⁾ Due to the breadth of the definition of 'Substantial Product Holder' in the Financial Markets Conduct Act 2013 and the nature of Goodman Group's corporate structure, the list above requires Goodman Group's holding in GMT to be shown through multiple entities each holding differing (i.e. legal or beneficial) interests. The total holding of Goodman Group as at 31 March 2019 is 277,250,271 Units.

Unitholder distribution

As at 1 May 2019

Unitholding Range	Number of Unitholders	Number of Units
1 to 9,999	3,120	15,832,950
10,000 to 49,999	5,126	112,643,001
50,000 to 99,999	790	51,974,655
100,000 to 499,999	500	89,375,755
500,000 to 999,999	34	22,714,343
1,000,000 and above	50	1,002,359,841
Total	9,620	1,294,900,545

Bondholder distribution

As at 1 May 2019

GMB020	Number of Bondholders	Number of Bonds
1 to 9,999	164	972,000
10,000 to 49,999	827	15,310,000
50,000 to 99,999	121	6,710,000
100,000 to 499,999	53	7,839,000
500,000 to 999,999	1	945,000
1,000,000 and above	15	68,224,000
Total	1,181	100,000,000

GMB030	Number of Bondholders	Number of Bonds
1 to 9,999	177	982,000
10,000 to 49,999	672	11,862,000
50,000 to 99,999	113	6,860,000
100,000 to 499,999	43	6,901,000
500,000 to 999,999	7	4,580,000
1,000,000 and above	12	68,815,000
Total	1,024	100,000,000

GMB040	Number of Bondholders	Number of Bonds
1 to 9,999	13	82,000
10,000 to 49,999	151	3,089,000
50,000 to 99,999	28	1,650,000
100,000 to 499,999	24	4,296,000
500,000 to 999,999	5	3,243,000
1,000,000 and above	13	87,640,000
Total	234	100,000,000

GMB050	Number of Bondholders	Number of Bonds
1 to 9,999	35	188,000
10,000 to 49,999	192	3,593,000
50,000 to 99,999	28	1,758,000
100,000 to 499,999	17	3,180,000
500,000 to 999,999	3	2,102,000
1,000,000 and above	12	89,179,000
Total	287	100,000,000

Glossary

\$ and cents

New Zealand currency.

Associated Person

has the meaning given to that term in the Listing Rules.

ASX

ASX Limited or any market operated by it, as the context requires.

Balance Date

31 March 2019.

Board

the Board of Directors of the Manager and GMT Bond Issuer Limited.

Bondholder

a person whose name is recorded in the register as a holder of a Goodman+Bond.

Cash Earnings

Cash earnings is a non-GAAP measure that assesses free cash flow, on a per unit basis, after adjusting for certain items. Calculation of GMT's cash earnings is set out on page 39.

CEO

the Chief Executive Officer of the Manager.

Chairman

the Chairman of the Board of the Manager.

Co-ownership Agreement

the agreement of that name between the Manager, Goodman Property Aggregated Limited, the Trustee, Goodman Funds Management Limited as responsible entity of GIT, Tallina Pty Limited as trustee of Penrose Trust, and Trust Company Limited as custodian of Tallina Pty Limited, dated 1 April 2004 as amended by the Restructuring Agreement between the same parties dated 7 March 2005, relating to the buying, selling and holding of property by the Trust and Goodman Group in 50/50 shares.

CPU or cpu

cents per unit.

Disclose Register

the Disclose Register is a register for offers of financial products and managed investment schemes under the Financial Markets Conduct Act 2013.

Director

a director of the Manager and GMT Bond Issuer Limited.

GIC

the sovereign wealth fund of Singapore.

GIT

Goodman Industrial Trust and its controlled entities, as the context requires.

GL

Goodman Limited and its controlled entities, as the context requires.

GMB

GMT Bond Issuer Limited, a wholly owned subsidiary of Goodman Property Trust.

Goodman

means Goodman (NZ) Limited as the Manager of the Trust.

Goodman Group or GMG

means GL, GIT and Goodman Logistics (HK) Limited, operating together as a stapled group. Where either GL, GIT or and Goodman Logistics (HK) Limited is party to a contract or agreement or responsible for an obligation or liability, without the other, all references to Goodman Group as concerns that contract, agreement or responsibility shall be to that party alone.

Goodman+Bond or Bond

a bond issued by GMB.

GPSNZ

Goodman Property Services (NZ) Limited.

Independent Director

has the meaning given to that term in the Listing Rules which, for the Manager are those persons listed on the following page.

Listing Rules

the Listing Rules of NZX from time to time and 'LR' is a reference to any of those rules.

Management

the senior executives of the Manager.

Manager or GNZ

the manager of the Trust, Goodman (NZ) Limited.

NTA

net tangible assets.

NZ IAS

New Zealand equivalents to International Accounting Standards.

NZ IFRS

New Zealand equivalents to International Financial Reporting Standards.

NZDX

the New Zealand debt market operated by NZX.

NZX

means NZX Limited.

NZX Code

means the NZX Corporate Governance Code 2019.

Operating Earnings

Operating earnings are a non-GAAP financial measure included to provide an assessment of the performance of GMT's principal operating activities. Calculation of operating earnings are as set out in GMT's Profit or Loss statement.

Registrar

the unit registrar for GMT and Goodman+Bond registrar for GMB which, at the date of this Annual Report, is Computershare Investor Services Limited.

sqm

square metres.

Total Unitholder Return

GMT's stock market performance including unit price appreciation and distributions paid.

Trust Deed

the GMT trust deed dated 23 April 1999, as amended from time to time.

Trust or GMT

Goodman Property Trust and its controlled entities, including GMB, as the context requires.

Trustee

the trustee of the Trust, Covenant Trustee Services Limited.

Unitholder or unitholder

any holder of a Unit whose name is recorded in the register.

Unit or unit

a unit in GMT.

WPH or Wynyard Precinct

Wynyard Precinct Holdings Limited, the joint venture between GMT and GIC, the sovereign wealth fund of Singapore.

Business directory

Manager of Goodman Property Trust

Goodman (NZ) Limited

Level 2, 18 Viaduct Harbour Avenue
Auckland 1010
PO Box 90940
Victoria Street West
Auckland 1142

Toll free: 0800 000 656 (within New Zealand)
Telephone: +64 9 375 6060 (outside New Zealand)
Email: info-nz@goodman.com
Website: www.goodman.com/nz

Issuer of Goodman+Bonds

GMT Bond Issuer Limited

Level 2, 18 Viaduct Harbour Avenue
Auckland 1010
PO Box 90940
Victoria Street West
Auckland 1142

Toll free: 0800 000 656 (within New Zealand)
Telephone: +64 9 375 6060 (outside New Zealand)
Email: info-nz@goodman.com
Website: www.goodman.com/nz

Complaint Procedure

Financial Dispute Resolution Service

Freepost 231075
PO Box 2272
Wellington 6140

Toll free: 0508 337 337 (within New Zealand)
Telephone: +64 4 910 9952 (outside New Zealand)
Email: enquiries@fdr.org.nz

Auditor

PricewaterhouseCoopers

PwC Tower
188 Quay Street
Private Bag 92162
Auckland 1142

Telephone: +64 9 355 8000
Facsimile: +64 9 355 8001

Registrar

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland 1142

Toll free: 0800 359 999 (within New Zealand)
Telephone: +64 9 488 8777 (outside New Zealand)
Facsimile: +64 9 488 8787
Email: enquiry@computershare.co.nz

Legal Advisors

Russell McVeagh

Level 30, Vero Centre
48 Shortland Street
PO Box 8
Auckland 1140

Telephone: +64 9 367 8000
Facsimile: +64 9 367 8163

Trustee and Supervisor for Goodman Property Trust

Covenant Trustee Services Limited

Level 6, Crombie Lockwood Building
191 Queen Street
PO Box 4243
Auckland 1140

Telephone: +64 9 302 0638

Bond Trustee

Public Trust

Level 9
34 Shortland Street
PO Box 1598
Shortland Street
Auckland 1140

Toll free: 0800 371 471 (within New Zealand)
Telephone: +64 9 985 5300 (outside New Zealand)
Facsimile: 0800 371 001

Directors of Goodman (NZ) Limited and GMT Bond Issuer Limited

Chairman and Independent Director

Keith Smith

Independent Directors

Leonie Freeman
Susan Paterson ONZM
Peter Simmonds

Executive Director

John Dakin

Non-executive Directors

Gregory Goodman
Phillip Pryke

Management Team of Goodman (NZ) Limited and GMT Bond Issuer Limited

Chief Executive Officer

John Dakin

Chief Financial Officer

Andy Eakin

General Counsel and Company Secretary

Anton Shead

Director Investment Management

James Spence

General Manager Development

Michael Gimblett

Director Investment Management and Capital Transactions

Kimberley Richards

Head of Corporate Affairs

Jonathan Simpson

Marketing Director

Mandy Waldin

Making space for greatness

Goodman



goodman.com/nz