



Goodman Group Corporate Governance Statement

Goodman Group (Goodman or Group) is a triple stapled entity comprised of the Australian company, Goodman Limited (GL), the Australian trust, Goodman Industrial Trust (GIT) and the Hong Kong company, Goodman Logistics (HK) Limited (GLHK). Goodman is governed by its constituent documents, applicable laws (including the Australian *Corporations Act* and the Hong Kong Companies Ordinance), the ASX Listing Rules and, in respect of GIT, the compliance plan lodged with the Australian Securities & Investments Commission (ASIC).

This Corporate Governance Statement (Statement) provides an overview of Goodman's corporate governance and reports on the ways in which Goodman has met the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd Edition (CGC Principles) for the 2020 financial year.

The effective date of this Statement is 24 September 2020 and it has been approved by the Boards.

Overview of Goodman's Corporate Governance Framework

The Goodman Boards and Management team are committed to the highest standards of corporate governance and recognise that an effective corporate governance culture is critical to the long-term performance of the business. Goodman's corporate governance framework underpins our commitment to maximise long term sustainable value for Securityholders through:

- + Effective controls, risk management, transparency and corporate responsibility
- + Strategic planning and alignment of the interests of our team members with that of Securityholders and other stakeholders
- + Meeting stakeholder expectations of a global ASX listed entity through acting lawfully and responsibly while prudently managing both financial and non-financial risk
- + Ensuring we are an organisation that acts with integrity by promoting a culture and conduct which values the principles of honesty, fairness, transparency and ethical behaviour.

The diagram below shows an overview of Goodman's Corporate governance framework.



During the year Goodman has actively considered recent corporate governance developments including the 4th Edition Corporate Governance Principles and Recommendations. Goodman will report against the new principles and recommendations in FY21 and has conducted a comprehensive review of its corporate governance practices in preparation. Further, in response to the pandemic COVID-19 the Group implemented various business continuity protocols and has continued to examine, review and adapt its business systems, processes and procedures, including controls and governance reporting.

Below is a list of Goodman’s core corporate governance framework documents which are available on Goodman’s website.

Charters and Policies are available at www.goodman.com/who-we-are/corporate-governance.

Further information on Goodman’s approach to sustainability is available at <https://www.goodman.com/sustainability/overview>.

Additional information for securityholders is available at the Goodman Investor Centre at <https://www.goodman.com/investor-centre/goodman-group-australia>.

ASX Corporate Governance Principles and Recommendations	Relevant Document/Information
Principle 1 Lay solid foundations for management and oversight	<ul style="list-style-type: none"> + Board Charter + Remuneration and Nomination Committee Charter + Diversity and Inclusion Policy.
Principle 2 Structure the Board to add value	<ul style="list-style-type: none"> + Board Charter + Director Induction + Remuneration and Nomination Committee Charter.
Principle 3 Act ethically and responsibly	<ul style="list-style-type: none"> + Goodman values + Code of Conduct + Conflicts of Interest Policy + Dealing with Public Officials Policy + Diversity and Inclusion Policy + Ethical Concerns Policy (Whistle-blower Policy) + Modern Slavery Statement + Political Donations Policy + Securities Trading Policy + Corporate Responsibility and Sustainability Policy + Workplace Bullying and Harassment Policy.
Principle 4 Safeguard integrity in corporate reporting	<ul style="list-style-type: none"> + Audit Committee Charter + Risk and Compliance Committee Charter.
Principle 5 Make timely and balanced disclosure	<ul style="list-style-type: none"> + Market Disclosure Policy + ASX announcements + Annual Reports.
Principle 6 Respect the rights of security holders	<ul style="list-style-type: none"> + Goodman Investor Centre + Market Disclosure Policy + Annual Reports.
Principle 7 Recognise and manage risk	<ul style="list-style-type: none"> + Risk and Compliance Committee Charter + Risk Management Policy + Sustainability Strategy.
Principle 8 Remunerate fairly and responsibly	<ul style="list-style-type: none"> + Remuneration and Nomination Committee Charter + Diversity and Inclusion Policy.

1 The Boards

1.1 The Boards and their role

The Boards of Goodman Group consist of the Board of GL, the Board of Goodman Funds Management Limited (GFML) as the responsible entity for GIT, and the Board of GLHK.

The Boards of GL and GFML meet jointly and comprise the same Directors. GLHK has a separate board of Directors, the membership of which partially overlaps the GL/GFML Board. GLHK's Board composition reflects its status as a Hong Kong tax resident. The Boards of each stapled entity are chaired by Mr Ferrier and are majority Independent.

The Boards are responsible for overseeing the management of Goodman and providing strategic direction through monitoring and assessing the Group's operational and financial performance and actively observing and advising on Goodman's management of both financial and non-financial risk, compliance framework and culture to ensure its corporate governance policies are not only adhered to, but embodied by the business.

The Boards have a formal charter which clearly establishes their role. The Boards have the power to do all things necessary to perform their duties and fulfil their purpose including to:

- + Approve the strategic direction for the Goodman business, oversee implementation and review progress against strategy
- + Approve financial statements and distributions / dividends to securityholders
- + Approve the annual budget and monitor performance against budget
- + Approve strategic alliances and new partnerships;
- + Approve major investments, acquisitions and divestments
- + Approve principles, policies, strategies, processes and control frameworks for the management of Goodman's business and monitor their effectiveness
- + Sub-delegate their powers and discretions to Committees of the Board, executives of Goodman, or management committees with or without the power to delegate further.

The Boards have delegated certain responsibilities to standing committees which operate in accordance with Charters approved by the Board.

The Boards have, subject to certain key and strategic decisions, delegated to the Group Chief Executive Officer (CEO) responsibility for implementing strategic objectives, plans and budgets approved by the Boards and day to day management of the business. Goodman's Management Committees assist in the exercise of the CEO's delegated authority. The Group CEO and Management are accountable to the Boards through regular reporting, presentations and performance evaluations.

The Group CEO and other senior executives present information at Board meetings in order to provide the Directors with access to all relevant information and the ability to candidly question Senior Management in relation to any matter they deem necessary. Senior executives are available to the Directors to provide them with information or clarification as required.

The Company Secretary is accountable to the Boards on all matters to do with the proper functioning of the Boards. The Company Secretary is also responsible for advising Directors on corporate governance matters, liaising with regulators, supervising market disclosures, maintaining Goodman's corporate registers and apprising the Boards on legal and governance issues.

Goodman ensures open and transparent communication between the Boards and Management.



1.2 Board Composition

The Board, together with the Remuneration and Nomination Committee, determine the size and composition of the Boards subject to the terms of the constitutions. The composition of the respective Boards and Board Committees, and the status and tenure of Directors as at 30 June 2020 is set out below. Details of the Board and Committee Meetings held during the year and individual Director's attendance at these meetings can be found in our 2020 Directors' Report.

GFML/GL			
Director	Status	Tenure	Committee Memberships
Ian Ferrier, AM (Chair)	Independent	16 years 10 months ¹	+ Audit + Remuneration and Nomination.
Gregory Goodman, CEO	Executive	21 years 11 months ²	
Chris Green	Independent	1 year 2 months	+ Audit.
Stephen Johns	Independent	3 years 6 months	+ Audit (Chair) + Risk and Compliance.
Mark Johnson ³	Independent	1 month	+ Audit.
Rebecca McGrath	Independent	8 years 3 months	+ Risk and Compliance (Chair) + Remuneration and Nomination.
Phillip Pryke	Independent	9 years 9 months	+ Remuneration and Nomination (Chair) + Audit.
Penny Winn	Independent	2 years 5 months	+ Remuneration and Nomination + Risk and Compliance.
Danny Peeters	Executive	7 years 6 months	
Anthony Rozic	Executive	7 years 6 months	

1. Tenure as a Director of GL. Mr Ferrier has been a Director of GFML for 15 years and 4 months

2. Tenure as a Director of GL. Mr Goodman has been a Director of GFML for 25 years and 5 months

3. Mr Johnson joined the GL/GFML Boards on 1 June 2020

GLHK			
Director	Status	Tenure	Committees
Ian Ferrier, AM, (Chair) ¹	Independent	8 years 4 months	+ Audit + Remuneration and Nomination.
David Collins	Independent	2 years, 5 months	
Danny Peeters	Executive	2 years 5 months	

1. Greg Goodman is Mr Ferrier's alternate

1.3 Board skills

The Directors bring a wide range of skills and experience to their respective roles and are committed to achieving a high standard of corporate governance. The diversity of each Director's background strengthens the Boards and enables them to bring critical judgement and independent assessment to the oversight of Goodman's business. The Boards are responsible for all aspects of the management of Goodman and have the ultimate responsibility for its corporate governance practices.

The Board Skills Matrix, which includes the desired collective skills, experience and expertise of the Directors of GL / GFML and GLHK and is set out below.

Skills	Characteristics and attributes	Directors
Strategic Planning	Highly developed business strategy skills, including oversight, development and execution; business sustainability; capital allocation and planning.	10/11
International Business Experience	Operational experience in different types of markets and economies; Diverse experience across different societal, cultural and political environments; Experience in multi-jurisdictional compliance and regulatory environments.	11/11
Real Estate Experience	Experience within the real estate asset class and value extraction throughout the property lifecycle including acquisition, construction, development, management and disposal.	10/11
Funds and Investment	Managing investment capital, funds management, investor relations.	9/11
Human Capital and Culture	Demonstrated experience in organisational disciplines such as talent management, learning and development strategies, succession planning, creation of a positive business culture, marketing and communications.	11/11
Financial	Interpretation of financial reports and key measures of the performance of the Group, multi-currency debt and financial risk management instruments for multi-national business, capital management and liquidity, and multi-jurisdictional systems and processes.	11/11
Innovation and Technology	Experience in transforming business models and processes, including in relation to technology and digital platforms.	8/11



1.4 Board renewal, appointment and performance

The Boards regularly review their performance and the performance of each Director on an annual or bi-annual basis. The process for conducting the review typically involves a questionnaire and individual interviews by the Chairman with each Director. As part of the Board's performance evaluation, the functioning of the Board Committees is also reviewed. A review was completed during the year.

The Boards actively consider the appropriate size, composition, desired skills and competencies, and succession issues so that they can respond to changing circumstances in their membership, the business and its strategy, and the markets in which Goodman operates. The Boards seek to have the broad base of skills and experience necessary to set the strategic direction of Goodman, oversee Management's implementation of strategy and enhance corporate performance.

Through the notices of meetings for Annual General Meetings, Goodman provides its Securityholders with relevant information to assist their decision whether to elect or re-elect (as the case may be) a Director. The rotation or re-election of Directors has regard to the Board's assessment of its skills requirements and the individual contribution of Directors.

At the 2019 AGM, Ian Ferrier announced that he would be retiring at the 2020 AGM and during the year Stephen Johns was appointed as Chairman-Elect. At the 2020 AGM Stephen Johns will be standing for re-election as a Director of GL and for election as a Director of GLHK and, subject to those elections, will become Chairman of GL, GFML and GLHK.

The composition of Committees will also be updated at that time. Stephen will step down as Chairman of the Audit Committee (while remaining a member), resign from the Risk and Compliance Committee and join the Remuneration and Nomination Committee. Mark Johnson will become Chairman of the Audit Committee and will also be appointed to the Risk and Compliance Committee to maintain continuity of knowledge between the two Committees.

1.5 Director Appointment

Goodman uses formal letters of appointment with each Director so that Directors clearly understand the expectations of them. Each letter outlines the terms of the Director's appointment and includes matters such as their powers and duties, compliance with Goodman policies, attendance at meetings, remuneration, appointment on Committees, induction and continuing education, and disclosure

of interests. The letters of appointment also require that Directors obtain approval from the Chairman before accepting any new role that could impact on time commitment or cause a conflict of interest. Before a person is appointed as a Director, Goodman undertakes appropriate background checks including experience, education and police and bankruptcy checks.

1.6 Director independence

Goodman recognises the importance of the independence of its Directors in being able to act in the best interests of Securityholders and the Group and the Boards of GL, GFML and GLHK comprise a majority of independent non-executive Directors. The Boards consider a Director to be independent where they are not an executive, and they are free of any interest, position, association or relationship that would materially interfere, or may reasonably be seen to interfere, with the Director's capacity to bring unfettered independent judgement to issues before the Boards and their ability to act in the best interest of Goodman.

The independence of each member of the Boards is assessed every year taking into account the matters set out in the CGC Principles. As part of the assessment, Directors are also required to provide confirmations on their ability to adequately perform their role.

When assessing Independence, the Boards considered the effect of length of tenure noting that the Chairman Mr Ferrier has served on the Boards of GL and GFML for over ten years and that Mr Pryke would do so during the upcoming year. The Boards consider that this does not impact their independence as during Board deliberations they continue to demonstrate an objective assessment of all matters before the Boards. The Boards are of the opinion that having Directors with a range of tenures also provides diversity of experience, corporate knowledge and relationships with the Group.

In assessing the independence of Mr Chris Green, the Board considered the impact of the Group's small financial investment in a property technology fund managed by GreenPoint Partners, in which Mr Green has an interest. The investment is not material to the Group or to GreenPoint Partners and the Board considers that this does not impact Mr Green's independence.

The Independent Directors may elect to consider matters without the presence of executives where they believe this is appropriate or would be beneficial in reviewing the conduct of Goodman's affairs. Directors are also entitled to access independent professional advice at Goodman's expense to assist them in fulfilling their responsibilities.



1.7 Director Tenure

New Directors appointed to the Boards of GL and GLHK are required to seek election at the first AGM of Securityholders following their appointment. All Directors of the GL Board and the GLHK Board other than the Group CEO are also subject to re-election by rotation at least every three years.

1.8 Director Education and professional development

All new Directors undertake an induction process which includes a review of the Strategy and Budget, meeting key executives and the provision of information regarding the operations and governance of Goodman. The Director Induction Program is tailored for new appointments having regard to their backgrounds, skills and experience.

Directors and Senior Executives may also participate in further education relevant to their roles. Goodman reimburses the costs of further education relevant to a Director's or executive's role.

Directors are provided with tours of Goodman's properties, both within Australia and overseas and, while this has not been possible in FY20 due to the impacts of the COVID-19 pandemic, will typically annually visit one of the Group's overseas offices to receive briefings on local market conditions. Directors will also receive briefings on material developments in laws, regulations and accounting standards relevant to Goodman during their tenure.

1.9 Board Committees

The Boards have established three principal Committees to assist in the exercise of their functions and the discharge of their duties. These are the:

- + Audit Committee
- + Remuneration and Nomination Committee
- + Risk and Compliance Committee.

Each Committee has a formal charter setting out the matters relevant to composition, responsibilities and administration. The Committee can sub-delegate its powers and discretions, including to executives of Goodman, 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 Committees and the Committees will only make recommendations to the Board of GLHK.

The roles, responsibilities and composition requirements of each Committee are summarised overleaf and detailed in Board-approved charters.

Audit	Risk and compliance	Remuneration and nomination
<p>Assists the Boards on matters relating to:</p> <ul style="list-style-type: none"> + Goodman's financial reporting principles, policies, controls and procedures + The integrity of Goodman's financial statements and the Group's compliance with legal and regulatory requirements relating to financial statements + The activities and effectiveness of the external audit functions + Procedures for selecting, appointing and, if necessary, removing Goodman's external auditor + The Group's financial risk management policy, the Group's capital strategy, tax compliance and tax risk management policy. 	<p>Assists the Boards on matters relating to:</p> <ul style="list-style-type: none"> + Risk management including the preparation of an annual risk profile and reviewing and monitoring risk management systems across the Group + Operational risk management including internal risk management systems, internal audit and insurance requirements + Development and asset risk management including development, sustainability and safety + Compliance including reviewing and monitoring the Group's compliance framework, internal compliance systems and external compliance audit functions (including the obligations of GFML as the responsible entity of GIT, a registered managed investment scheme) + Identification of any desirable changes required to ensure the changing and emergence of non-financial risks (including but not limited to social and environmental risks) are addressed. 	<p>Assists the Boards on matters relating to:</p> <ul style="list-style-type: none"> + Remuneration of Directors, Senior Executives and team members + Development of policies dealing with fixed remuneration, Short Term Incentives (STI) and Long Term Incentives (LTI) + Nomination of Directors including the composition and structure of the Boards + Key human resources policies and strategies including in relation to performance management, conduct, diversity and succession planning + Review and monitor the implementation of Goodman's Diversity and Inclusion Policy and goals.
<p>Composition/Charter Requirements:</p> <ul style="list-style-type: none"> + Three independent non-executive Directors who between them have accounting and financial expertise and a sufficient understanding of the business in which the Group operates to discharge the Committee's mandate effectively + Chaired by an independent Director. 	<p>Composition/Charter Requirements:</p> <ul style="list-style-type: none"> + Three independent non-executive Directors + Chaired by an independent Director. 	<p>Composition/Charter Requirements:</p> <ul style="list-style-type: none"> + Three independent non-executive Directors; + Chaired by an independent Director.

2 Integrity of financial reporting

2.1 Auditors

Goodman has engaged KPMG to act as its external auditor. As part of the terms of engagement, KPMG is required to review the half year financial report and audit the annual financial report and remuneration report. KPMG attend each Risk and Compliance Committee meeting and Audit Committee meeting. Prior to the approval of the financial statements by the Boards, KPMG discuss their findings with the Audit Committee including the adequacy of financial and accounting controls. KPMG also attend the AGMs of each entity to be available to answer questions from Securityholders about the conduct of the audit and the preparation and content of the independent audit report.

Each reporting period, KPMG provides an independence declaration in relation to the review or audit. The Audit Committee reviews adherence by the Auditor to the *Corporations Act* requirement of audit partner rotation. The Audit Committee is also responsible for overseeing the Group's written policy in respect of the engagement of KPMG for non-audit services and for assessing whether non-audit services provided by the external auditor are consistent with the external auditor's independence and compatible with the general standard of independence of auditors required by the *Corporations Act*.

In addition, in accordance with Australian legal requirements, the Lead Auditor must be rotated every 5 years unless relief is granted by ASIC for an extension.

2.2 Non Audit Services

Services which the external auditor may be asked to perform other than the audits of financial statements include corporate due diligence/transaction services, tax advice and compliance work, accounting advice, and other assurance type work. Goodman has reviewed the process for approval of non-audit services provided by its external auditor (KPMG) to prevent any breaches or apparent breaches of auditor independence. A Non Audit Service Policy is in place which includes delegation thresholds for certain type on non-audit services as well as engagements which must be approved by the Audit Committee or its Chairman.

2.3 Executive confirmations

In addition to the work of the Audit Committee, the Group Chief Executive Officer (CEO) and the Group Chief Financial Officer (CFO) provide confirmation to the Boards in writing that GL, GIT and GLHK's financial statements for a relevant financial period

comply with the relevant accounting standards and give a true and fair view of the financial position and performance of each entity.

The Group CEO and the Group CFO also provide written confirmation that, to the best of their knowledge and belief:

- + The statement given to the Boards on the integrity of Goodman's financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Boards
- + Goodman's risk management and internal compliance and control systems are operating efficiently and effectively in all material aspects.

These statements are based on a Group-wide and broad ranging series of half and full year confirmations from senior executives and department heads in relation to the financial integrity, risk management and internal compliance and control system within each department.

3 Managing risk and compliance

3.1 Risk Management Framework

Under the oversight of the Risk and Compliance Committee, Management have designed and implemented a risk management and internal control system to manage Goodman's existing, new and emerging material business risks including financial and non-financial risks.

The risk management system has been developed in accordance with international and Australian/New Zealand standards. The Risk Management Policy and Risk Appetite Statement sets out the oversight and management of risk for Goodman.

The Boards maintain oversight over country by country capital exposures. This includes sharing the capital commitments with joint venture partners. Financial exposures (including those relating to hedging and derivatives trading) are also managed within the Board approved Financial Risk Management Policy.

The Chief Risk Officer and the Group Head of Risk are responsible for the implementation of the Risk Management Policy globally. The Risk and Compliance Committee principally deals with non-financial risk. The Audit Committee principally deals with financial risk. The Risk function reviews critical business units and profiles their key risks on an annual basis. Action plans for mitigating key risks are reported to the Risk and Compliance Committee at each meeting.

During the year, the Committee completed its annual review and assessment of the soundness of the

Risk Management Framework in accordance with its Charter.

3.2 Compliance Framework

The Risk and Compliance Committee has oversight of Goodman's Compliance Framework which clearly details how Goodman manages its regulatory obligations. Goodman is committed to complying with its legal and regulatory obligations for the operation of Goodman's business.

The Compliance Framework provides a consistent approach to integrating business objectives and strategy to compliance obligations and reporting. The Compliance Framework has been developed in accordance with relevant industry standards and is underpinned by a Compliance Program which details responsibilities, monitoring and reporting.

The Risk and Compliance Committee is responsible for the oversight of internal compliance systems and policies including in relation to the conduct of Goodman team members (see 'People and Conduct' below). It is also responsible for external regulatory compliance including oversight of GFML's compliance with the Compliance Plans for each registered managed investment scheme of which GFML is the responsible entity.

The Group Head of Legal and Company Secretary and the Compliance Manager are responsible for reviewing and monitoring the effectiveness of the compliance systems on an annual basis and for reporting on the results of these activities to the Risk and Compliance Committee.

3.3 Internal Audit

The internal audit program is closely aligned to the Risk Management Framework and involves a rolling program of reviews and control testing of Goodman's business processes to assess whether material risks have been properly identified and key controls are effective and have been correctly implemented as well as reporting on the adequacy and effectiveness of Management's processes for identifying, managing, reporting on and responding to risks. The internal audit function is wholly independent of the external audit function and of line management.

The findings of internal audit are reported to the Risk and Compliance Committee and, where relevant, the Audit Committee. The findings and any recommendations arising from the internal audits are acted on by Management under the supervision of the Risk and Compliance Committee.

3.4 Sustainability, Environmental and Social Risk

The Boards believe that the Goodman business strategy and integrated 'own+develop+manage'

customer service model is relevant for the operating environment and support the Group's vision of sustainability for the future. We believe that a sustainable approach makes good business sense and we seek to work with partners who share our views.

The Boards, through the Risk and Compliance Committee and other Committees as appropriate, seek to manage and respond to Goodman's operating environment taking into account not only economic risks and opportunities, but also environmental, social and governance (ESG) risk and opportunities.

In order to meet our Corporate Responsibility and Sustainability Policy commitments, Goodman has commenced the implementation of its 2030 Sustainability Strategy which is aligned with Goodman's overall purpose 'Making Space for Greatness' and designed to meet the needs of all our stakeholders. Our 2030 Sustainability Strategy targets a range of ESG priorities which we have assessed against the United Nations Sustainable Development Goals and we believe to be material to our business and priorities for our stakeholders. This includes, but is not limited to, matters relating to ESG governance, workplace safety, carbon reduction strategies and the management of climate risk and opportunities which includes analysis and disclosure aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

3.5 Insurance

Insurance forms part of the Group's Risk Management Framework by way of transferring the financial impact of specified losses and or potential liability to insurers.

The Risk and Compliance Committee is responsible for approving the Group's overall insurance program and annually reviews the Group's key policies including Directors and officers, professional indemnity, investment management and other specific industry and business related insurances.

3.6 Managed Partnerships

Goodman also maintains a high level of risk oversight and best practice corporate governance within its Managed Partnerships. Key elements include:

- + Majority investor representation and independent involvement on Partnership investment committee boards
- + Ensuring that local Partnership board and investment committee positions are held by long term senior Goodman executives

- + Appropriately resourcing local management companies with dedicated staff experienced in Goodman's business and the market
- + Requiring related party transactions be approved by non-related investors
- + Significant levels of Goodman co-investment in Partnerships.

4 Remuneration and Nomination

4.1 Engagement

During the current financial year, the Chairman, the Chairman of the Remuneration and Nomination Committee and the Group Head of Stakeholder Relations engaged directly with proxy advisers and some of the major investors to understand their viewpoint on issues relating to remuneration. The Remuneration and Nomination Committee considers that this is an important aspect of its work and the Committee has evaluated the issues raised in a systematic manner.

4.2 Non-Executive Directors' remuneration

Goodman follows the principles of remuneration for Non-Executive Directors that are set out in the CGC Principles. Non-Executive Directors receive fixed fees from within the fee pool approved by securityholders. Non-Executive Directors do not receive incentive or at risk cash or equity based remuneration while retirement benefits are limited to superannuation contributions from their director's fees.

To align the interests of the Boards with Securityholders, the Boards have adopted a policy that requires Non-Executive Directors to accumulate and hold Goodman securities with a value equivalent to twice the standard annual base fee of a director for the relevant entity. Where this is not already satisfied, Directors apply 25% of their post-tax base fees to the acquisition of Goodman securities until that value of securities is held. However, an allowance is made for recently appointed Directors to fully comply with this policy. For the purpose of this policy, the value of each parcel acquired is the higher of the purchase price or market value at the end of the financial year.

4.3 Executive remuneration

Goodman follows the principles of remuneration that are set out in the CGC Principles. These include a policy of rewarding Executive Directors, senior executives and team members with a mixture of fixed remuneration and short-term and long-term, performance-linked remuneration. The long-term performance-linked remuneration is tested against an operating earnings per security target and relative Total Securityholder Returns and is equity

based. The vesting of long-term performance-linked remuneration is contingent on continued employment with Goodman and can be withheld by Goodman in certain circumstances.

In relation to equity based remuneration, under the Securities Trading Policy, Directors and team members are not allowed to enter into derivative contracts that hedge their exposure to movements in the price of Goodman securities that have not vested. This is in addition to similar restrictions that apply under the *Corporations Act* to Key Management Personnel.

4.4 Appointment of Senior Executives

Executives appointed to Goodman enter into a personal contract of employment. The contracts outline the terms of the Senior Executive's appointment, including matters such as their powers and duties, compliance with Goodman policies and remuneration. Appropriate checks are undertaken before appointment. Performance evaluations of Senior Executives are usually undertaken by the CEO. The Remuneration and Nomination Committee undertakes the CEO's annual review. Performance evaluations were undertaken during the year in accordance with this process.

5 People and conduct

5.1 Code of Conduct

Goodman is committed to maintaining a high standard of ethical and responsible business behaviour at all levels of the business at all times. Goodman stipulates the standards of ethical behaviour expected of Directors and team members in its Code of Conduct which has been endorsed by the Boards. The Code of Conduct is provided to Directors upon appointment and all team members upon commencement.

The Code of Conduct is supported by a framework of policies that set out Goodman's approach to meeting its legal obligations and the expectations of stakeholders for responsible and ethical decision-making. Senior Management across the Group are responsible for reinforcing and modelling the key behaviours set out in the Code of Conduct.

The Code of Conduct contains a set of guiding principles that requires Directors and team members to, among other things:

- + Act in a professional manner
- + Work as a team and respect others
- + Treat stakeholders fairly
- + Value honesty and integrity
- + Follow the law and Goodman's policies

- + Respect confidentiality and not misuse information
- + Manage conflicts of interest
- + Strive to be a great team member.

The Code of Conduct also charges all team members with responsibility for reporting any breaches of the Code of Conduct including any unethical or corrupt conduct in accordance with the Ethical Concerns Policy.

The standards required under the Group Code of Conduct have been reinforced through an active campaign to all team members with a focus on non-discriminatory and professional behaviour.

Expectations regarding fairness, honesty and the treatment of confidential information are made explicit and team members are reviewed against these expectations through the Group's performance management system.

5.2 Core Values

Goodman has a set of Core Values which have been approved by the Boards. Goodman's culture is characterised by quality across all aspects of the business – our people, our products and our service. Goodman's values help guide culture and behaviour and are set out below.

performance+drive

Do what we say we will do and make things happen.

We have a determination to make things happen and be the best at what we do. We're passionate about providing the highest quality product and service for our customers, investors and capital partners. It's about getting on and getting it done – completing the transaction and then delivering the quality and value for our customers and partners.



open+fair

Be adaptable and considerate in our dealings inside and outside our business.

We strongly believe in the concept of fairness – in creating value and in shared success. We believe in balancing the needs of our customers and investors with the needs of our company. We are transparent, honest and engaging. We don't boast or brag – we show people, we don't tell people. We work together to solve problems that need to be solved.



team+respect

Recognise the worth in each other and collaborate for better results.

We're inclusive and collaborative. We treat people with respect. Everyone is important, everyone has something to offer and if we work together, collaborate and proactively share ideas, we'll be more successful. Anyone who is willing to put their hand up to do things can add to our story and our success. We value diversity of views, ideas and culture.



customer+focus

Be closer to the customer's world and their changing needs.

Our customers lead the business. We believe in sharing success through strong, long-term relationships with our customers, investors and partners. We work hard to exceed our customers' expectations and deliver a better experience than our competitors.



innovative+dynamic

Be more creative in our thinking and more effective in our actions.

We've always tried to be different, a different approach to business, a different approach to customer service, a different attitude, a different culture. We'll always believe in the importance of fresh thinking – in being green, not beige – and approaching things in new and different ways. "We call it Business outside the square", and it's central to who we are and what we stand for – it's why our logo looks the way it does!



5.3 Securities trading

Goodman's Security Trading Policy sets out the restrictions that apply to team members and Directors regarding dealing in Goodman Securities. The Securities Trading Policy is made available to Directors on their appointment and team members on their commencement. Key principles of Goodman's Trading Policy include:

- + Prohibition (Inside Information): Prohibits Directors and team members from trading in Goodman securities when in possession of 'inside information' (being non-public price sensitive information)
- + Prohibition (Communication of Inside Information): Prohibition of the communication of inside information to any other person who is likely to purchase or sell Goodman securities or who is likely to procure a third party to purchase or sell those securities
- + Excluded Dealings: Directors and team members are not allowed to engage in short term trading of Goodman securities under the Securities Trading Policy nor are Directors or senior executives allowed to enter into derivative contracts that hedge their exposure to movements in the price of Goodman securities that have not vested
- + Staff Trading Blackouts: Directors and team members are not to deal in Goodman securities during the two week period before the end of a financial period through to the release of Goodman's half year or full year results. A trading blackout is notified to Directors and team members during those times and may also be notified by the Company Secretary or Group CEO at other times when considered appropriate.

Any trade in breach of the Securities Trading Policy must be immediately disclosed to the Company Secretary for reporting to, and consideration by, the Boards.

5.4 Conflicts of interest

In accordance with its commitment to conducting its business ethically and with integrity Goodman has a Conflicts of Interest Policy. Directors and team members are required to comply with the Conflicts of Interest Policy. The purpose of this Policy is to outline the procedures in place to control and avoid conflicts of interest by identifying, assessing, managing and reporting on the types of conflicts of interest which Goodman anticipates will affect or arise from its business. The Policy covers the mechanisms to:

- + Identify conflicts of interest
- + Manage conflicts of interest by assessing and evaluating actual or potential conflicts, and decide

upon and implement an appropriate response to those matters

- + Maintain written records that demonstrate how Goodman manages conflicts.

5.5 Related parties

Goodman maintains strict corporate governance practices within its Managed Partnerships. Goodman representatives do not vote on matters where Goodman has an interest (such as the purchase of assets from Goodman). Goodman has implemented a Related Party Policy which sets out the basic principles for dealing with transactions between Goodman and its managed partnerships. It also includes identification and management of conflicts of interests and appropriate resourcing with dedicated staff and information barriers in place to isolate the Partnerships where appropriate.

These principles are in addition to any legal requirements including under the Australian *Corporations Act*, Hong Kong Companies Ordinance and ASX Listing Rules.

5.6 Gifts and entertainment

Goodman's Gifts and Entertainment Policy provides guidance to team members about the acceptable use of gifts and entertainment in building and maintaining good business relationships with Goodman's customers, capital partners, suppliers, contractors, agents and any other external parties. The giving and receiving of business related gifts and entertainment needs to be both lawful and not unduly influence business decision making. The policy sets out what is considered reasonable in relation to gifts and entertainment and processes are in place to monitor and approve gifts and entertainment. The giving of gifts to Public Officials is subject to the Dealing with Public Officials Policy (see below).

5.7 Dealing with public officials

Goodman has a Dealing with Public Officials Policy which sets out its commitment to conducting its business in accordance with applicable laws and regulations and in a way which will maintain and enhance its reputation in the market.

One aspect of this commitment is that Goodman behaves in a professional, honest and responsible manner and avoids any conduct which may be considered corrupt or contrary to good corporate ethics. Goodman strictly prohibits any activity that seeks to bribe, corrupt or otherwise improperly influence a public official or third party in any country or to act (or omit to act) in a way that differs from that official's proper duties, obligations and standards of conduct.

The Dealing with Public Officials Policy outlines the general prohibitions against bribery and corruption of public officials (both in Australia and overseas), the procedures around dealing with public officials, and the detection and reporting of bribery and corruption.

Any material breaches of the Dealing with Public Officials Policy, or unresolved issues raised under the policy, are reported to the Risk and Compliance Committee and, if necessary, referred to the Boards.

5.8 Political donations policy

Goodman has a Political Donations Policy to demonstrate its commitment to conducting its business with integrity. Under the policy, Goodman prohibits the making of donations for the benefit of political parties, an elected member, a candidate or groups of candidates, or a person or entity who may use the donation to make a political donation. Goodman will also not contribute funds for membership or affiliation to political parties.

However, Goodman may pay for team members to attend a political meeting, event or fundraising function organised by political parties or political candidates on behalf of Goodman where it is lawful to do so, and there is a corporate benefit to Goodman. Team members must seek approval from the Regional CEO or Group CEO as appropriate.

5.9 Ethical concerns

Goodman is dedicated to conducting business in accordance with our values and in a culture of integrity, compliance and ethical behaviour. Goodman has a responsibility to its team members, Securityholders and customers to safeguard against any attempts of fraud, bribery and corruption or other unethical conduct. In light of this, and its belief in the importance of having a mechanism for the reporting of wrongdoing and protecting those who report wrongdoing, Goodman has an Ethical Concerns Policy (or Whistle-blower Policy). The Policy ensures the confidentiality of the whistle-blower is maintained and encourages disclosers which can include current or former team members, suppliers, employee of a supplier, associate or any relatives or dependants of these individuals, customers, capital partners or Government officials to report instances of improper conduct. Matters raised under the Ethical Concerns Policy are reported to the Risk and Compliance Committee and, if necessary, referred to the Boards.

5.10 Safety

Goodman recognises its obligations under safety legislation and is committed to the implementation and proper management of appropriate risk management procedures to protect the safety of its team members, contractors, customers and visitors.

Goodman's commitment to safety extends to all facets of its business with the overall responsibility for safety resting at the highest level of management and the Boards. However, every team member is also required to comply with safety policies and perform all duties in a safe and responsible manner. Goodman maintains a Safety Management System that enables us to plan, implement, monitor and review safety policies and procedures to fulfil our objectives in all regions. Goodman aims to be an innovative leader of safety within our industry through pragmatic and effective systems.

5.11 Modern Slavery

Goodman is committed to good business ethics and the protection of human rights across our supply chain. Our supply chain consists of small, medium and large-scale suppliers who we work with to help deliver our property development, property management and funds management activities.

Goodman acknowledges that modern slavery is a risk globally, including in developed and emerging markets and like all companies and consumers, we face a risk of involvement in modern slavery in our supply chains. We want our supply chain free of any form of modern slavery, including human trafficking, child labour or human rights abuses where coercion, threats or deception are used to exploit victims and undermine them or deprive them of their freedom.

Goodman complies with applicable laws and regulations in relation to responsible supply chain management. Goodman will not knowingly engage in these practices, or partner with any supplier who engages in these practices. Any concerns about modern slavery can be raised in accordance with our Ethical Concerns Policy.

Goodman has prepared an Anti-Slavery Statement under the Commonwealth Modern Slavery Act 2018 to address the actions taken to identify and manage modern slavery risks in our operations and supply chains and the effectiveness of such actions. This Statement has been approved by the Boards and is available on the Goodman's website.

6 Engagement with Stakeholders

6.1 Timely, balanced and accurate disclosure

Goodman is committed to providing accurate, timely, balanced and readily available disclosure of material information to Securityholders, the investment community generally, and other stakeholders and regulators.

Announcements are subject to a verification process and reviewed by relevant Senior Executives, Company Secretary, Group Head of Stakeholder Relations and Group CEO. Significant or material

announcements are also reviewed by the relevant or applicable Board prior to their release. All announcements are reported to the Directors of the Boards promptly after their release.

Goodman releases a copy of presentation materials for any new and substantive investor or analyst presentations to ASX ahead of the presentation.

Goodman's Market Disclosure Policy outlines the procedures followed internally to facilitate compliance with continuous disclosure laws, periodic reporting obligations and timely and full disclosure of material through ASX.

6.2 Communication with Securityholders

Goodman has several processes in place in order to facilitate the effective and efficient communication with Securityholders to enable them to be well informed and able to exercise their rights.

Goodman communicates information to Securityholders through a range of media, including ASX announcements, periodic reports, quarterly updates and investor newsletters, media interviews, market briefings and roadshows, meetings with research analysts and institutional fund managers, industry forums, web based communications including social media, and general communications. Goodman's policy and procedures in relation to investor communications are incorporated into its Market Disclosure Policy.

Goodman has a dedicated Corporate Governance section on its website as well as an Investor Centre which supplement communication to Securityholders with extensive information about Goodman's corporate governance including information about the Boards, executives, constituent documents, policies and charters.

Goodman also communicates with Securityholders through Twitter and LinkedIn.

Securityholders can raise questions by contacting Goodman by telephone, email, post or facsimile. Contact details are provided on the website, Annual Report and other communications. Securityholders are also able to receive communications from, and send communications to, Goodman and its registry electronically.

In prior years Goodman has held an annual Investor Day where Securityholders have had the opportunity to hear market update presentations on all regional Goodman operations and ask questions of Goodman senior executives. The presentations are released to ASX for Securityholders who are unable to attend. Presentations are either webcast or recorded and promptly made accessible on the Goodman website. However, as a result of restrictions arising from

COVID-19 the event did not occur during FY20.

Securityholders are invited to attend the Annual General Meeting of the companies either in person or by proxy. However, given the impacts of the COVID-19 pandemic, Securityholders will be invited to join and participate in the 2020 Annual General Meeting virtually. The Boards regard the meetings as an important forum in which to discuss issues relevant to Goodman. The Boards encourage full participation of Securityholders at these meetings so there is a high level of accountability and identification with Goodman's strategy and objectives. Securityholders are invited to submit questions to the external auditor for discussion at the AGM. All resolutions at the AGM are decided by a poll rather than a show of hands to reflect the primacy of the one vote per share whether case in person or by proxy.

The AGM is webcast to further inform Securityholders who are unable to attend and the address and presentations of the Chairman and Group CEO are immediately announced to ASX. Voting results (including a summary of proxy voting) on matters considered at the meeting are released to ASX as soon as they are determined.

6.3 Complaints handling

Goodman has both internal and external complaints handling procedures. Complaints in relation to ethical concerns can be raised anonymously via Goodman's website. Investor Relations responds to Securityholder enquiries and complaints and provides a thorough and transparent communications service to Securityholders. GFML is also a member of the Australia Financial Complaints Authority (AFCA), an external industry complaints handling service.

7 Diversity and inclusion

7.1 Diversity and Inclusion Policy

Goodman is dedicated to providing a work environment that values diversity and inclusion in all locations around the world. Our commitment to diversity is set out in our Diversity and Inclusion Policy and reinforced through our values 'Open+Fair' and 'Team+Respect'.

FY20 has been a challenging year for team members in relation to the effects of the COVID-19 pandemic. The Group has considered team member feedback when decisions about remote working and health and safety are made. Team members in each region were surveyed to determine how the remote working experience could be improved so that a strong connection with the business is maintained, that technology platforms are robust and

that management and co-ordination of key tasks continues to operate effectively. These actions helped to promote inclusion for all team members, a critical cultural aspect of working at Goodman.

The Group's Diversity and Inclusion Policy is aligned with the major Diversity and Inclusion strategic initiatives that have been undertaken or progressed in FY20. An outline of the actions taken in support of the Policy are below.

Policy Objective	Actions/Progress in FY20
Workplaces free from bullying, harassment and discrimination	<p>Promotion of Project Greatman (an internal program which is an extension of Goodman's values program, specifically targeting 'Team+Respect').</p> <p>Code of Conduct online training for all Goodman team members.</p> <p>Global induction training for new team members.</p> <p>The Group's Greenlight Training and Communications Program including the "Turning Grey Areas Green" compliance and workplace behaviour module to all team members globally.</p>
Recruiting decisions based on merit	<p>Further refinement of interview guides, job description and recruiting manager training. Use of various tools in different regions designed to reduce possibility of bias including blind CVs, better defined job requirements and psychometric testing.</p>
Equal access for all team members on personal development, skill development and career path opportunities	<p>All team members have the opportunity to create development plans as part of the performance management platform to allow personal input to their career direction.</p> <p>Education assistance in the form of funding towards undergraduate or post-graduate study is available in all regions.</p> <p>The Group's performance management platform provides all team members with a means to rate their performance and be assessed on how they display the Group's 5 Corporate Values.</p> <p>A gender equity pay review was conducted to address the risk of conscious or unconscious bias and to improve the integrity of outcomes. No significant issues were identified.</p>
Recognition of cultural differences	<p>Cultural diversity assessment and training continues to form part of the priorities for each region.</p>
An awareness and accommodation of the needs of individuals who have family and carer responsibilities	<p>Flexible work is undertaken with training support provided to managers.</p> <p>An internal survey of recent users of parental leave was conducted to identify opportunities for improvement.</p> <p>Implementation of the Circle In parenting and support portal in Australia and New Zealand which aims to provide team members and their families with additional support.</p>
Implementation of programs that aim to increase career advancement opportunities for female team members across the business globally	<p>Goodman has provided opportunities within the business for high performing females in various offices to promote development and career advancement.</p> <p>Goodman has also undertaken several mentoring programs aimed at increasing female representation in management.</p> <p>The annual succession plan discussion conducted with the Board included identification of high potential female team members and what the possible career path opportunities may be.</p>

7.2 Analysis of targets

A major objective of the Group's Diversity strategy is to increase the representation of female team members at senior levels. This remains an ongoing objective over the longer term given the considerable lead times that are required to develop future talent and to position team members for more senior roles. The Group has a relatively stable management structure with minimal voluntary turnover at senior levels as a consequence of the remuneration policies and more generally the success of the Company which impacts the opportunities for advancement. Notwithstanding this, increasing the representation of females at senior levels has been identified as an important long-term strategic objective.

As part of Goodman's 2030 Sustainability Strategy, the Group will target 40% female representation in the Senior Executive category and an overall gender ratio of 50/50, both on an ongoing basis. On that premise, for the purpose of the Group's Diversity Strategy the following category definition and target applies:

Level	Role characteristics	Target
Senior Executive Workplaces free from bullying, harassment and discrimination	Roles with significant responsibility in respect of balance sheet, profit and functional areas. Characterised by degree of commercial impact and strategic importance. It includes Group roles reporting to CEO, Country Heads and their key strategic reports.	40%

The Group's strategy acknowledges that progress will depend on the general level of change at the most senior executive level along with other managerial levels, the Group's growth and opportunities, and the skills and suitability of individuals to fill those opportunities.

Based on the current assessment, as at 30 June 2020 the female representation within the Senior Executive category is 23% (being 17 females from a total of 73 executives) against the target of 40%.

The managerial levels below the Senior Executive category remain a focus for the Group on the basis that these levels provide a future Senior Executive candidate pool. Some restructuring occurred throughout the period, which resulted in increased job scope for several female team members, despite an overall reduction in representation. The Group considers that the increase in job scope and profile will position the affected females well for future Senior Executive roles and while the job scope of several high-performing females increased during FY20, the changes were not sufficient to warrant re-classification to the Senior Executive category. This is an area of focus for FY21 and these people will continue to receive strong support from the Executive team to assist them with career progression.

On an overall basis, the gender representation of Goodman team members as at 30 June 2020 was 57% male and 43% female against the Group's target of 50/50.

Goodman values diversity on its Boards and has adopted a target of at least 30% female representation. Two of the seven Non-Executive Directors (28%) on GL/GFML's Board are women. Neither of the two Non-executive Directors on the GLHK Board are women. Overall, two of the eleven Directors on the Boards (18%) are women.