



5 October 2023

Market Announcements Office  
ASX Limited  
Via ASX Online

Dear Sir/Madam

## **GOODMAN GROUP EMPLOYEE EQUITY GRANTS**

In accordance with Listing Rule 3.10.3A, we advise of the Grants of Performance Rights under the Group's Long Term Incentive Plan (LTIP).

### **Grant of Performance Rights under the LTIP**

#### **1 Class of Securities**

The Grants of Performance Rights are in respect of Goodman Group stapled securities (Securities). Each Performance Right is a right to be delivered a Security without payment. The proposed Grants to Eligible Employees (as defined in the LTIP Rules) are made under the LTIP previously approved by Securityholders.

#### **2 Number of Securities**

Under the LTIP 9,406,507 5 Year Performance Rights and 5,625,000 10 Year Performance Rights were granted on 29 September 2023. The combined total of 5 year and 10 year Performance Rights is 15,031,507 Performance Rights.

Additional proposed grants to Executive Directors will be considered at the 2023 Annual General Meeting.

#### **3 Principal terms of the Performance Rights Grant**

Performance Rights do not convey voting rights or the right to participate in bonus issues and rights issues.

The vesting of Performance Rights Grants is subject to meeting the Vesting Conditions. The Vesting Conditions include the Performance Hurdles, the Sustainability Condition and Employment Condition as set out below.

##### **3.1 Performance Hurdles**

Under the LTIP 25% of each Grant will be tested against a relative TSR performance hurdle and the remaining 75% of each Grant against an Operating EPS performance hurdle.

#### **Goodman Group**

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The Performance Testing Periods for the performance hurdles for the two types of Grants are as follows:

Type	Performance Testing Period
5 Year Performance Rights	1 July 2023 to 30 June 2026 (3 years)
10 Year Performance Rights	1 July 2023 to 30 June 2027 (4 years)

**(a) TSR Performance Hurdle – 25% of each Grant**

For each type of Performance Right, satisfaction of the Performance Hurdle for 25% of the Total Grant will be based upon the Total Securityholder Return (TSR) achieved by Goodman over the:

- (i) three year Performance Testing Period for the 5 Year Performance Rights;
- (ii) four year Performance Testing Period for the 10 Year Performance Rights,

as compared to the TSR achieved by companies in the S&P/ASX 100 in the corresponding period in accordance with the following formula:

TSR Performance in Performance Testing Period Compared to ASX 100	Proportion of Performance Rights subject to TSR hurdle vesting
Less than 51st Percentile	0%
At 51st Percentile	25%
Greater than 51st Percentile but less than 90th Percentile	Straight line scale of satisfying the hurdle in between the 51st percentile and 90th percentile
At 90th Percentile or above	100%

TSR is based upon security price movements on ASX plus distributions paid in respect of those stapled securities, as determined by the Board.

**(b) Operating EPS Performance Hurdle – 75% of each Grant**

The second performance hurdle for both the 5 year Performance Rights and 10 Year Performance Rights is the Operating EPS Performance Hurdle for 75% of each Grant, with 25% satisfying the hurdle at the threshold level, 100% satisfying the hurdle at the upper level, and a straight line scale of satisfying the hurdle in between this range. The threshold level is set at 6% per annum compound annual growth and the upper level at 11% per annum compound annual growth over the relevant Performance Testing Period as tested in the final year. The relevant Operating EPS required to meet the targets is set out below:

Operating EPS required	5 Year Performance Rights	10 Year Performance Rights
Threshold Level	112.3 cps in FY26	119.1 cps in FY27
Upper Level	129.0 cps in FY26	143.2 cps in FY27



The portion of Performance Rights satisfying the Operating EPS hurdle is then calculated on the following basis:

Operating EPS	Portion of Performance Rights satisfying
Less than Threshold Level	0%
At Threshold Level	25%
Between Threshold Level and Upper Level	Straight line scale of satisfying the hurdle in between the Threshold Level and the Upper Level
Upper Level or above	100%

Operating Earnings Per Security (Operating EPS) is defined as the annual Operating Profit (as determined by the Board) divided by the number of stapled securities on issue. For this purpose, the number of stapled securities on issue also includes Performance Rights that have satisfied the Performance Hurdles but not yet vested.

### 3.2 Sustainability Condition

The Board has set the following environmental and sustainability targets:

- + Renewable Energy: 100% renewable electricity use within Goodman’s operations by 2025
- + Solar PV Installation: 400MW of solar PV installed or committed by 2025 and an additional 100MW installed or committed by 2030
- + Carbon Neutral: Carbon neutral operations by 2025
- + TCFD: Maintain climate related disclosure aligned with TCFD guidelines
- + Occupancy: >95%
- + Embodied Carbon: We are committed to measuring embodied carbon and factoring the cost of carbon into our development feasibilities. The Group is evaluating methods to reduce embodied carbon emissions from our global development workbook and where appropriate on specific projects to procure offsets for any residual carbon emissions
- + Science Based Targets: In addition to our continued commitments to renewable energy and carbon neutrality the Group has committed to Scope 1 and 2 GHG emissions reductions of 42% by 2030 in line with 1.5°C Paris Agreement pathway and validated by SBTi

(together, the **Sustainability Targets**).

The Sustainability Targets are reviewed annually and tested in FY26 for the 5 Year Plan and FY27 for the 10 Year Plan. If Goodman materially underperforms against the Sustainability Targets over the testing period, the Board may determine that up to 20% of the portion attributed to EPS performance (being 75% of the Total Grant) may lapse.

### 3.3 Employment Condition

In addition to satisfying the relevant Performance Hurdles, for a Performance Right to vest, the participant must also remain an employee of Goodman Group on the relevant Vesting Date, or have left the employment of Goodman in 'Special Circumstances' as defined in the LTIP Rules. Special Circumstances generally means Retirement, Redundancy, death or Permanent Disablement.



Subject to satisfaction of the vesting conditions and the LTIP Rules, the Board has determined that a Performance Right does not require exercise and that upon vesting participants will automatically become entitled to receive Securities on the applicable vesting date.

#### **4 Vesting Dates**

The 5 year Performance Rights are divided into three equal tranches which vest annually each 1 September between 2026 and 2028.

The 10 year Performance Rights are divided into seven equal tranches which vest annually each 1 September between 2027 and 2033.

#### **5. Issue Price**

No consideration is payable on the grant of the Performance Rights or, following vesting, on the delivery of the Securities.

#### **6. Purpose of the Issue**

Remuneration of employees.

Yours faithfully,

A handwritten signature in black ink that reads "Carl Bicego".

Carl Bicego  
**Company Secretary**

*Authorised for release to the ASX by Carl Bicego, Company Secretary and Group Head of Legal.*