



29 September 2014

The Manager
Company Notices Section
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

GOODMAN GROUP EMPLOYEE EQUITY OFFERS

In accordance with Listing Rule 3.10.3, we advise of an offer of Performance Rights under the Group's Long Term Incentive Plan (**LTIP**) and restricted securities under the Goodman Tax Exempt Plan (**GTEP**).

Offer of Performance Rights under the LTIP

1. Class of Securities

Performance Rights in respect of Goodman Group stapled securities (**Stapled Securities**) pursuant to offers to Eligible Employees (as defined in the LTIP rules) under the LTIP approved by Securityholders at the Annual General Meeting held on 16 November 2012. Each Performance Right is a right to be issued a Stapled Security without payment.

2. Number of Securities

The offer is in respect of 14,553,993 Performance Rights and their issue (subject to acceptance) is expected to occur on or around 9 October 2014.

The offer and issue to the Executive Directors (Greg Goodman, Anthony Rozic, Philip Pearce and Danny Peeters) is subject to Securityholder approval at the 2014 Annual General Meeting (**AGM**), as detailed below.

3. Principal terms of the Performance Rights Offer

The following is a summary of the principal terms of the Performance Rights Offer.

On each of three vesting dates (see below), each participant will be issued Stapled Securities equal to 1/3 of the total number of Performance Rights granted to that participant subject to the following conditions:

- The participant remaining an Employee of Goodman Group on the relevant vesting date, or having ceased as an Employee of Goodman Group before one or any of the relevant vesting dates in "Special Circumstances" (as defined in the LTIP rules) (unless the Board determines otherwise).
- Goodman Group meeting the performance hurdles set out below.

Under the LTIP, 75% of each grant will be tested against an Earnings per Security (EPS) hurdle and 25% of each grant will be tested against a relative Total Securityholder Return

Goodman Group

Goodman Limited | ABN 69 000 123 071
Goodman Funds Management Limited | ABN 48 067 796 641 | AFSL Number 223621
as responsible entity of Goodman Industrial Trust | ARSN 091213 839
Level 17, 60 Castlereagh Street, Sydney NSW 2000 | GPO Box 4703, Sydney NSW 2001 Australia
Tel +61 2 9230 7400 | Fax +61 2 9230 7444

Goodman Logistics (HK) Limited | Company No. 1700359 | ARBN 155 911 149 | a Hong Kong company with limited liability
Suite 2008, Three Pacific Place, 1 Queen's Road East, Hong Kong | Tel +852 2249 3100 | Fax +852 2525 2070

info-au@goodman.com | www.goodman.com

(TSR) hurdle. The performance hurdles in respect of each grant will be tested in respect of the period 1 July 2014 to 30 June 2017 (the **Performance Testing Period**).

EPS is defined as annual operating profit (as determined by the Board) divided by the number of Stapled Securities on issue.

In respect of the 75% portion of each Tranche tested against EPS, nil will vest unless the cumulative EPS achieved by Goodman over the 3 year testing period of 1 July 2014 to 30 June 2017 exceeds the EPS Targets established for each year by the Board. If the cumulative Target is met or exceeded, 100% of this portion will vest.

The Board determined that the Target EPS for FY14 is 36.9 cents per security. The Target EPS for FY16 and FY17 will be advised around the beginning of each of those financial years with the release of the results for the prior year.

TSR is based upon security price movements on ASX plus distributions paid in respect of those securities. Vesting of 25% of each Tranche of a participant's Performance Rights will be based upon the TSR achieved by Goodman over the three year period 1 July 2014 to 30 June 2017 as compared to the TSR achieved by companies in the S&P/ASX 100 for that same period, as determined by the Board, 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 the 51st Percentile	0%
At 51st Percentile	50%
Greater than 51 st Percentile but less than 76 th Percentile	50% plus additional 2% for every 1% increase in percentile rank
At 76th Percentile or above	100%

The three vesting dates applicable to the grant of Performance Rights are:

- 1 September 2017 for Tranche 1;
- 1 September 2018 for Tranche 2; and
- 1 September 2019 for Tranche 3.

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 Stapled Securities on the applicable vesting date.

4. Issue Price

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

5. Purpose of the Issue

Remuneration of staff.

6. Securityholder Approval

The following offers to Executive Directors are subject to Securityholder approval at the 2014 AGM:

- the offer of 995,476 Performance Rights to Greg Goodman;

- the offer of 542,987 Performance Rights to Anthony Rozic;
- the offer of 497,738 Performance Rights to Philip Pearce; and
- the offer of 497,738 Performance Rights to Danny Peeters.

The 2014 AGM is to be held on 20 November 2014.

Offer of Securities under the GTEP

1. Class of Securities

Stapled Securities offered to Eligible Employees (as defined in the GTEP rules).

2. Number of Securities

Under the GTEP, Goodman Group will award 224 employees \$1,000 worth of Stapled Securities, subject to their acceptance. The number of Stapled Securities awarded will be determined by dividing \$1,000 by the volume weighted average price at which Stapled Securities are traded on the ASX during the 5 day period ending on the business day immediately before the date the Stapled Securities are issued (expected to be on or around Wednesday 8 October 2014), rounded down to the nearest whole number of Stapled Securities.

3. Principal terms of the GTEP Offer

Participants are required not to sell the Stapled Securities they acquire under the GTEP until:

- 3 years from the date on which participants receive the Stapled Securities; or
- the date on which participants cease to be an Employee with the Goodman Group in "Special Circumstances" (as defined in the GTEP rules) (unless the Board determines otherwise).

4. Issue Price

No consideration is payable on the issue of the Stapled Securities.

5. Purpose of the Issue

Remuneration of staff.

6. Securityholder Approval

Securityholder approval for the issue of Stapled Securities under the GTEP is not required.

Yours faithfully

A handwritten signature in black ink, appearing to read "Carl Bicego".

Carl Bicego
Company Secretary