

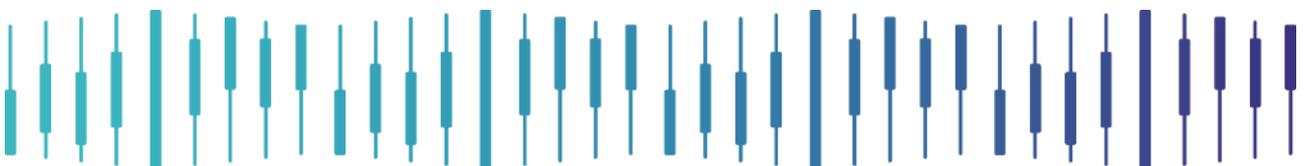
NZ RegCo

NZ'S LISTED
MARKET REGULATOR

27 May 2025

NZ RegCo Decision

Goodman Property Trust (GMT) (NS)
Application for waiver from NZX Listing Rule 5.2.1



Background

1. The information on which this decision is based is set out in Appendix One to this decision. This waiver will not apply if that information is not, or ceases to be, full and accurate in all material respects.
2. The NZX Listing Rule (**Rules**) to which this decision relates is set out in Appendix Two.
3. Capitalised terms that are not defined in this decision have the meanings given to them in the Rules.

Waiver from Listing Rule 5.2.1

Decision

4. Subject to the conditions set out in paragraph 5 below, and on the basis that the information provided by Goodman Property Trust (NS) (**GMT**) is complete and accurate in all material respects, NZ RegCo grants GMT a waiver from NZX Listing Rule (**Rule**) 5.2.1, to the extent that this Rule would otherwise require GMT to seek unitholder approval in relation to the Transaction.
5. The waiver in paragraph 4 above is provided on the conditions that:
 - a. the non-interested directors of GPSNZ certify to NZX that:
 - i) the terms of the Transaction have been entered into, and negotiated, on an arm's length commercial basis;
 - ii) GMT was not influenced to enter into the Transaction by GMG;
 - b. the non-interested directors of GPSNZ certifying to NZX that the granting of the waiver is in the best interests of:
 - i) GMT; and
 - ii) GMT's unitholders who are not precluded from voting under Rule 6.3;
 - c. the non-interested directors of GPSNZ certifying to NZX that the entry into the Transaction is in the best interests of:
 - i) GMT;
 - ii) GMT's unitholders; and
 - iii) GMT's unitholders who are not precluded from voting under Rule 6.3;
 - d. the non-interested directors of GPSNZ including in the certificate a summary of the core grounds of the certifications given under each limb of conditions 5(a), (b) and (c) described above; and
 - e. the waiver, its conditions and implications being disclosed in GMT's next annual report.
6. NZ RegCo will publish the certificate to market alongside publication of this waiver decision.

Reasons

7. In coming to the decision to provide the waiver set out in paragraph 4 above, NZ RegCo has considered that:
- a. the purpose of Rule 5.2.1 is to ensure that unitholders have an opportunity to consider, and vote on, Material Transactions where there is, or may be a perception of, the potential for undue influence by a Related Party on an Issuer's decision to enter into a transaction or agree to its terms. The granting of this waiver will not offend the policy behind Rule 5.2.1 because GMT has submitted, and NZ RegCo has no reason not to accept, that:
 - i) GMT, without any involvement from GMG (save as to introductions, which leveraged GMG's global relationships to secure further third-party capital, a matter that GMT considered beneficial as disclosed in GMT's 26 February 2024 notice of meeting in relation to its internalisation (**2024 Notice of Meeting**)), marketed the Transaction to a select third-party investor group (which excluded GMG) and presented each potential investor group the terms that GMT were willing to agree on, separately to each investor group. GMT only further discussed with potential limited partnership investors who were willing to invest on those terms (particularly as to price). Mercer was selected due to its acceptance of the key commercial terms of the proposal.
 - ii) GMT, without any involvement from GMG, prepared the term sheet for the Transaction. This term sheet was then used in negotiations between Mercer and GMT. Once agreed between GMT and Mercer, the term sheet was provided to GMG with it being a "term taking" investor (i.e. GMG has not separately negotiated key commercial terms). GMG was not able to negotiate or request changes to the key commercial terms (particularly price, fees and governance).
 - iii) In the course of determining whether to proceed with the Transaction, the independent directors held separate discussions solely without the non-independent directors present. The determination of the terms of the Transaction and the decision to proceed with the Transaction on the final agreed terms was made solely by the independent directors in meetings without the non-independent directors present. All negotiations of the terms of the Transaction with counterparties were undertaken by senior members of GMT's management team. The final Transaction terms, and entry into the transaction documents, were approved by independent directors at a meeting at which the non-independent directors were not present.
 - iv) The management of external funds by GPSNZ (which is what the Transaction involves) was identified as a key strategic benefit of the internalisation of the management of GMT at the time internalisation was voted on by Unitholders. At this time GMT signalled to the market that it would establish a fund to invest in industrial opportunities in the Auckland market, stating in the 2024 Notice of Meeting that "GPSNZ will seek to establish a new Auckland logistics property fund. With the flexibility to acquire assets on-market and directly from GMT's existing portfolio". GMT also noted in its investor presentation published 26 February 2024 alongside the 2024 Notice of Meeting that "the fund will focus on both new opportunities in the market and will have the flexibility to acquire assets from GMT". GMG publicly supported that proposal by committing to invest in an externally managed fund established by GMT.
 - v) GMT determined that the seed asset for the externally managed fund would be Highbrook Business Park given it was a mature asset, and it was GMT that determined the terms on which investment in the external fund would be offered. GMG did not participate in either of those decisions.
 - vi) GMG was also not involved in GMT's decision to accept GMG as an investor in the externally managed fund.

- b. Accordingly, the Transaction has been negotiated on arm's length terms and while GMG is a Related Party of GMT it has not influenced the terms of, or the value of, the Transaction, nor GMT's decision to enter into it.
- c. The certifications that will be provided by the non-interested Directors of GPSNZ as a condition of the waiver provide comfort that the Transaction has been negotiated, and will be entered into, on an arm's length commercial basis, the Transaction will be in the best interest of GMT and unitholders, and that GMT was not influenced to enter into the Transaction by GMG.

Confidentiality

- 8. GMT has requested this decision be kept confidential until GMT has made an announcement of the Transaction to the market.
- 9. In accordance with Rule 9.7.2(a), NZ RegCo grants GMT's request.

Appendix One

Background

1. GMT is a Listed Issuer with units quoted on the NZX Main Board. On 6 May 2019, NZX Regulation (the frontline regulator of NZX Listed Issuers prior to the establishment of NZ RegCo), granted GMT approval to List as an Issuer of Equity Securities. GMT, while a managed investment scheme, is therefore subject to Rule 5.2.1.
2. GMT intends to establish a new fund that will allow investment into the beneficial interest in the properties comprising the Highbrook Business Park (**Properties**) (the **Transaction**).
3. The fund will be structured as a limited partnership which will initially be formed as wholly-owned subsidiary of GMT (**Limited Partnership**). Goodman (Highbrook) Limited, a subsidiary of GMT, will be the sole limited partner, and GNZ Highbrook General Partner Limited, also a subsidiary of GMT, will be the General Partner.
4. GMT will then conduct an intragroup transfer of the beneficial interest in Highbrook Business Park (**Properties**) to the Limited Partnership while it is a wholly-owned subsidiary of GMT. This intragroup transfer does not require Unitholder approval and is not a major transaction under the Rules.
5. Following the restructure, interests in the Limited Partnership and proportionate shareholdings in the General Partner will be issued / transferred to Mercer Investments (Australia) Limited, on behalf of its Australian and New Zealand funds (**Mercer**) and Goodman Group (**GMG**). GMG (or a subsidiary) will contribute NZ\$200 million or approximately 15.8% initially; and Mercer will contribute NZ\$150 million or approximately 11.9% initially.
6. The new fund will therefore have three investors, with the limited partners being:
 - a. GMT (through its subsidiary) as to approximately 72.3%;
 - b. GMG (or a subsidiary), as to approximately 15.8%; and
 - c. Mercer, as to approximately 11.9%.
7. Goodman Property Services (NZ) Limited (**GPSNZ**) (in its own corporate capacity) will be contracted by the General Partner to manage the Properties on behalf of the Limited Partnership. GPSNZ, a wholly owned subsidiary of GMT, will charge management fees for this service.

Application of Rule 5.2.1

8. Rule 5.2.1 prohibits an Issuer from entering into a Material Transaction if a Related Party is, or is likely to become a direct party to the Material Transaction, or a beneficiary of a guarantee or other transaction which is a Material Transaction, unless that Material Transaction has been authorised by an Ordinary Resolution (such resolution being subject to the voting restrictions in Rule 6.3) or is conditional on such approval.
9. A Material Transaction includes a transaction, or a related series of transactions, whereby an Issuer sells or otherwise disposes of, assets having an Aggregate Net Value above 10% of the Issuer's Average Market Capitalisation.
10. GMG is a Related Party of GMT. The issue of beneficial interests in the Limited Partnership is a Material Transaction with a Related Party, as after the establishment of the Limited Partnership, the Limited Partnership will be considered part of GMT through the extended definition under limb (b) of Issuer under the Rules.
11. For the purposes of Rule 5.2.1, limb (a) of the definition of Material Transaction is triggered on the basis of the aggregate value of the investments of GMG and Mercer (being approximately NZ\$350 million) in the Limited Partnership. The investments by GMG and Mercer are a series of

related transactions, being an investment into the Limited Partnership which exceeds 10% of GMT's Average Market Capitalisation. GMT's Average Market Capitalisation as at the date of this waiver is approximately NZ\$3 billion.

Appendix Two

Rule 5.2 Transactions with Related Parties

5.2.1 An Issuer must not enter into a Material Transaction if a Related Party is, or is likely to become:

- (a) a direct party to the Material Transaction, or
- (b) a beneficiary of a guarantee or other transaction which is a Material Transaction,

unless that Material Transaction is approved by an Ordinary Resolution (such resolution being subject to the voting restrictions in Rule 6.3) or conditional on such approval.