



1 October 2009

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

Dear Sir

**GMP: GOODMAN GROUP (GMG) - PROSPECTUS AND PRODUCT DISCLOSURE STATEMENT
EXCHANGEABLE HYBRID SECURITIES AND OPTIONS**

We attach the announcement made by Goodman Group attaching a Prospectus and PDS for the issue of Exchangeable Hybrid Securities and Options.

Yours faithfully

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

Carl Bicego
Company Secretary



1 October 2009

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

Dear Sir

Prospectus and Product Disclosure Statement – Exchangeable Hybrid Securities and Options

Attached is a copy of the Prospectus and Product Disclosure Statement for the issue of exchangeable hybrid securities to CIC and Options as approved by Securityholders at the Extraordinary General Meeting on 24 September 2009.

Yours sincerely

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

Carl Bicego
Company Secretary

enc

Prospectus and Product Disclosure Statement

China Hybrid Investment Sub-Trust
the trustee of which is
Goodman Funds Management Limited (ACN 067 796 641)

and

Goodman Industrial Trust (ARSN 091 213 839)
the responsible entity of which is
Goodman Funds Management Limited (ACN 067 796 641)
(AFSL 223621)

Goodman Limited (ACN 000 123 071)

Exchangeable Hybrid Securities convertible into Stapled Securities

and

Options over Stapled Securities

Important information

Prospectus and product disclosure statement

This document is a prospectus for the purposes of Part 6D of the Corporations Act and a product disclosure statement for the purposes of Part 7.9 of the Corporations Act in relation to:

- (a) the issue of Exchangeable Hybrid Securities by Goodman Funds Management Limited (ACN 067 796 641) (***GFM***) in its capacity as trustee of the China Hybrid Investment Sub-Trust (***CHIST***) (the ***Exchangeable Hybrid Securities Issuer***).
 - (b) the issue of Options by:
 - (i) Goodman Limited (ACN 000 123 071) (the ***Company***); and
 - (ii) GFM in its capacity as responsible entity for the Goodman Industrial Trust (ARSN 091 213 839) (the ***Trust***, and together with the Company, the ***Options Issuer***).
- (together, the ***Offer***)

For convenience, this document is referred to as the ***Prospectus*** throughout.

The Exchangeable Hybrid Securities being issued under this Prospectus are perpetual, unsecured, subordinated securities exchangeable into Stapled Securities. The offer of Exchangeable Hybrid Securities under this Prospectus is only being made to CIC – no other entity will be eligible to subscribe for Exchangeable Hybrid Securities under this Prospectus.

The Options being issued under this Prospectus are options over Stapled Securities. The offer of Options under this Prospectus is only being made to CIC, Macquarie and MSSits – no other entity will be eligible to receive Options under this Prospectus.

CIC, Macquarie and MSSits are referred to in this Prospectus as ***Investors***.

This Prospectus was prepared in accordance with sections 713 and 1013FA of the Corporations Act. This Prospectus is dated 1 October 2009 and was lodged with ASIC on that date. This Prospectus expires on 30 September 2010 (***Expiry Date***). No Exchangeable Hybrid Securities or Options will be issued on the basis of this Prospectus after the Expiry Date.

ASIC takes no responsibility for the contents of this Prospectus nor for the merits of the investment to which this Prospectus relates.

This document is important and requires the immediate attention of the Investors. The Investors should read the entire document carefully before deciding whether to invest in the Exchangeable Hybrid Securities or the Options. In particular, the Investors should consider the risk factors outlined in Section 3. The potential tax effects of the Offer will depend on the particular Investor. Investors should satisfy themselves of any possible tax consequences by consulting their own professional tax adviser.

Not investment advice

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account each Investor's investment objectives, financial circumstances or particular needs. If an Investor has any questions, they should consult their financial and other professional advisers before deciding to invest. In particular, Investors should consider the risk factors (see Section 3) that could affect the financial performance of Goodman before deciding what course they should follow. Investors should consider these factors in light of their personal circumstances.

Exposure Period

The Corporations Act prohibits the issue of the Exchangeable Hybrid Securities or the Options during the seven day period after the date this Prospectus was lodged with ASIC. This period is referred to as the **Exposure Period** and ASIC may extend this period by up to a further seven days (that add up to 14 days in total). The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants before the Exchangeable Hybrid Securities or the Options may be issued.

No cooling-off rights

Cooling-off rights do not apply to an investment in the Exchangeable Hybrid Securities or Options pursuant to the Offer.

U.S. Securities Laws restrictions

This Prospectus may not be distributed to investors who are in the United States or who are, or are acting for the account or benefit of, a "US person" (**US Person**), as defined in Regulation S of the US Securities Act of 1933, as amended (**US Securities Act**).

Neither the Exchangeable Hybrid Securities, the Options nor the Stapled Securities issuable upon the exchange or exercise of such securities have been or will be registered under the U.S. Securities Act and, accordingly, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons.

Prospectus availability

A copy of this Prospectus will be made available directly to the Investors and will also be available at Goodman's website at www.goodman.com. If an Investor accesses a copy of this Prospectus from the website, it should ensure that it downloads and reads the entire Prospectus. The relevant application forms will be made available directly to the Investors.

Disclaimer

No person is authorised to give any information or make any representation in connection with the Offer described in this Prospectus, which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by Goodman in connection with the Offer.

This Prospectus contains forward looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends", and other similar words that involve risks and uncertainties. These forward looking statements are subject to various risk factors that could cause Goodman's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 3. These and other factors could cause

actual results to differ materially from those expressed in any forward looking statement made by, or on behalf of, Goodman.

Financial amounts

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Definitions and abbreviations

Defined terms and abbreviations used in this Prospectus are explained in the Glossary set out in Section 9.

Key dates

Lodgement of prospectus with ASIC and ASX	1 October 2009
Allotment of Exchangeable Hybrid Securities	16 October 2009
Grant of Options	9 October 2009

Note: The timetable above is indicative only. Goodman reserves the right to amend any or all of these dates and times subject to the Corporations Act and other applicable laws.

Key statistics – Exchangeable Hybrid Securities

Issue price	\$100,000 per Exchangeable Hybrid Security
Number of Exchangeable Hybrid Securities to be issued under the Offer	5,000
Offer proceeds	\$500 million

Key statistics – Options

Number of Options to be issued under the Offer	549,300,000
Exercise price	\$0.2464 or \$0.3464 per Option

This Prospectus contains important information in relation to the Offer. Investors for either Exchangeable Hybrid Securities or Options should read this Prospectus carefully and in its entirety, including Section 3 which contains a summary of the major risks associated with an investment in the Exchangeable Hybrid Securities or the Options.

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1. Overview of the Offer

1.1 Background

On 6 August 2009, Goodman announced a comprehensive capital management plan across the Group and managed funds, which included the following initiatives:

- (a) the extension of A\$4.1 billion of existing debt facilities across the Group and its managed funds;
- (b) A\$2.0 billion of improved covenant positions on existing fund debt facilities where no extensions were sought;
- (c) A\$1.5 billion of completed asset sales in the last 12 months;
- (d) A\$0.2 billion China joint venture with Canada Pension Plan Investment Board;
- (e) A\$1.3 billion fully underwritten 1 for 1 non renounceable entitlement offer and placement; and
- (f) A\$0.5 billion issue of Exchangeable Hybrid Securities to CIC.

(the **Capital Management Initiatives**)

This capital management plan followed Goodman's earlier announcement on 19 May 2009 that it had entered into a A\$300 million finance facility (the **Facility**) with Macquarie and MSSits which provided Goodman with sufficient liquidity to repay all 2009 debt expiries. The Facility was subsequently upsized on 16 June 2009 via the introduction of CIC. The participation of CIC in the Facility provided additional liquidity to the Group and was an important first step in forming a longer term relationship with CIC as was subsequently announced on 6 August 2009.

The Facility provided Goodman with nine months to negotiate debt extensions and covenant amendments across the Group and its managed Fund's debt facilities ahead of the equity recapitalisation of the Group that was announced on 6 August 2009.

These Capital Management Initiatives that Goodman has undertaken result in:

- (g) reduction of Group debt to a more sustainable level;
- (h) pro forma gearing reduced to 26.7%;
- (i) weighted average term to Facility expiry increased to 4.2 years and 3.2 years for the Group and managed funds respectively; and
- (j) no unfunded Group debt expiries until May 2012.

1.2 Exchangeable Hybrid Securities

- In accordance with the terms of the Subscription Agreement, the Exchangeable Hybrid Securities Issuer has agreed to issue, and CIC has agreed to subscribe for, 5,000 \$100,000 perpetual, unsecured, subordinated securities exchangeable into Stapled Securities (**Exchangeable Hybrid Securities**).

- Goodman will raise A\$500 million as a result of the issue of the Exchangeable Hybrid Securities, split into three tranches:
 - Tranche 1: A\$225 million with an initial exchange price of A\$0.43 (exchangeable into 523,255,814 Stapled Securities)
 - Tranche 2: A\$150 million with an initial exchange price of A\$0.44 (exchangeable into 340,909,090 Stapled Securities)
 - Tranche 3: A\$125 million with an initial exchange price of A\$0.45 (exchangeable into 277,777,777 Stapled Securities)
- Distributions are non-cumulative and payable at the Exchangeable Hybrid Securities Issuer's sole discretion at a rate of 10% per annum payable semi-annually in arrears on each distribution date (21 June or 21 December). There is a step-up of 1.00% from 1 January 2012 if the Exchangeable Hybrid Security has not been exchanged into Stapled Securities.
- More information about the Exchangeable Hybrid Securities is contained in Section 4.

1.3 Options

- In accordance with the terms of the Option Deeds, the Options Issuer has agreed to issue an aggregate of 549,300,000 options over Stapled Securities to CIC, Macquarie and MSSits (the **Options**).
- Following the issue of the Options and the completion of certain agreed transfers of Options between the Optionholders, the final holding of Options (including the 120,000,000 Options that were issued to Macquarie and MSSits on 19 May 2009) will be as set out below:

	Number of A\$0.30 Options (as adjusted to A\$0.2464)	Number of A\$0.40 Options (as adjusted to A\$0.3464)
Macquarie	172,762,887 ¹	125,018,041
MSSits	Nil ²	25,003,608
CIC	170,721,649	105,278,351

- Upon issue, the exercise price for the Options will be adjusted in accordance with the Listing Rules to A\$0.2464 (for the Options with an original exercise price of A\$0.30) and A\$0.3464 (for the Options with an original exercise price of A\$0.40).
- An Optionholder may only exercise any or all of its Options by giving one or more notices to Goodman on or before 22 May 2011.
- More information about the Options is contained in Section 5.

¹ Macquarie exercised 29,969,072 A\$0.30 (as adjusted to \$0.2464) Options on 25 September 2009.

² MSSits exercised 40,546,392 A\$0.30 (as adjusted to \$0.2464) Options on 16 September 2009.

1.4 Key risks

There are a number of risks associated with an investment in Goodman. Those risks are discussed in Section 3. Some of the key risks that may have an adverse impact on an investment in Exchangeable Hybrid Securities, Options or, more generally, Goodman are also highlighted below:

- The Exchangeable Hybrid Securities Issuer has a discretion to not pay distributions and may not be in a position to pay distributions in certain circumstances.
- The subordination of the Exchangeable Hybrid Securities means that in the event of a winding-up, holders will only have a right to receive payment after all secured creditors and all unsecured and unsubordinated creditors have been paid in full.
- There is no intention to apply for the quotation on the ASX of the Exchangeable Hybrid Securities or Options and there will be no active trading market for these securities.
- Breach of Goodman's debt covenants due to falling asset values, depreciation in the Australian dollar or other unforeseen circumstances.
- Inability to raise capital to fund Goodman's business plan or repay debt maturities as they fall due.
- Deterioration of Goodman's credit rating may affect its ability to obtain new debt facilities, and impact financing costs.
- Deterioration in global property markets causing decreases in property valuations or impacting forecast revenues.
- Changes in general economic conditions including the impact of fluctuations in interest, foreign exchange and inflation rates, the level of prices on local and international stock markets and change in government fiscal, monetary and regulatory policies.

More detail on these and other risks are set out in Section 3. Before applying for Exchangeable Hybrid Securities or Options, Investors should read this Prospectus in its entirety and should consult their financial and other professional advisers.

2. Goodman Group

2.1 Financial results FY09 – balance sheet

- (a) \$1.2 billion reduction in aggregate asset valuations for FY09.
- (b) Adverse FX and interest rate movements have led to a \$0.2 billion derivatives mark to market liability position.
 - (i) Majority of which relates to interest rate hedges that will be spread over the life of the instruments in the profit and loss account.
- (c) Resulted in the following key metrics at 30 June 2009 (pre Capital Management Initiatives):
 - (i) gearing of 47.9%¹; and
 - (ii) NTA of \$0.85 per Stapled Security².
- (d) Look-through portfolio weighted average cap rate of 7.9% post revaluations:
 - (i) valuations supported by contracted asset sales undertaken over the last 12 months (Group and funds);
 - (ii) \$1.5 billion of sales at a weighted average sale cap rate of 7.9%; and
 - (iii) represented a 4.2% discount to trailing book value.

30 June 2009 balance sheet (pre Capital Management Initiatives)

	30 June 2008 \$m	30 June 2009 \$m
Stabilised assets	2,953	2,820
Fund cornerstones ³	2,638	2,733
Development holdings	1,539	1,318
Intangibles	1,073	1,125
Cash	639	242
Other assets	792	345
Total assets	9,634	8,583
Interest bearing liabilities	(4,229)	(4,240)
Other liabilities	(736)	(565)
Total liabilities	(4,965)	(4,805)
Minorities	(321)	(319)
Net assets (post minorities)	4,348	3,459
Net asset value (per Stapled Security)	\$2.60	\$1.26
Net tangible assets (per Stapled Security)²	\$1.96	\$0.85
Balance sheet gearing ¹	39.9%	47.9%

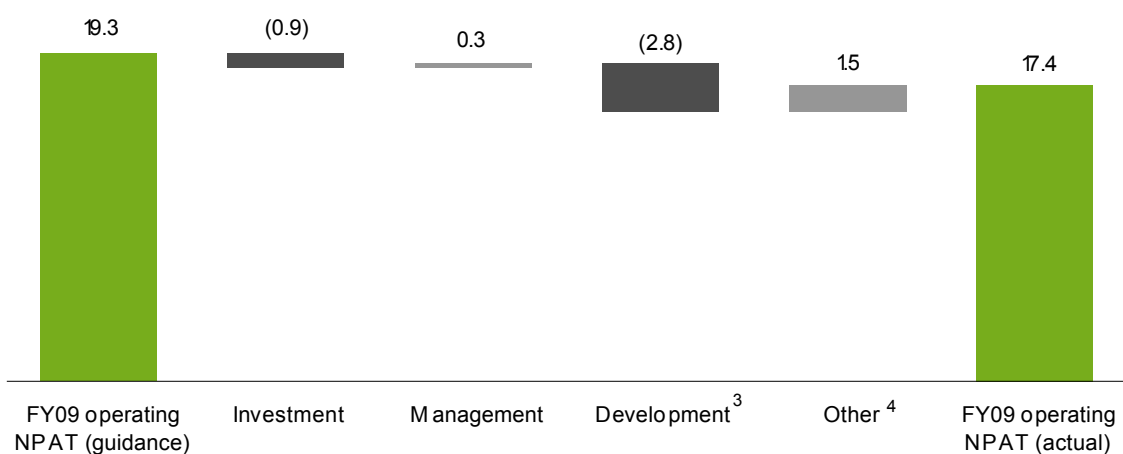
1. Calculated as net debt/total assets less cash

2. Undiluted for the Macquarie and CIC options on issue

3. Includes Goodman's investments in its managed funds (GAIF, ABPP, GELF, GHKLF, GMT, GEBPF, MGJLF and Colworth) and its other investments (IIF, J-REP, HDL and other JV's)

2.2 FY09 Results – profit and loss

- (a) Full year operating profit of \$408 million¹:
- (i) \$0.9 billion in pre-committed development projects were withdrawn as a means of capital rationalisation; and
 - (ii) withdrawal from projects generated result below previous guidance in October 2008.
- (b) Represents operating EPS of 17.4 cents and DPS of 9.65 cents.
- (c) ICR maintained above 3.0x.
- (d) Non-recurring items include \$38 million gain from Executive Share Acquisition Plan cost reversal, \$(86) million of restructuring costs, \$(26) million of other non-recurring items within funds and capital profits/losses not distributed.



30 June 2009 income statement

	FY08A \$m	FY09A \$m
Investment	449	534
Management	96	64
Development	299	90
Unallocated operating expenses	(47)	(24)
Operating EBITDA (look through)	797	664
Operating EBIT (look through)	790	655
Look through interest and tax adjustment¹	(80)	(155)
Operating EBIT	710	500
Net borrowing costs	(117)	(91)
Tax benefit/(expense)	(8)	23
Operating NPAT (pre minorities)	585	432
Minorities	(18)	(24)
Operating NPAT (post minorities)	567	408
Weighted average securities (undiluted) (million)	1,668	2,341

Operating EPS (cps)	34.0	17.4
Valuation movements	(378)	(1,395)
Derivative mark to market	11	(62)
Other non-cash items	(33)	41
Non-recurring items	84	(112)
Statutory profit/(loss)²	251	(1,120)

1. Reflects adjustment to Goodman's share of its funds interest and tax

2. Loss attributable to securityholders per the statutory accounts

3. On an after-tax basis

4. Includes unallocated operating expenses, borrowing costs, minorities and a movement in the average securities due to timing of securities issued associated with the October 2008 capital raising

2.3 Pro forma balance sheet

The impact of the Capital Management Initiatives and the exercise of the Options on Goodman's FY09 balance sheet is as follows:

	30 June 2009 \$m	Capital Management Initiatives adjustments \$m ¹	30 June 2009 (pro forma) \$m	Options conversion adjustment \$m	30 June 2009 (pro forma) \$m
Stabilised assets	2,820	(157)	2,663		2,663
Fund cornerstones ²	2,733	44	2,777		2,777
Development holdings	1,318		1,318		1,318
Intangibles	1,125		1,125		1,125
Other assets	345	(26)	319		319
Total assets (net of cash)	8,341	(139)	8,202	-	8,202
Net interest bearing liabilities	(3,998)	1,804	(2,194)	190	(2,004)
Other liabilities	(565)	10	(555)		(555)
Total liabilities (net of cash)	(4,563)	1,814	(2,749)	190	(2,559)
Minorities	(319)	(481)	(800)		(800)
Net assets (post minorities)	3,459	1,194	4,653	190	4,843
Balance sheet gearing ³	47.9%		26.7%		24.4%
Net asset value (per security)	\$1.26		\$0.78		\$0.73
Undiluted net tangible assets (per security)	\$0.85		\$0.59		\$0.56 ⁴
Diluted net tangible assets (per security)	\$0.74 ⁵		\$0.54 ⁶		\$0.54 ⁶

1. China JV adjustment on a completed transaction basis. Adjustment to other liabilities represents DTL adjustment associated with the China JV. Adjustments net of transaction costs

2. Includes Goodman's holdings in its managed funds (GAIF, ABPP, GELF, GHKLF, GMT, GEBPF, MGJLF, Colworth and China JV) and its other investments (IIF, J-REP, HDL and other JV's)

3. Calculated as net debt/total assets less cash

4. Reflects exercise of the Macquarie and CIC options on issue

5. Diluted for the Macquarie and CIC options on issue

6. Fully diluted for the CIC hybrid securities and the Macquarie and CIC options on issue

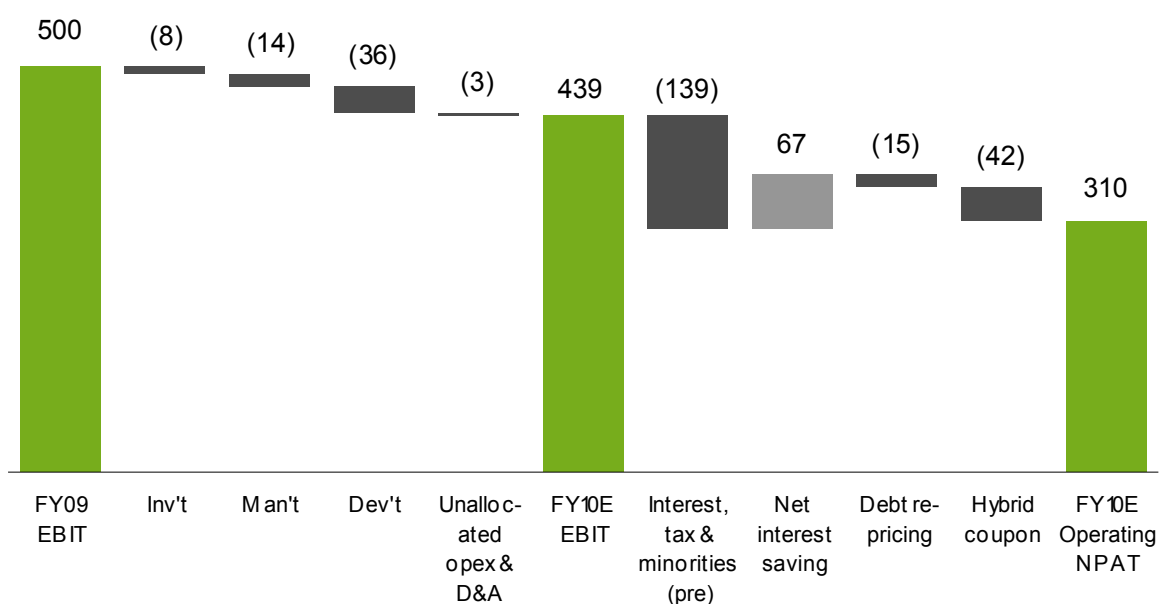
2.4 FY10 operating earnings guidance

- (a) Operating business continues to perform strongly
- (b) Key assumptions for FY10:

- (i) No material changes to operating strategy or market conditions
 - (ii) No forecast of non-cash movements
 - (iii) FY10E incorporates full period of operating cost reduction strategies
- (c) Foreign exchange rates assumed as at 30 June 2009
- (d) Impact of \$1.8 billion of equity, sale of assets to new China JV with CPPIB, debt refinancings and increased margins on all refinanced facilities reflected in forecast.

Further detail is provided in the "Strategic Initiatives and Group Outlook" presentation announced to the ASX on 6 August 2009 and available on the ASX website.

2.5 FY10 NPAT reconciliation (\$m)



\$m	FY09A	FY10E
Investment	534	518
Management	64	50
Development	90	54
Unallocated operating expenses	(24)	(25)
Operating EBITDA (look through)	664	597
Operating EBIT (look through)	655	587
Look through interest and tax adjustment¹	(155)	(148)
Operating EBIT	500	439
Net borrowing costs	(91)	(66)
Tax benefit/(expense)	23	(5)
Operating NPAT (pre minorities)²	432	368

Minorities	(24)	(58)
Operating NPAT (post minorities)	408	310
Weighted average securities (undiluted) (million)	2,341	5,402
Undiluted operating EPS (cps)	17.4	5.7
Diluted operating EPS (cps) ³	n/a	5.2
DPS (cps)	9.65	3.4
ICR	3.2x	3.2x

1. Reflects adjustment to Goodman share of fund interest and tax

2. Excludes restructuring costs relating to debt refinancing which will be expensed through the statutory income statement in FY10

3. Fully diluted for the CIC hybrid securities and the Macquarie and CIC options on issue

2.6 Effect of the Offer on Goodman

(a) Effect of the Offer on the Goodman's capital structure

Following the successful completion of the August 2009 Placement and the August 2009 Entitlement Offer, and the exercise by MSSits and Macquarie of 40,546,392 and 29,969,072, respectively, of the Options issued to them on 19 May 2009, Goodman currently has 6,046,766,653 Stapled Securities on issue.

On a fully diluted basis assuming the exchange of the Exchangeable Hybrid Securities and exercise of the Options, there will be 7,787,493,869 Stapled Securities on issue. On this fully diluted basis, the Stapled Securities:

- (i) issued upon conversion of the Exchangeable Hybrid Securities will comprise 14.7% of Goodman's Stapled Securities on issue; and
- (ii) issued upon exercise of the Options will comprise 8.1% of Goodman's Stapled Securities on issue.

(b) Effect of the Exchangeable Hybrid Securities

If the Exchangeable Hybrid Securities are exchanged into Stapled Securities, the primary effects upon the pro-forma 30 June 2009 financial position and forecast financial performance for the year ended 30 June 2010 would be:

- (i) the transfer of A\$500 million from preferred equity to ordinary equity; and
- (ii) to increase operating profit available to Securityholders by A\$50 million per annum but reduce EPS by 0.2 cents per annum.

(c) Effect of the Options

If the Options are exercised, Goodman will receive cash proceeds in an amount equal to the exercise price multiplied by the number of Options exercised. If all Options are exercised, Goodman will receive A\$190.5 million³.

³ Based on the issue of an aggregate of 669,300,000 Options, and includes the A\$9.99 million paid to Goodman on 16 September 2009 when MSSits exercised 40,546,392 A\$0.30 Options (as adjusted to A\$0.2464) and the A\$7.38 million paid to Goodman on 25 September 2009 when Macquarie exercised 29,969,072 A\$0.30 Options (as adjusted to A\$0.2464).

The primary effects upon the pro-forma 30 June 2009 financial position and forecast financial performance for the year ended 30 June 2010 would be to:

- (i) reduce gearing by 2.3% to 24.4%;
- (ii) increase cash available by A\$190.5 million; and

The combined impact of the conversion of the Options and exchange of the Exchangeable Hybrid Securities would be to increase Operating Profit available to Securityholders by \$58 million and reduce EPS by 0.50 cents.

2.7 Further information

Goodman's consolidated financial statements and results for the year ended 30 June 2009 and interim financial report for the half year ended 31 December 2008 are available on the ASX announcements platform at www.asx.com.

3. Risk factors

This Section identifies the key risk factors associated with an investment in Exchangeable Hybrid Securities or Options.

Investors should consider carefully the risks described in this Section, as well as other information in this Prospectus, and consult their financial and other professional advisers before investing in Exchangeable Hybrid Securities or Options. If any of the following risks actually occur, Goodman's business, financial condition and results of operations may suffer. In this case, an Investor may lose all or part of its investment and/ or the distributable income of Goodman may be lower than expected or zero.

3.1 Risks specific to holding Exchangeable Hybrid Securities

The following summary outlines some of the major risk factors applying to an investment in the Exchangeable Hybrid Securities.

Once the Exchangeable Hybrid Securities have been converted, the holder of the resultant Stapled Securities will be exposed to the normal risks of owning Stapled Securities, as described in Sections 3.3 – 3.5 below.

(a) Secondary market for Exchangeable Hybrid Securities

There is no intention to apply for their quotation on the ASX and no active trading market will develop for the Exchangeable Hybrid Securities after the Offer. Accordingly, holders of the Exchangeable Hybrid Securities may find it hard to transfer the Exchangeable Hybrid Securities in accordance with the restrictions on transfer set out in the terms and conditions for the Exchangeable Hybrid Securities.

(b) Non-payment of distributions

Distributions on the Exchangeable Hybrid Securities are expected to be paid, however, the Exchangeable Hybrid Securities Issuer has a discretion to not pay them.

There is a risk that distributions may not be paid if interest is not received on the loan from the Exchangeable Hybrid Securities Issuer to Goodman Treasury Pty Limited (ACN 124 692 968) (the **Loan**). Accordingly, if interest is not paid on the Loan, the Exchangeable Hybrid Securities Issuer will not be in a position to elect to pay distributions to holders of Exchangeable Hybrid Securities. The financial position of the Group may affect whether interest is received on the Loan.

The Group may incur further indebtedness without the prior consent of the holders of the Exchangeable Hybrid Securities. The level of indebtedness may affect the ability of the Group to make payments of interest Exchangeable Hybrid Securities Issuer and accordingly whether distributions are paid on the Exchangeable Hybrid Securities.

(c) Subordination and ranking

In any liquidation, winding-up or other administration of the Exchangeable Hybrid Securities Issuer or the Company, the holders of the Exchangeable Hybrid

Securities rank behind secured and unsubordinated creditors of Goodman. Accordingly, if the Exchangeable Hybrid Securities Issuer or the Company is wound up, holders of Exchangeable Hybrid Securities will only have a right to receive payment after all secured creditors and all unsecured and unsubordinated creditors have been paid in full.

Exchangeable Hybrid Securities holder approval is not required for Goodman to raise any senior debt.

(d) Redemption

The Exchangeable Hybrid Securities Issuer has the right to redeem the Exchangeable Hybrid Securities in certain circumstances. The timing or occurrence of this may not accord with the preference of the holders of Exchangeable Hybrid Securities.

(e) Future incurring of liabilities and future issuance of securities

The Group may issue additional equity securities, including further Goodman PLUS, which rank equally with the Exchangeable Hybrid Securities. The Group may also issue additional debt securities which rank in priority to Exchangeable Hybrid Securities for interest payments and repayment of principal. The Group would not require the approval of the Exchangeable Hybrid Securities holders for any of these issues.

(f) Trading price and volatility of Stapled Securities

The trading price of the Stapled Securities will directly affect the trading price of the Exchangeable Hybrid Securities on any secondary market that may develop for the Exchangeable Hybrid Securities. It is not possible to predict the movement of the trading price of the Stapled Securities, which is affected by Goodman's operating results, economic and financial prospects, credit quality and other factors.

3.2 Risks specific to holding Options

The following summary outlines some of the major risk factors applying to an investment in the Options.

Once the Options have been exercised, the holder of the resultant Stapled Securities will be exposed to the normal risks of owning Stapled Securities, as described in Sections 3.3 – 3.5 below.

(a) Secondary market for Options

There is no intention to apply for the quotation of the Options on the ASX and there will be no active trading market for the Options after the Offer. Accordingly, Optionholders may find it hard to transfer the Options in accordance with the restrictions on transfer set out in the terms for the Options.

(b) Trading price and volatility of Stapled Securities

The value of the Options will fluctuate with the value of the Stapled Securities, which are quoted on the ASX. Options need not be exercised, so a loss may be

avoided by not exercising if the market price of the Stapled Securities is below the exercise price of the relevant Options.

The trading price of the Stapled Securities will directly affect the trading price of the Exchangeable Hybrid Securities on any secondary market that may develop for the Exchangeable Hybrid Securities. It is not possible to predict the movement of the trading price of the Stapled Securities, which is affected by Goodman's operating results, economic and financial prospects, credit quality and other factors.

3.3 Risks specific to holding Stapled Securities

(a) Negative effects of market influences

The price of Stapled Securities on the ASX may rise or fall due to numerous factors which may affect the market performance of Goodman, including:

- Australian and international general economic conditions, including fluctuations in inflation rates, interest rates, recessions and currency exchange rates;
- variations in the local and global market for listed stocks;
- changes government policy, legislation or regulation; and
- general operational and business risks.

In particular, the market prices for many listed entities have in recent times been subject to wide fluctuations, which in many cases may reflect a diverse range of non-entity specific influences such as global hostilities and tensions, acts of terrorism, investor sentiment and the general state of the economy. Such market fluctuations may materially adversely affect the market price of Stapled Securities.

No assurances can be given that Goodman's market performance will not be adversely affected by any such market fluctuations or factors. None of Goodman, its Directors or any other person guarantees Goodman's performance.

(b) Extreme price and volume trading fluctuations

There may be relatively few, or many, potential buyers and sellers of Stapled Securities on the ASX at any time. This may increase the volatility of the market price of Stapled Securities. It may also affect the prevailing market price at which Securityholders are able to sell their Stapled Securities. This may result in Securityholders receiving a market price for their Stapled Securities that is less or more than the price that they paid.

(c) Taxation implications

Future changes in taxation laws, including changes in interpretation or application of those laws by the course or taxation authorities, may affect taxation treatment of an investment in Goodman's Stapled Securities, or the holdings and disposal of those securities. Tax considerations may differ between security holders, therefore, Investors are encouraged to seek professional tax advice in connection with any investment in securities.

Further, changes in tax law, or changes in the way tax law is, or is expected to be, interpreted in the various jurisdictions in which Goodman operates, may impact the future tax liabilities of Goodman. Those laws may also adversely affect the taxation treatment of entities in Goodman and that may in turn adversely affect the value of Goodman's Stapled Securities or distributions on those securities.

As Goodman consists of two entities, a trust and a company, in a stapled arrangement, any changes in the tax laws specifically affecting staples, or changes to the administration of current laws which affect stapled arrangements or the characterisation of transactions between stapled entities, could adversely affect security holders' interests.

3.4 General risks affecting Goodman

(a) General economic conditions

If the Australian economy (and/or any other economy in which Goodman has operations) experiences a prolonged downturn this may have an adverse impact upon Goodman's earnings, cash flows and asset values. Goodman's business may be adversely effected via increased vacancy rates, lower rents and tenant defaults, higher lease incentives, lower development margins, lower funds management and performance fees, lower inflows into managed funds or other adverse consequences. Other economic factors which may impact upon Goodman's business include unemployment, inflation, monetary policy, regulatory change, consumer spending, business investment, taxation and the state of capital markets in general.

(b) Regulatory issues and changes in law

Goodman may be materially affected by changes in laws or government legislation, regulation or policy. Future earnings, asset values and the market value of Stapled Securities quoted on the ASX may be adversely affected by these changes.

(c) Interest rates

Adverse fluctuations in interest rates, to the extent that they are not hedged or forecast, may impact Goodman's earnings. Goodman's asset values may also be affected by any impact that rising interest rates may have on property markets in which Goodman operates.

(d) Exchange rates

Goodman has international operations and assets held outside Australia. Goodman's financial performance will be affected by fluctuations in exchange rates.

(e) Inflation rate

Higher than expected inflation rates generally may increase operating costs. In particular, higher inflation could result in higher development costs and may potentially reduce the value of properties.

(f) Unemployment rate

Current volatile economic conditions increase the likelihood of unemployment levels rising over the coming months. Rising unemployment levels could lead to increased vacancy rates and lead to lower asset values.

(g) Environmental matters

Unforeseen environmental issues may affect any of Goodman's properties or property interests. These liabilities may be imposed irrespective of whether or not Goodman is responsible for the circumstances to which they relate. Goodman may also be required to remediate sites affected by environmental liabilities. The cost of remediation of sites could be substantial. In addition, if Goodman is not able to remediate a site properly, this may adversely affect its ability to sell the relevant property or to use it as collateral for borrowings. Material expenditure may also be required to comply with new or more stringent environmental laws or regulations introduced in the future.

(h) Changes in accounting policy

Goodman is subject to the usual business risk that there may be changes in accounting policies which may have an adverse impact upon Goodman.

(i) Insurance

Goodman and its managed funds maintain insurance coverage in respect of their properties and business. Some risks are not able to be insured at acceptable prices. Insurance coverage may not be sufficient and if there is an event causing loss it may be that not all losses will be recoverable. There is also the risk that insurers may not be able to meet indemnity obligations if and when they fall due, which would result in a loss to Goodman. Additionally, insurance may be materially affected due to the global financial crisis such that insurance becomes more expensive, or in some cases, becomes unavailable.

(j) Competition

Goodman faces competition in the markets in which it operates. Goodman also operates with the threat of new competition entering the market. Competition may lead to an oversupply through overdevelopment, or to prices for existing properties or services being inflated via competing bids by prospective purchasers.

(k) Other external factors

Other external factors which may impact upon Goodman's financial performance include changes or disruptions to political, regulatory, legal or economic conditions or to the national international financial markets including as a results of terrorist attacks or war or insurrection.

3.5 Specific risks affecting Goodman

(a) Market price:

The ASX price of Stapled Securities will fluctuate due to various factors including general movements in interest rates, the Australian and international investment markets, international economic conditions, global geo-political events and

hostilities, investor perceptions and other factors that may affect Goodman's financial performance and position. More particularly, the continuing adverse consequences of the current economic and financial crisis may further depress the market price of Stapled Securities and assets.

(b) Credit ratings

The price of Stapled Securities and Goodman's ability to access debt at a reasonable cost may be affected by a ratings downgrade.

(c) Funding

The real estate investment and development industry tends to be highly capital intensive. The ability of Goodman to raise funds on favourable terms for future refinancing, development and acquisitions depends on a number of factors including general economic, political, capital and credit market conditions. The inability of Goodman to raise funds on favourable terms for future acquisitions, developments and refinancing could adversely affect its ability to acquire or develop new properties or refinance its debt. In addition, the Group has exposure to capital market risks for those assets which are stock market listed securities. The Group's operating results will be affected by changes to international stock markets, general economic conditions, the compilation of indices and government policies and regulatory policies applicable to those countries in which the Group holds stock market listed securities.

(d) Refinancing

Goodman is exposed to risks relating to the refinancing of existing debt instruments and facilities. Goodman has a number of debt facilities maturing over the coming years. If the current illiquidity in global credit markets continues, it is possible that the Group may experience some difficulty in refinancing some or all of these debt maturities, and the terms on which they are refinanced may also be less favourable than at present. Difficulty in refinancing may necessitate asset sales, which may be transacted at levels below their book values.

(e) Debt covenants

Goodman has various covenants in relation to its debt facilities, including interest cover and gearing ratio requirements. Factors such as falls in asset values, depreciation in the Australian dollar and the inability to achieve timely asset sales at prices acceptable to Goodman could lead to a breach in debt covenants. In such an event, Goodman's lenders may require their loans to be repaid immediately.

(f) Leverage

The use of leverage may enhance returns and increase the number of assets that can be acquired, but it may also substantially increase the risk of loss. Use of leverage may adversely affect Goodman when economic factors such as rising interest rates and/or margins, severe economic downturns, availability of credit or further deterioration in the condition of debt and equity markets occur. If an investment is unable to generate sufficient cash flow to meet the principal and

interest payments on its indebtedness, the value of Goodman's equity component could be significantly reduced or even eliminated.

(g) Property market risks

An investment in Goodman is largely an investment in real estate and therefore may be adversely affected by changes to the underlying property, including: tenancy default or failure or delays in letting up premises and falls in rental and occupancy levels; capital expenditure requirements and increasing costs of plant equipment and labour and development and refurbishment risk; unforeseen structural deterioration or failure; unforeseen litigation with tenants; claims under legislation relating to indigenous occupants of land; native title claims; claims under environmental legislation; and changes in legislation and regulations, both in Australia and countries outside Australia, particularly in relation to planning. The Group is also subject to the prevailing property market conditions in the countries and sectors in which it operates. Adverse changes in market sentiment or market conditions may impact the Group's ability to acquire, manage or develop assets, as well as the value of the Group's properties. These impacts could lead to a reduction in earnings or the value of assets.

(h) Realisation of assets

Property assets are by their nature illiquid investments. This may make it difficult to alter the balance of income sources in the Group in the short-term in response to changes in economic or other conditions.

(i) Investments in funds

Goodman holds interests in a number of funds. The net asset value of Goodman's cornerstone investments in the funds may decrease if the value of the property assets in those funds were to decline. Goodman also derives income from providing property and funds management services to these entities. The various funds' bank loans have gearing and other financial covenants which require ongoing compliance and capital management. In the event that covenants were breached this would be likely to impact the value of the Group's investment and distributions received from these investments and fees received as their manager. The borrowings of these entities are non-recourse to Goodman.

(j) Fixed nature of costs

Many costs associated with property assets are fixed in nature. The value of assets may be adversely affected if the income from the asset declines while these fixed costs remain unchanged.

(k) Acquisitions and development

From time to time the Group will be involved in the acquisition of properties to add to its property portfolio. While it is Goodman's policy to conduct a thorough due diligence process in relation to any such acquisition, risks remain that are inherent in such acquisitions. The Group is also involved in the development of industrial properties. Development risks include changes in construction costs and development timetables.

(l) Change in value and income of properties

Returns from investment in properties largely depend on the rental income generated from the property and the expenses incurred in its operation, including the management and maintenance of the property as well as the changes in the market value of the property. Rental income and/or the market value of properties may be adversely affected by a number of factors, including: (a) the overall conditions in the national and local economy; (b) local real estate conditions; (c) the perception of prospective customers regarding attractiveness and convenience of properties and the intensity of competition with other participants in the real estate industry; (d) the convenience and quality of properties; (e) operating, maintenance and refurbishment expenses, as well as unforeseen capital expenditure; (f) supply of developable land, new properties and other investment properties; (g) investor demand/liquidity in investments; and (h) the capitalisation rates considered appropriate by independent valuers, which may change in response to market conditions.

Any fluctuation in the value of the properties as a result of changes in the property market will affect Goodman's gross asset value, its level of gearing, its net tangible asset backing per stapled security and its loan-to-value ratio position versus covenants within the managed funds. In addition, the change in value will be recorded in the profit and loss statement as an unrealised gain or loss, and while it does not impact on Goodman's underlying earnings or distributions, it does impact on Goodman's net profit after tax. In general, valuations represent only the analysis and opinion of qualified experts at a certain date – they are not guarantees of present or future values. The valuation of a property may be materially higher than the amount that can be obtained from the sale of a property in certain circumstances, such as under a distress or liquidation sale.

Goodman considers the valuation of stabilised properties on a six monthly cycle. The value of all owned assets was last considered at 30 June 2009. Managed funds have differing cycles and certain external revaluations may have been provided up to nine months ago. However, the value of all assets held by managed funds was considered by Goodman at 30 June 2009. Under Goodman's calculation of distributable income available for distribution, the effect of unrealised gains and losses from property revaluations is excluded.

(m) Employees

The Group is reliant on retaining and attracting quality senior executives and other employees. The loss of the services of any of the Group's senior management or key personnel, or the inability to attract new qualified personnel, could adversely affect the Group's operations.

(n) Customers

Insolvency or financial distress of Goodman's customers may reduce the income received from its assets.

(o) Litigation and disputes

Legal and other disputes (including industrial disputes) may arise from time to time in the ordinary course of operations. Any such dispute may impact on earnings or affect the value of the Group's assets.

(p) Financial forecasts

The risk that any of the assumptions used in preparing the financial forecasts pertaining to this Prospectus may not be achieved, such that the forecast distributions cannot be achieved.

(q) Reliance on third party equity and funds

As a fund manager, earnings (both current and future) of Goodman include fees from the establishment and management of wholesale and other unlisted funds. The ability of Goodman to continue to derive such income is dependent on the ability of Goodman to continue to source and maintain equity from new and existing institutional investors and high net worth individuals for current and future funds.

4. Terms of the Exchangeable Hybrid Securities

4.1 Terms and conditions of the Exchangeable Hybrid Securities

A summary of the key terms of the Exchangeable Hybrid Securities is set out below. The full terms and conditions can be found in Annexure A to this Prospectus.

SUMMARY TERMS AND CONDITIONS	
Issuer	Goodman Funds Management Limited (ACN 067 796 641) in its capacity as trustee of the China Hybrid Investment sub-trust, a special purpose sub-trust of Goodman Industrial Trust
Holder	A wholly-owned subsidiary of CIC
Description of securities	Perpetual, unsecured, subordinated securities exchangeable into ordinary stapled securities of Goodman
Issue size and initial Exchange Price	<p>A\$500 million split into three tranches:</p> <ul style="list-style-type: none"> - Tranche 1: A\$225 million at A\$0.43 (exchangeable into 523,255,814 Stapled Securities)⁴ - Tranche 2: A\$150 million at A\$0.44 (exchangeable into 340,909,090 Stapled Securities) - Tranche 3: A\$125 million at A\$0.45 (exchangeable into 277,777,777 Stapled Securities) <p>Exchange Price subject to anti-dilution adjustments for future events</p>
Transferability	The Exchangeable Hybrid Securities are not transferable until each Exchange Date after which time the applicable Exchangeable Hybrid Securities will be fully transferable. Exchange Dates are as set out under "Holder exchange rights" below
Ranking	The Exchangeable Hybrid Securities shall at all times rank pari passu and without any preference or priority among themselves and among Goodman PLUS, and subordinate to all other debts of the Exchangeable Hybrid Securities Issuer, but ranking in priority to all Stapled Securities and all ordinary units in the sub-trust, both for distributions and on a winding up
Voting rights	Usual voting rights for preference securities
Allotment date	16 October 2009
Distributions	<p>10% per annum payable semi-annually in arrears on each distribution date (21 June or 21 December)</p> <p>Distributions are non-cumulative and payable at the sole discretion of the Exchangeable Hybrid Securities Issuer</p> <p>Step-up of 1.00% from 1 January 2012 if the Exchangeable Hybrid Securities is not exchanged into Stapled Securities</p> <p>Distributions cannot be paid in cash in the event of a breach of the Triggers</p>
Alternative Coupon Satisfaction Mechanism (ACSM)	<p>If Distributions are paid in Stapled Securities, the Stapled Securities will be issued at a 2.5% discount to the 15 day VWAP</p> <p>If the Exchangeable Hybrid Securities Issuer is unable to pay the Distribution in Stapled Securities at the time for a legal or regulatory reason, the coupon, which is not cumulative, will be paid as soon as reasonably practicable</p>

⁴ On a fully diluted basis assuming the exchange of the Exchangeable Hybrid Securities and exercise of the Options, there would be 7,787,493,869 Stapled Securities on issue.

SUMMARY TERMS AND CONDITIONS	
Triggers	<p>The Exchangeable Hybrid Securities Issuer must comply with the following financial covenants in order to be able to pay a cash Distribution:</p> <ul style="list-style-type: none"> i. Interest cover $\geq 2.5x$ (EBITDA to Interest Expense) ii. Gearing $\leq 55\%$ (Net Liabilities to Net Tangible Assets) <p>Trigger calculation definitions are to be consistent with the calculation definitions applied under Goodman's Common Terms Deed Poll</p> <p>Triggers will not be calculated until post the 30 June 2010 balance date</p>
Holder exchange rights	<p>No exchange before the relevant Exchange Date:</p> <ul style="list-style-type: none"> - Tranche 1: 31 October 2009 - Tranche 2: 30 June 2010 - Tranche 3: 31 December 2010 <p>Earlier exchange is permitted in limited circumstances including where a change of control occurs before 31 December 2010. A change of control includes the making of an offer for Stapled Securities which becomes unconditional and gives a person relevant interests in 20% or more of the Stapled Securities.</p> <p>After each period, CIC may exchange the Exchangeable Hybrid Security tranche available for exchange (in full or in two tranches, with the minimum conversion tranche being A\$60 million) into Stapled Securities at the Exchange Price at any time</p>
Exchangeable Hybrid Securities Issuer redemption right	<p>Redeemable by the Exchangeable Hybrid Securities Issuer at its election if the closing price of Stapled Securities for 20 out of 30 consecutive trading days is in excess of 125% of the exchange price from:</p> <ul style="list-style-type: none"> - Tranche 1: 31 December 2010 (where the trading price is above A\$0.5375) - Tranche 2: 31 December 2011 (where the trading price is above A\$0.55) - Tranche 3: 30 June 2012 (where the trading price is above A\$0.5625)
Distribution stopper	<p>No dividends or distributions may be made or paid to holders of Stapled Securities or Goodman PLUS (subject to payments which cannot be lawfully deferred or waived) if not all the Exchangeable Hybrid Securities coupons are paid in cash or ACSM</p>
Anti-dilution	<p>Exchange Price to be adjusted to reflect the dilutionary impact of future events including (but not limited to) a reorganisation of Goodman's capital, extraordinary distributions, pro rata issues or bonus issues</p> <p>No adjustment to the Exchange Price is to be made for Distributions (other than extraordinary distributions), Stapled Securities issued pursuant to an employee share scheme or the broader equity raising announced by Goodman in August 2009</p>
Governing law	New South Wales, Australia
Listing	<p>None</p> <p>Stapled Securities of Goodman issued on exchange to be listed on ASX</p>

4.2 Subscription Agreement

GFM and CIC are parties to a Subscription Agreement dated 6 August 2009 under which CIC agrees to subscribe, and GFM agrees to procure the CHIST to issue, the Exchangeable Hybrid Securities.

4.3 Deed of Undertaking

GFM and the Company have entered into a Deed of Undertaking under which they have undertaken to do or to refrain from doing certain acts which the Exchangeable Hybrid

Securities Issuer is required to procure that they to do or refrain from doing under the Terms and Conditions of the Exchangeable Hybrid Securities (as set out in Annexure A).

4.4 Voting Deed Poll

CIC has entered into a deed poll in favour of the unitholders of the Trust under which it undertakes to abstain from voting on all resolutions in relation to the Trust upon which it has the right to vote by virtue of holding the Exchangeable Hybrid Securities except for a resolution:

- (a) during a period during which a dividend of distribution in respect of the Exchangeable Hybrid Securities is in arrears;
- (b) on a proposal to reduce the capital of the Trust;
- (c) on a resolution to approve the terms of a buy-back agreement;
- (d) on a proposal that affects rights attached to Exchangeable Hybrid Securities;
- (e) on a proposal to wind up the Trust;
- (f) on a proposal for the disposal of the whole of the Trust's property, business and undertaking; and
- (g) during the winding up of the Trust.

5. Terms of the Options

5.1 Background to the Options

As set out in Section 1.1, Goodman announced to the ASX on 19 May 2009 that it had entered into a A\$300 million finance Facility with Macquarie and MSSits which provided Goodman with sufficient liquidity to repay all 2009 debt expiries.

The key terms of the Facility are as follows:

- (a) 9 month term expiring on 18 February 2010, extendable for a further 15 months; and
- (b) secured Facility with covenants comparable to those applying to Goodman's other bank facilities.

On 16 June 2009, Goodman announced to the ASX that it was forming a partnership with CIC under which CIC would commit to the Facility on the same terms as the existing lenders. To facilitate CIC's participation, Macquarie and MSSits agreed to sell down A\$15 million of their exposure which, combined with CIC's commitment of A\$200 million, increased the final amount available under the Facility to A\$485 million.

In conjunction with the Facility, Goodman agreed to grant Options over 669,300,000 Stapled Securities to Macquarie, MSSits and CIC (the **Optionholders**), the lenders under this Facility.

Goodman intended that the proceeds from the exercise of the Options by an Optionholder would be used for the repayment of debt or for working capital.

The Options were to be issued in two tranches. The first tranche was issued within Goodman's equity security placement capacity to Macquarie and MSSits on 19 May 2009 as follows:

- (c) 51,000,000 Options were granted to Macquarie at an exercise price of A\$0.30 (as adjusted to A\$0.2464 following the completion of the August 2009 Entitlement Offer); and
- (d) 69,000,000 Options were granted to MSSits at an exercise price of A\$0.30 (as adjusted to A\$0.2464 following the completion of the August 2009 Entitlement Offer).

Although these Options were issued before the date of this Prospectus, ASIC has provided relief to Goodman to allow any Stapled Securities issued upon the exercise of these Options to be treated as if they were issued under this Prospectus.

The issue of the second tranche of Options was conditional upon Securityholder approval which was obtained on 24 September 2009. The need for Securityholder approval was because following the November 2008 Placement and the issue of the first tranche of Options, Goodman's equity security placement capacity under Listing Rule 7.1 was fully utilised.

The second tranche of Options has two components:

- (e) 294,000,000 Options at an exercise price of A\$0.30; and
(f) 255,300,000 Options at an exercise price of A\$0.40,

Under the Option Deeds, there is a pro rata allocation of the Options amongst the optionholders according to their commitments under the Facility. Following the issue of all the Options described above and the completion of certain agreed transfers between the Optionholders, the final holding of Options will be as set out below:

	Number of A\$0.30 Options (as adjusted to \$0.2464)	Number of A\$0.40 Options (as adjusted to \$0.3464)
Macquarie	172,762,887 ⁵	125,018,041
MSSits	Nil ⁶	25,003,608
CIC	170,721,649	105,278,351

The exercise price of the Options was determined having regard to the market price of Stapled Securities at the time the Facility was entered into. A number of alternative capital management initiatives were considered at the time Goodman entered into the Facility (which included the issuance of the Options). It was decided that the best course of action was to enter into the Facility to refinance maturing debt obligations and provide time for the Group to put in place a more cost effective and comprehensive capital management solution. This comprehensive capital management plan was announced on 6 August 2009.

5.2 Terms of the Options

- (a) Exercise price

The original exercise price for the Options was:

- (i) A\$0.30 for 414,000,000 of the Options (which includes the 120,000,000 Options that have already been issued); and
(ii) A\$0.40 for 255,300,000 of the Options.

However, following the successful completion of the August 2009 Entitlement Offer, the exercise price for the Options is to be adjusted in accordance with the Listing Rule 6.22 to A\$0.2464 (for the Options with an original exercise price of A\$0.30) and A\$0.3464 (for the Options with an original exercise price of A\$0.40).

Further adjustments to this exercise price may occur in certain circumstances (for example, if Goodman undertakes a further pro-rata entitlement offer or undertakes a bonus issue).

- (b) Exercise of the Options

An Optionholder may only exercise any or all of its Options by giving one or more notices to Goodman on or before 22 May 2011. Upon exercise of an Option, an Optionholder may direct Goodman to issue the Stapled Securities to a nominee or itself.

⁵ Macquarie exercised 29,969,072 A\$0.30 (as adjusted to \$0.2464) Options on 25 September 2009.

⁶ MSSits exercised its 40,546,392 A\$0.30 (as adjusted to \$0.2464) Options on 16 September 2009.

(c) Restrictions on transfer of the Options

Macquarie may transfer its Options to CIC, MSSits or any sub-participant under the Facility, or to any other person with the consent of Goodman.

MSSits and CIC may transfer their Options to any person.

Before MSSits or Macquarie propose to sell or transfer their Options, or any Stapled Securities issued on the exercise of their Options, they must first offer to sell or transfer the Options or Stapled Securities to CIC.

(d) Rights of Stapled Securities issued upon exercise

Upon completion of the exercise of an Option by an Optionholder, the relevant Stapled Securities will be fully paid, equal ranking with existing issued Stapled Securities and will be immediately and freely tradeable.

The Options do not confer on an Optionholder the right to participate in new issues of Stapled Securities by Goodman.

(e) FIRB approval of issue of Options to CIC

The issue of Options to CIC is conditional upon CIC obtaining the necessary FIRB approval. CIC has advised Goodman that it has obtained FIRB approval for the grant of Options to CIC.

6. Rights attaching to Stapled Securities

6.1 How does Stapling work?

Goodman was created by the merger of the Trust and the Company. This was achieved by Stapling Units to Shares so they trade as a single Stapled Security. The Trust and the Company will continue to exist as separate legal entities and Units and Shares will remain as separate legal assets. Holders of Stapled Securities will hold both Units and Shares.

However, the Stapling of Units and Shares means, among other things, that Units and Shares now trade as one Stapled Security on the ASX and are not able to be traded or dealt with separately. For example:

- (a) a transfer of Units can only occur if it is accompanied by a transfer of the same number of Shares (and vice versa); and
- (b) any issue or repurchase by GFM of Units can only occur if matched by a corresponding issue or repurchase of the same number of Shares by the Company (and vice versa).

Other features of the Stapling of Units and Shares are:

- (c) the Trust and the Company operate essentially as a co-ordinated economic group;
- (d) the Trust and the Company have identical investors with an identical proportionate interest in each entity;
- (e) the Trust's constitution and the Company's constitution (together with the Stapling Deed) ensure that the affairs of each entity are operated in a co-ordinated manner. For example, general meetings of the Trust and the Company will be held concurrently or consecutively; and
- (f) Securityholders will receive combined reports on Goodman and are entitled to receive one distribution and dividend cheque when a distribution or dividend is paid.

6.2 Rights and obligations of Securityholders

The rights and obligations attached to the Securities are governed by:

- (a) the Company's constitution;
- (b) the Trust's constitution;
- (c) the Corporations Act; and
- (d) the Listing Rules.

The Company's constitution will apply to the Share component of the Stapled Security and the Trust's constitution will apply to the Unit component of the Stapled Security. An overview of the Company's constitution and the Trust's constitution are set out in Sections 6.3 and 6.4 respectively below.

6.3 Summary of the Company's constitution

The Company's constitution contains the internal rules of the Company. It deals with matters such as the rights, duties and powers of shareholders and the Directors of the Company. The Corporations Act, exemptions and declarations given by ASIC and the Listing Rules (subject to waivers) are also relevant to the rights and obligations of Securityholders.

A complete copy of the Company's constitution is available on request. The main provisions of the Company's constitution are summarised below.

(a) Share capital

The Directors of the Company may issue or dispose of Shares, or grant options over unissued Shares, to any person on any terms and conditions.

(b) Stapling

Each Share is Stapled to one Unit to form one Stapled Security. Unless and until de-Stapling occurs, the Directors of the Company must not by act or omission cause a Share to cease being part of the Stapled Security.

Subject to the Corporations Act, the Listing Rules and approval by a special resolution of the holders of Shares and the holders of Units (and, where appropriate, by holders of any other securities which are Stapled to the Units and the Shares), the Directors of the Company may determine that Stapling ceases to apply.

(c) Transfer of Shares

Shares may be transferred as provided by the operating rules of a prescribed CS facility (as defined in the Corporations Act) if applicable or by any other method of transfer which is required or permitted by the Corporations Act and the ASX.

The Directors of the Company will only register a transfer of a Share if the relevant securities to which that Share is stapled are also to be transferred simultaneously.

(d) General meetings of the Company

Notice of a general meeting of the Company must be given in accordance with the Corporations Act. The Directors of the Company must convene a meeting when required by the Corporations Act and may convene a meeting whenever they think fit.

While Stapling applies, they may convene a combined meeting of the holders of Shares and the holders of Units and determine the rules of conduct for such meetings.

(e) Voting

Subject to any rights or restrictions of any Shares or class of shares, each shareholder is entitled to receive notice of, attend and vote at a general meeting of the Company. On a show of hands, each shareholder present in person and each other person present as a proxy, attorney or a representative of a shareholder has one vote. On a poll, each shareholder present in person and each other person

present as a proxy, attorney or a representative of a shareholder has one vote for each fully paid Share.

(f) Dividends

The Directors of the Company may determine, subject to the Corporations Act, that a dividend is payable, fix the amount and the time for payment, and authorise the payment or crediting by the Company to, or at the direction of, each member entitled to that dividend. Interest is not payable on a dividend.

(g) Application of Listing Rules

While the Company is admitted to the official list of the ASX, the Listing Rules prevail to the extent that there is an inconsistency between the provisions of the Company's constitution and the Listing Rules.

(h) Powers and duties of Directors

The Directors of the Company will be entitled, to the extent permitted by law, while Stapling applies, to have regard to the interests of holders of Units and may act in the best interests of Goodman as a whole, rather than only in the interests of the Company.

6.4 Summary of the Trust's constitution

The main rules governing the rights and obligations of holders of Units are set out in the Trust's constitution. The Corporations Act, exemptions and declarations by ASIC, the Listing Rules and the general law of trusts are also relevant to the rights and obligations of unitholders. In particular, meetings of unitholders (including applicable voting rights), amendments to the Trust's constitution and removal of the responsible entity are primarily regulated by the Corporations Act.

A complete copy of the Trust's constitution is available on request. The following information summarises the main provisions of the Trust's constitution which govern the rights and obligations of unitholders and the powers of GFM (as the responsible entity and trustee for the Trust).

(a) Units

The beneficial interest in the Trust is divided into Units and no Unit confers an interest in a particular asset of the Trust. The Trust's constitution allows the issue of partly paid Units and options over Units.

(b) Stapling

Subject to the Trust's constitution, the Corporations Act and the Listing Rules, the Stapling of the Units to Shares (and other securities) is permitted, with the intention that they be traded as a single Stapled Security. Stapling of the Units and the Shares has occurred, as described in Section 6.1.

Following approval by a special resolution of unitholders (and the members of the Company or any other entity whose securities are stapled to the Units and the Shares), GFM may determine a date on which the Stapling provisions of the Trust's constitution will cease to apply. Stapling also ceases to apply if the Company (or

any other entity whose securities are Stapled to the Units or the Shares) are terminated or wound up, or if Stapling becomes unlawful or prohibited by the Listing Rules. GFM may subsequently determine that the Stapling provisions should recommence.

(c) Limited liability of unitholders

No unitholder will be personally liable for an obligation of, or liability incurred by, GFM (subject to the Trust's constitution and the law). However, GFM may deduct from any amount payable to a unitholder (or received from a unitholder) any amount of tax (or an estimate of it) which GFM believes it should deduct.

(d) Transfer of Units

Transfers of Units may be effected in any manner permitted by the CHES System. GFM may only refuse to register a transfer of Units where permitted to do so by law, the Listing Rules or the ASTC Settlement Rules.

Whilst Stapling applies, GFM must not register any transfer of Units unless it is a single transfer of Securities.

(e) Withdrawals

A unitholder's right to make a withdrawal request is suspended while the Units are officially quoted on the ASX. However, while Units are officially quoted on the ASX, GFM may, subject to the Corporations Act and the Listing Rules, purchase Stapled Securities on the ASX and may cause those Stapled Securities to be cancelled.

(f) Meetings of the Trust

A unitholder's right to requisition, attend and vote at a the Trust meeting is primarily governed by the Corporations Act. On a show of hands, each unitholder has one vote. On a poll, each unitholder has one vote for each dollar of the value of the total interests they have in the Trust.

(g) GFM's duties

GFM may have regard to the interests of unitholders and holders of Shares as a whole.

(h) Power to issue Units

The Trust's constitution allows for the issue of both Units and options over Units at issue prices determined in accordance with the Trust's constitution.

(i) Income and distribution

Unitholders on the register at the end of each financial year are presently entitled to the Trust's distributable income for the year, in proportion to their unitholding. GFM must pay distributions to unitholders within 90 days of the last day of each distribution period. GFM may determine the distribution periods (currently the distribution periods are the quarters ending on 31 March, 30 June, 30 September and 31 December).

(j) GFM's remuneration

GFM's entitlement to receive fees will be suspended while Stapling applies.

(k) GFM's indemnity and reimbursement for costs

GFM is entitled to be reimbursed from the Trust for all expenses reasonably and properly incurred in connection with the Trust or in performing its obligations under the Trust's constitution. Although GFM will not be entitled to fees while Stapling applies, GFM will be entitled to recover from the Trust fees charged to it by the Company and its related bodies corporate for providing services to the Trust. These will include funds management services, property services and development management services under arm's length contracts benchmarked to market from time to time.

GFM has a full right of indemnity from the assets of the Trust unless in respect of a relevant matter it has acted negligently, fraudulently or in breach of trust.

(l) GFM's limitation of liability

Subject to the Corporations Act, GFM is not liable for any loss or damage to any person (including any unitholder) arising out of any matter unless, in respect of that matter, it acted both:

- (i) otherwise than in accordance with the Trust's constitution; and
- (ii) without a belief held in good faith that it was acting in accordance with the Trust's constitution.

In any case, to the extent permitted by law, GFM's liability in relation to the Trust is limited to the assets from which GFM is entitled to be, and is in fact, indemnified.

Subject to the Corporations Act, GFM is not liable for any loss or damage where it relied in good faith on the services of, or information or advice from, or purporting to be from, any person appointed by it.

GFM is entitled to be indemnified by the holder of a Unit or option to the extent it incurs any liability for tax as a result of the holder's action or inaction.

(m) Retirement and removal of GFM

GFM as responsible entity for the Trust may retire or can be replaced in accordance with the Corporations Act.

(n) Power to amend the Trust's constitution

Subject to the Corporations Act, GFM may amend the Trust's constitution by deed.

7. Fees and costs

Government regulations require the Issuers to include the following standard consumer advisory warning as set out below. The information in the consumer advisory warning is standardised across all product disclosure statements and is not specific to information on fees and charges in the CHIST or the Trust.

7.1 Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial advisor.

TO FIND OUT MORE

If you would like out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investment Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

7.2 Fees and other costs for Exchangeable Hybrid Securities and Options

This Section shows fees and other costs that you may be charged in connection with both the Exchangeable Hybrid Securities and the Options.

Table 1 shows fees and other costs that you may be charged in respect of any holding you have in either:

- (a) units in the CHIST as a result of holding Exchangeable Hybrid Securities; or
- (b) underlying Units in the Trust as a result of holding Options.

These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the CHIST or the Trust (as the case may be) as a whole.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Table 1: Fees and costs

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund		
Establishment fee	Nil	Not applicable
<i>The fee to open your investment</i>		
Contribution fee	Nil	Not applicable
<i>The fee on each amount contributed to your investment</i>		
Withdrawal fee	Nil	Not applicable
<i>The fee on each amount you take out of your investment</i>		
Termination fee	Nil	Not applicable
<i>The fee to close your investment</i>		
Management costs		
The fees and costs for managing your investment	Nil	Not applicable
Offer costs	Nil	Not applicable
Service fees		
Investment switching fee		
The fee for changing investment options	Nil	Not applicable

7.3 Example of annual fees and costs

Table 2 gives an example of how the fees and costs in relation to the CHIST or the Trust (as the case may be) can affect your investment over a one year period. You should use these tables to compare this product with other managed investment products.

Table 2: First year after the issue of Exchangeable Hybrid Securities or Options

Type of fee costs		Balance of \$50,000 during year
Contribution fees	Nil	Not applicable
PLUS		And for every \$50,000 you have in the fund, you will be charged the following

		amounts in the first year:
Management fees	Nil	Not applicable
EQUALS		
Cost of fund	Nil	If you had an investment of \$50,000 at the beginning of the year you would be charged fees of \$0

7.4 Additional explanation of fees and costs – Exchangeable Hybrid Securities

Under the CHIST constitution, GFM in its capacity as trustee of the CHIST is not entitled to any fees.

GFM in its capacity as trustee of the CHIST is entitled to be paid or reimbursed out of the CHIST for all expenses reasonably and properly incurred by it in connection with the CHIST. GFM in its capacity as responsible entity of the Trust has agreed to indemnify GFM in its capacity as trustee of the CHIST for all such expenses.

7.5 Additional explanation of fees and costs – Options

GFM is not entitled to charge a management fee for acting as responsible entity for GIT while stapling applies. Refer to Section 6.4(k) for a description of remuneration payable to GFM under the Trust constitution.

8. Additional information

8.1 Nature of the Prospectus

This Prospectus is both a product disclosure statement and a prospectus. This means that:

- (a) to the extent the Exchangeable Hybrid Securities constitute interests in the Trust, it is a product disclosure statement and to the extent that Exchangeable Hybrid Securities constitute unsecured debt obligations of the Trust and options over shares in the Company, it is a prospectus.
- (b) to the extent the Options constitute interests in the Trust, it is a product disclosure statement and to the extent that Options constitute unsecured debt obligations of the Trust and options over shares in the Company, it is a prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information that is widely available in relation to Goodman. Investors and their advisers should therefore also have regard to that publicly available information in relation to Goodman before making a decision whether or not to accept the Offer under this Prospectus.

8.2 Continuous disclosure

Each of the Company and the Trust is a “disclosing entity” under the Corporations Act and subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. The obligations require the Company and GFM as responsible entity of the Trust to notify the ASX of information about specified matters and events as they occur for the purpose of making that information available to the market. In particular, the Company and GFM as responsible entity of the Trust each have an obligation (subject to limited exceptions) to notify the ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Stapled Securities.

The Company and the Trust are also required to prepare and lodge with ASIC half-yearly and yearly financial statements accompanied by a Directors' statement and report and an audit report. Copies of documents lodged with ASIC in relation to the Company and the Trust can be obtained from, or inspected at, an ASIC office.

Copies of the documents filed with the ASX may be obtained from the ASX's website at www.asx.com.au.

Information relating to the Stapled Securities and any offer under this Prospectus that is not materially adverse from the point of view of an investor may change from time to time. This information may be updated and made available on Goodman's website at www.goodman.com. A paper copy of any updated information is available free on request by contacting Goodman's Company Secretary on (02) 9230 7400.

8.3 Inspection of documents

The Issuers will provide, or cause to be provided, a copy of each of the following documents free of charge to any person who requests a copy:

- the constitutions of the Trust and the Company;
- the Stapling Deed;
- the annual financial report lodged with ASIC on 28 August 2009 for the year ended 30 June 2009, being the annual financial reports most recently lodged before the date of this Prospectus;
- the interim financial report for the half year ended 31 December 2008 lodged with ASIC on 25 February 2009;
- the offer materials released to the ASX in connection with the August 2009 Entitlement Offer and the August 2009 Placement, including the "Strategic Initiatives and Group Outlook" presentation dated 6 August 2009; and
- any continuous disclosure notice given after the lodgement of the annual report and before the date of this Prospectus.

Copies of the above documents may be obtained by contacting Goodman's Company Secretary on (02) 9230 7400.

Copies of documents lodged with ASIC by the Issuers may also be obtained from, or inspected at, an office of ASIC.

8.4 Stapling

ASX reserves the right (but without limiting its absolute discretion) to remove the Company and the Trust from the Official List if the Company's shares or the Trust units cease to be Stapled together, or if the Company issues shares which are not Stapled to equivalent units of the Trust.

8.5 Rights and liabilities attaching to the Exchangeable Hybrid Securities, Options or Stapled Securities

The rights and liabilities attaching to Exchangeable Hybrid Securities are summarised in Section 4, and set out in full in Annexure A.

The rights and liabilities attaching to the Options are set out in the Option Deeds and are summarised in Section 5.

The rights and liabilities attaching to Stapled Securities are set out in:

- the constitution of the Trust;
- the constitution of the Company; and
- the Stapling Deed,

and are summarised in Section 6.

8.6 Directors' and other interests

As at the date of this Prospectus, the Directors have the following interests in Stapled Securities:

Name	Number of Stapled Securities
Ian Ferrier	215,346
Greg Goodman	75,549,345
Patrick Goodman	75,549,345
Diane Grady	208,200
John Harkness	234,920
James Hodgkinson	1,254,302
Anne Keating	304,866
Jim Sloman	198,206

Mr Greg Goodman has an interest in 9,700,000 options over Stapled Securities that were issued to him under Goodman's Executive Option Plan. Other than Mr Greg Goodman (and Mr Patrick Goodman indirectly in respect of the options held by Mr Greg Goodman), no Director has an interest in any options.

As at the date of this Prospectus, no Director has an interest in any Exchangeable Hybrid Securities.

Except as set out in this Section 8.6 or elsewhere in this Prospectus:

- (a) no Director, proposed Director or promoter of Goodman holds or has held in the two years before the date of this Prospectus, any interest in:
- the formation or promotion of Goodman;
 - property acquired or proposed to be acquired by Goodman in connection with its formation or promotion or the Offer; or
 - the Offer; and
- (b) no amount has been paid or agreed to be paid and no value or any benefit has been given or agreed to be given to
- any Director, or proposed Director, to induce him or her to become, or to qualify as, a Director of Goodman; or
 - any Director, proposed Director or promoter of Goodman for services that he or she has provided in connection with the formation or promotion of Goodman or the Offer.

8.7 ASX confirmations

Goodman has obtained confirmations from ASX under Listing Rules 6.1 and 6.12 in relation to the issue of the Exchangeable Hybrid Securities.

8.8 ASIC modifications

Goodman has received the ASIC relief:

- (a) a modification to sections 708A and 1012DA to allow any Stapled Securities issued upon the exercise of the 120,000,000 Options issued to Macquarie and MSSits on 19 May 2009 to be deemed as if they were issued with disclosure under this Prospectus; and
- (b) a modification of section 1013FA to allow Goodman to take advantage of the Corporations Act exemption from including certain information in this Prospectus on the basis that the underlying securities for the Exchangeable Hybrid Securities and the Options are continuously quoted.

8.9 Labour standards and social, ethical and environmental considerations

The Exchangeable Hybrid Securities Issuer and the Options Issuer will not, in the context of making decisions in relation to the Offer, take account of labour standards or environmental, social or ethical considerations in investing or realising the proceeds of the Offer.

8.10 Complaints

If an Investor has a complaint, then in the first instance they should refer the matter to Goodman in writing to the Investor Relations Manager, Goodman Funds Management Limited, Level 10, 60 Castlereagh Street, Sydney NSW 2000.

If that complaint is not resolved within 45 days, Investors may have the right to complain to the Financial Industry Complaints Service Limited at PO Box 579, Collins Street West, Melbourne VIC 8007, or telephone: 1300 780 808 or fax (03) 9621 2291.

GFM is a member of Financial Industry Complaints Service Limited.

ASIC also has a toll free InfoLine on 1300 300 630 which Investors may use to complain and obtain information about their rights.

8.11 Privacy

In the course of making an application for either Exchangeable Hybrid Securities or Options under this Prospectus, Investors may have been required to provide information to the relevant Issuer that is personal information for the purposes of the *Privacy Act 1988* (Cth).

- (a) The relevant Issuer will collect personal information in order to process the Investor's application, and if the application is accepted, to administer the investment and to provide that Investor with services related to the investment.

If an Investor has included information about any other person in their application (for example, if Investor is a company and details are provided of an office holder), the Investor warrants that it has informed the person about this privacy statement.

- (b) In order to do these things, the relevant Issuer may disclose an Investor's personal information on a confidential basis to that Issuer's agents, contractors or third party service providers to whom that Issuer outsources services (such as mailing functions, fraud monitoring systems, registry and accounting (**Service Providers**)), to that Issuer's or Goodman's related entities, professional advisers, or to a proposed purchaser of the whole or any substantial part of that Issuer's business.

Disclosures of personal information may be made to organisations overseas, which may not be subject to equivalent privacy obligations as apply to the relevant Issuer.

- (c) The Issuers, Goodman, and any of their related entities may also disclose the relevant Investor's personal information to a regulatory agency as required or authorised by law.
- (d) The relevant Issuer may also use an Investor's personal information to tell it about other products and services offered by the relevant Issuer or Goodman and its related entities and in order to do that the relevant Issuer may disclose an Investor's personal information to Goodman and its related entities, or to their service providers.
- (e) The relevant Issuer may also disclose an Investor's personal information to its financial adviser.

Investors should contact Goodman's Company Secretary on (02) 9230 7400 if they do not consent to the relevant Issuer using or disclosing their personal information in the ways described in paragraph (d) and (e), or if they wish to not receive any further direct marketing communications.

In most cases Investors can gain access to the personal information that the relevant Issuer holds about them. The relevant Issuer may charge a fee for providing access, based on the cost of providing the information.

The Issuers aim to ensure that the personal information retained about Investors is accurate, complete and up-to-date. To assist the relevant Issuer with this, Investors should contact the relevant Issuer if any of the details they have provided change. If an Investor has concerns about the completeness or accuracy of the information that the relevant Issuer retains, the relevant Issuer will take steps to correct it.

Investors can gain access to their personal information by contacting the Goodman human resources department (02) 9230 7400, Monday to Friday (9.00am to 5.00pm, Sydney time).

The full privacy policy is available at www.goodman.com.

8.12 Anti-Money Laundering and Counter-Terrorism Financing Act 2006

The Issuers and the Group are bound by laws about the prevention of money laundering and the financing of terrorism, including the Anti-Money Laundering and Counter-Terrorism

Financing Act 2006 (**AML/CTF laws**). By applying for either Exchangeable Hybrid Securities, each Investor agrees that:

- (a) it is not applying for Exchangeable Hybrid Securities or Options under an assumed name;
- (b) any money used by the Investor to invest in Exchangeable Hybrid Securities or Options is not derived from or related to any criminal and or terrorist activities;
- (c) any proceeds of the Investor's investment will not be used in relation to any criminal activities;
- (d) if asked, the Investor will provide the Issuer with additional information the relevant Issuer reasonably requires for the purposes of AML/CTF laws, including information about:
 - (i) the Investor;
 - (ii) any beneficial interest in Exchangeable Hybrid Securities or Options; or
 - (iii) the source of funds used to invest in Exchangeable Hybrid Securities or Options;
- (e) the relevant Issuer may obtain information about the Investor, or any beneficial owner of the Exchangeable Hybrid Securities or Options, from third parties if that Issuer believes this is necessary to comply with AML/CTF laws;
- (f) the relevant Issuer may use or disclose information for the purposes of the AML/CTF laws, including without limitation as needed to satisfy any of its obligations under those laws, including customer identification, transaction monitoring, or ongoing and enhanced due diligence; and
- (g) in order to comply with AML/CTF laws, the relevant Issuer may be required to take action, including:
 - (i) delaying or refusing the processing of any application for Exchangeable Hybrid Securities or Options; or
 - (ii) disclosing information that the relevant Issuer holds about the Investor or any beneficial owner of Exchangeable Hybrid Securities or Options to its related bodies corporate or service providers, or relevant regulators of AML/CTF laws (whether in or outside of Australia).

8.13 Directors' consent and authorisation

Each Director of Goodman and GFM has given and has not withdrawn their consent to the issue of this Prospectus, and to its lodgement with ASIC.

9. Glossary

ASIC means Australian Securities and Investments Commission.

ASTC Settlement Rules means the ASTC Settlement Rules and any other rules of ASTC which apply while the Units are securities which are approved by CHESSE, each as amended from time to time.

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

August 2009 Placement means the issue of 416,947,757 Stapled Securities to certain institutional investors at A\$0.40 per Stapled Security completed on 26 August 2009.

August 2009 Entitlement Offer means the one for one non-renounceable pro-rata entitlement offer announced to ASX on 6 August 2009.

Board means the boards of the Directors.

Capital Management Initiatives means the capital management initiatives announced by Goodman to the ASX on 6 August 2009 as described more fully in Section 1.1.

CHESSE means the Clearing House Electronic Subregister System.

CHIST means the China Hybrid Investment Sub-Trust.

CIC means China Investment Corporation, a corporation registered in Beijing, including its wholly owned subsidiary Leader Investment Corporation, a corporation registered in Beijing.

Company means Goodman Limited (ABN 69 000 123 071).

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of Goodman.

DPS means distribution per Stapled Security.

EPS means earnings per Stapled Security.

Exchangeable Hybrid Securities means perpetual, unsecured, subordinated securities exchangeable into ordinary Stapled Securities.

Exchangeable Hybrid Securities Issuer means GFM in its capacity as trustee of the CHIST.

Expiry Date means 30 September 2010.

Facility means the A\$300 million finance facility between Goodman, Macquarie, MSSits and CIC dated 19 May 2009 (as amended 16 July 2009)

FIRB means the Foreign Investment Review Board.

GFM means Goodman Funds Management Limited (ABN 48 067 796 641).

Goodman or **Group** means the Company and the Trust (and where the context requires, GFM as responsible entity for the Trust) and, where the context requires, their controlled entities.

ICR means Interest Cover Ratio.

Investor means:

- (a) in respect of the Exchangeable Hybrid Securities, CIC; and

(b) in respect of Options, CIC, Macquarie and MSSits.

Listing Rules means the listing rules of ASX.

Loan has the meaning set out in Section 3.1(b).

Macquarie means Macquarie Bank Limited (ABN 46 008 583 542).

MSSits means Macquarie Special Situations Master Fund Limited (company reference number 41016), a company incorporated in Bermuda.

November 2008 Placement means the issue of 255,000,000 Stapled Securities to certain institutional investors at A\$0.90 per Stapled Security completed on 11 November 2008.

NTA means net tangible assets.

Offer means the offer of Exchangeable Hybrid Securities or Options described in this Prospectus.

Official List means the official list of entities that ASX has admitted and not removed.

Option means an option to subscribe for one Stapled Security.

Optionholder means Macquarie, MSSits or CIC.

Option Deeds means the Option Deeds dated 18 May 2009 (as amended on 15 June 2009) and 15 June 2009 between the Company, GFM, Macquarie, MSSits and CIC in respect of the grant of Options.

Options Issuer means the Company and GFM in its capacity as responsible entity of the Trust.

Securityholder means a registered holder of Stapled Securities.

Share means a fully paid ordinary share in the Company.

Stapled or Stapling means, in the case of two or more securities, being on the Official List together so that one such security may not be dealt with without the other or others being dealt with in an identical manner and at the same time and with such restriction on dealing being denoted on the register of each such stapled security.

Stapled Security means a Share in the Company stapled to a Unit in the Trust.

Subscription Agreement means the Subscription Agreement between CIC and the Exchangeable Hybrid Securities Issuer dated 6 August 2009.

Trust means Goodman Industrial Trust (ARSN 091 213 839).

Unit means a fully paid unit in the Trust.

Annexure A

Terms and conditions of the Exchangeable Hybrid Securities

Conditions

These terms and conditions (these **Conditions**) are the terms and conditions of issue of A\$500 million in aggregate principal amount of exchangeable preferred units (the **Securities**) by Goodman Funds Management Limited (ACN 067 796 641). The issuer is the trustee of the Sub-Trust (the **Issuer**), a special purpose sub-trust of the Trust. The Securities are issued on, and subject to, these Conditions and the Sub-Trust Constitution of which these Conditions form part and have a preference over ordinary units on issue in the Sub-Trust. The Goodman Entities (as defined below) have entered into a deed of undertaking (the **Deed of Undertaking**) in favour of the Security Holders dated on or about 6 August 2009.

Any Stapled Securities (as defined below) issued on conversion of any Securities will be subject to, and the Security Holders to whom such Stapled Securities are issued are deemed to have notice of, the Constitutions (as defined below). The Securities will be issued on the Issue Date.

Definitions

In these Conditions, the following definitions apply unless the context requires otherwise:

A\$ means the lawful currency for the time being of the Commonwealth of Australia.

Accounting Event means a determination is made by the Directors of the Goodman Entities, following receipt by them of an opinion from the auditors of the Goodman Group, that any change in Accounting Standards has had or will have in the current financial half-year, the effect that the Securities would be treated in the Goodman Group's consolidated financial statements other than as equity.

Accounting Standards means:

- (a) the accounting standards as defined in the Corporations Act;
- (b) the requirements of the Corporations Act for the preparation and content of accounts; and
- (c) generally accepted accounting principles and practices consistently applied in Australia, including any domestically accepted international accounting standards, except principles and practices that are inconsistent with those referred to in paragraph (a) or (b) of this definition.

Administrative Action means a judicial decision, official administrative pronouncement, published ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) of any Australian taxing or other Australian authority made, taken or changed after the Issue Date which affects taxation.

ASX means ASX Limited (ACN 008 624 691) or, as the context requires, the market operated by it, provided that where the Stapled Securities have been listed on another stock exchange in accordance with Condition 5.9(c), references to "ASX" will be construed as references to such other stock exchange or, as the context requires, the operator or listing authority in respect of such stock exchange.

August 2009 Offer means the equity raising announced by the Goodman Group on or about 6 August 2009, comprising a placement and an accelerated non-renounceable pro-rata entitlement offer conducted in two stages, the first stage being a placement and an offer of Stapled Securities to eligible institutional security holders and the second stage being an offer of Stapled Securities to eligible retail security holders, where the issue price for the Stapled Securities is A\$0.40 per Stapled Security.

Authorised Denomination has the meaning given in Condition 1.1(a).

Business Day refers to a day other than a Saturday or a Sunday on which banks are open for business in Sydney, New South Wales, Australia.

Certificate has the meaning given in Condition 1.1(b).

Change of Control means if:

- (a) an offer is made to all (or nearly as may be practicable all) Stapled Security Holders (or all (or nearly as may be practicable all) Stapled Security Holders other than the offeror and/or any associate (as defined in section 11 of the Corporations Act) of the offeror) to acquire all of the Stapled Securities and:
 - (i) the offer is, or becomes or is declared, unconditional in all respects; and
 - (ii) as a result of such offer, the offeror and/or such associate(s) have a relevant interest in more than 20% of the Stapled Securities on issue (excluding any Stapled Securities held or controlled by a Security Holder and in respect of which that Security Holder accepts or procures the acceptance of such offer pursuant to any commitment or undertaking given by it to the Company in connection with its becoming a Security Holder); or
- (b) a competent court approves a scheme of arrangement which, when implemented, would result in a person having a relevant interest in all of the Stapled Securities on issue.

Change of Control Notice has the meaning given in Condition 5.9(g).

CHESS has the meaning given in Condition 5.8(a).

Closed Period has the meaning given in Condition 3.5.

Common Terms Deed Poll means the deed poll of that name dated 23 May 2007 as amended on 30 April 2008 and from time to time and given by each entity named in schedule 1 of that document and each entity named in schedule 2 of that document in favour of National Australia Bank Limited.

Company means Goodman Limited (ACN 000 123 071).

Constitutions means each of the Trust Constitution and the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Current Market Price has the meaning given in Condition 6.1(j).

Distribution means a distribution in respect of the Securities payable at the discretion of the Issuer in accordance with Conditions 4.1 and 4.2.

Distribution Amount means, in respect of each Distribution Period, per Security, an amount calculated according to the following formula:

$$\text{Distribution Amount} = \frac{\text{Distribution Rate} \times \text{Authorised Denomination} \times \text{N}}{365}$$

where **N** means the number of days in the Distribution Period.

Distributable Income has the meaning given to it in the Sub-Trust Constitution.

Distribution Payment Date means each 21 June and 21 December commencing from the Issue Date until the date on which all Securities have been redeemed or exchanged, with the first Distribution Payment Date being 21 December 2009.

Distribution Period means the period beginning on (and including) a Distribution Payment Date (or in the case of the first Distribution Period, beginning on, and including the Issue Date) and ending on (but excluding) the next succeeding Distribution Payment Date.

Distribution Rate means:

- (a) 10% per annum for the period beginning on (and including) the Issue Date and ending on (but excluding) 1 January 2012; and
- (b) 11% per annum for the period beginning on (and including) 1 January 2012 and ending on (but excluding) the date on which Distributions cease to accrue in accordance with Condition 4.2(a).

Distribution Record Date has the meaning given in Condition 8.1(b).

Dividend has the meaning given in Condition 6.1(c).

Equity Obligation means, as the context requires, any distribution, any dividend or the redemption, reduction, cancellation, buy-back or acquisition for any consideration of any Goodman PLUS or any class of unit in the Trust any share or any class of share in the Company or any security of any nature, whether debt or equity, issued by the Goodman Entities or the Goodman PLUS RE where payment in respect of which security is lawfully able to be deferred or waived and which in a liquidation of the Trust, the Company or the Goodman PLUS Trust ranks after the Guarantee.

Event of Default has the meaning given in Condition 10.

Exchange Date has the meaning given in Condition 5.6(b).

Exchange Notice has the meaning given in Condition 5.6(a).

Exchange Period has the meaning given in Condition 5.1(c).

Exchange Price has the meaning given in Condition 5.4(a).

Exchange Process has the meaning given in Condition 5.2.

Exchange Right has the meaning given in Condition 5.1(a).

Extraordinary Dividend means any Dividend other than a cash Dividend or Scrip Dividend paid out of Realised Operating Profit as permitted by these Conditions. For the avoidance of doubt, where a Dividend is paid partly out of Realised Operating Profit as permitted by these Conditions, only the portion of such Dividend not paid out of Realised Operating Profit is an Extraordinary Dividend.

Fair Market Value means, with respect to any property on any date, the fair market value of that property as determined in good faith by an Independent Financial Institution, provided that subject to paragraph (i) of the definition of Dividend in Condition 6.1(c), the Fair Market Value of a cash Dividend paid or to be paid shall be the amount of such cash Dividend determined as at the date of announcement of such Dividend.

FIRB means the Foreign Investment Review Board of the Commonwealth of Australia.

Goodman Entities means the responsible entity of the Trust and the Company.

Goodman Group means the Trust and the Company and each of their controlled entities.

Goodman PLUS means the Goodman Perpetual Listed Unsecured Securities issued by Goodman Funds Management Limited (ACN 067 796 641), in its capacity as responsible entity of the Goodman PLUS Trust (ARSN 128 290 808).

Goodman PLUS RE means Goodman Funds Management Limited (ACN 067 796 641), in its capacity as responsible entity of the Goodman PLUS Trust (ARSN 128 290 808).

Government Agency means any government or any governmental, semi-governmental or judicial entity or authority. It also includes any self-regulatory organisation established under statute or any stock exchange.

Guarantee means the subordinated guarantee and indemnity provided by each of the Goodman Entities (on a joint and several basis) to Security Holders under clause 3 of the Deed of Undertaking.

Guaranteed Moneys means all debts and monetary liabilities of the Issuer to the Security Holders under the Conditions and the Subscription Agreement, and in any capacity irrespective of whether the debts or liabilities:

- (a) are present and future;
- (b) are actual, prospective, contingent or otherwise;
- (c) are at any time ascertained or unascertained;
- (d) are owed or incurred to or for the account of a Security Holder alone, or severally or jointly with any other person;
- (e) are owed or incurred as principal, interest, fees, charges, Taxes, duties or other imposts, damages (whether for breach of contract or tort or incurred on any other ground), losses, costs or expenses, or on any other account; or
- (f) comprise any combination of the above.

Independent Financial Institution means a reputable independent investment bank of international repute acting as an expert appointed by the Issuer and approved by the Security Holders by way of an Ordinary Resolution (such approval not to be unreasonably withheld or delayed) or, where provided in these Conditions, appointed by way of an Ordinary Resolution of Security Holders, at the cost of the Issuer for the purposes, and at the times, set out in these Conditions.

Issue Date means the date on which the Securities are issued.

Issuer Redemption Date has the meaning given in Condition 7.4(a).

Issuer Redemption Notice has the meaning given in Condition 7.4(a).

Issuer Tax Event means:

- (a) where:
- (i) the Issuer is taxed as a company in accordance with Division 6C of the Income Tax Assessment Act 1936 of the Commonwealth of Australia (or any successor provision), other than as a result of any action taken by the Issuer without exercising reasonable care to avoid such a consequence but, to avoid doubt, including as a result of any change in, or amendment to, the laws or regulations of Australia or any political subdivision or any authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date (such result having been confirmed to the Issuer in an opinion from a reputable legal counsel or other tax advisor, experienced in such matters and of national standing in Australia); and
 - (ii) as a consequence of being so taxed as a company, payments of Distributions by the Issuer under Condition 4.2 are not allowed as a deduction in calculating the taxable income of the Issuer; or
- (b) as a result (such result having been confirmed to the Issuer in an opinion from a reputable legal counsel or other tax advisor, experienced in such matters and of national standing in Australia) of:
- (i) any amendments to, clarification of, or change (including any announced prospective change) occurring after the Issue Date in the laws or treaties (or any applicable regulations) of Australia or any political subdivision or taxing authority in Australia affecting taxation;
 - (ii) any Administrative Action; or
 - (iii) any amendment to, clarification of, or change in, the pronouncement that provides for a position with respect to an Administrative Action that differs from the generally accepted position before the Issue Date and affects taxation, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known,
- there is at least a substantial risk that:
- (iv) the Issuer or the Goodman Entities would be exposed to a material increase in their costs in relation to the Securities or the delivery of Stapled Securities to the Security Holders; or
 - (v) the payment of Distributions under Condition 4.2 would be subject to deduction of withholding tax at a higher rate than 10%; or
- (c) as a result (such result having been confirmed to the Issuer in an opinion from a reputable legal counsel or other tax advisor, experienced in such matters and of national standing in Australia) of:

- (i) any amendments to, clarification of, or change (including any announced prospective change) occurring after the Issue Date in the laws or treaties (or any applicable regulations) of Australia or any political subdivision or taxing authority in Australia affecting taxation;
- (ii) any Administrative Action; or
- (iii) any amendment to, clarification of, or change in, the pronouncement that provides for a position with respect to an Administrative Action that differs from the generally accepted position before the Issue Date and affects taxation, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known,

there is at least a substantial risk:

- (iv) the payment of Distributions under Condition 4.2 would not be considered to be a distribution of the Distributable Income of the Issuer; or
- (v) a tax deduction is not allowed for interest paid under the On-Lending Agreement.

Listing Rules means the listing rules of the ASX.

Majority Security Holders means, if there is only one Security Holder, that Security Holder or, if there is more than one Security Holder, one or more Security Holders representing in aggregate at least 50% by value of the principal amount outstanding of the Securities.

Net Income has the meaning given by section 95 of the Income Tax Assessment Act 1936 of the Commonwealth of Australia (or any successor provision).

Net Tangible Assets has the meaning given in the Common Terms Deed Poll from time to time.

On-Lending Agreement means the loan made by the Issuer to Goodman Treasury Pty Limited (ABN 24 124 692 968) in its capacity as trustee of Goodman Finance Australia Trust (ARSN 091 213 839).

Optional Distribution Payment means, at any time, so much of the Distributions in respect of the period of 12 months immediately preceding (but not including) the payment date of the Optional Distribution Payment which have not been paid on the date on which the Optional Distribution Payment is to be paid.

Optional Redemption Date has the meaning given in Condition 7.2.

Optional Redemption Notice has the meaning given in Condition 7.2.

Ordinary Resolution means a resolution which is affirmed, at a meeting of Security Holders convened and conducted in accordance with the Sub-Trust Constitution, by more than 50% of the total number of votes cast at that meeting by all persons present and entitled to vote, or a resolution passed as an Ordinary Resolution of Security Holders in accordance with the Sub-Trust Constitution without holding a meeting.

Ordinary Unit has the same meaning as in the Sub-Trust Constitution.

Realised Operating Profit means the realised net operating profit of the Goodman Group, including any income which has arisen from any transaction or other event of a type that is a part of the ordinary activities of the Goodman Group and includes an amount in respect of the Trust that is

not less than the net accounting income of the Trust (as defined in the Trust Constitution) accruing during a period or the net income of the Trust (as defined in the Trust Constitution) for a year (if net income exceeds net accounting income) derived or accrued during any half-year or full-year commencing after the Issue Date as determined by the Board of Directors of the Issuer.

Register has the meaning given in Condition 1.2(a).

Resolution Date means the date resolved by the Goodman PLUS RE or the Goodman Entities as the date that it or they will satisfy, make or pay or cause any other person to satisfy, make or pay on behalf of one of them (as applicable) any Equity Obligation.

Scrip Dividend has the meaning given in Condition 6.1(b).

Securities means the exchangeable preferred units comprising the aggregate principal amount of A\$500 million issued under the Sub-Trust Constitution and for the time being outstanding or, as the context may require, a specific number or principal amount of them, and **Security** means each of them.

Security Holder or **holder** means a person whose name is entered on the Register as the holder of the Securities from time to time.

Senior Creditors means any secured or unsecured creditor of either of the Goodman Entities other than a creditor whose claim is expressed to rank equally with or subordinate to the claims of Security Holders under the Guarantee.

Senior Obligations has the meaning given in Condition 2.1(a)(i).

Share means a fully paid ordinary share in the Company.

Special Resolution means a resolution which is passed, at a meeting of Security Holders, by more than 75% of the total number of votes cast at that meeting by all persons present and entitled to vote in accordance with the Sub-Trust Constitution.

Stapling Deed means the stapling deed between the Goodman Entities, as amended from time to time.

Stapled Security means a stapled security, traded on the ASX as one single quoted security, of the Trust and the Company and which is constituted by one Share and one Unit.

Stapled Security Holder means a registered holder of Stapled Securities from time to time.

Subsidiary includes, in relation to a person:

- (a) any company or business entity of which that person owns (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or business entity; and
- (b) any company or business entity which at any time has its accounts consolidated with those of that person or which, under the Accounting Standards, should have its accounts consolidated with those of that person.

Sub-Trust means the sub-trust to be incorporated for the purpose of issuing the Securities, being a special purpose sub-trust of the Trust.

Sub-Trust Constitution means the constitution of the Sub-Trust, of which this Schedule 2 forms a part, as amended from time to time.

Tax includes any tax, levy, impost, deduction, charge, rate, duty or withholding which is levied or imposed by a Government Agency, and any related interest, penalty, charge, fee or other amount.

Tax Redemption Date has the meaning given in Condition 7.3(a).

Tax Redemption Notice has the meaning given in Condition 7.3(a).

Trading Day means a day when the ASX is open for trading, provided that if no closing price is reported in respect of the Stapled Securities on the ASX for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.

Tranche 1 means 45% of the Securities issued on the Issue Date.

Tranche 2 means 30% of the Securities issued on the Issue Date.

Tranche 3 means 25% of the Securities issued on the Issue Date.

Trust means Goodman Industrial Trust (ARSN 091 213 839).

Trust Constitution means the constitution of the Trust, as amended from time to time.

Unit means a fully paid ordinary unit in the Trust.

Voting Deed Poll means the deed poll entitled 'voting deed poll' entered into by the Security Holder on or about the Issue Date, in the form attached at schedule 1.

VWAP means, in respect of a Stapled Security, the daily volume-weighted average sale price (rounded to the nearest cent) of Stapled Securities sold on the ASX published or derived from the ASX, provided that on any Trading Day where such price is not available or cannot otherwise be determined as provided above, the VWAP in respect of such Trading Day shall be the VWAP, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined.

Winding-Up Event means in respect of an entity means any of the following events occurring with respect to the entity:

- (a) the entity resolves in general meeting, or by special resolution in lieu of a general meeting, to be wound up or to appoint a liquidator;
- (b) an administrator, liquidator or provisional liquidator is appointed to the entity;
- (c) a court makes an order to wind up, or for the appointment of a liquidator to the entity (other than to effect a solvent reconstruction or amalgamation);
- (d) a receiver, receiver and manager, administrative receiver, statutory manager or similar officer is appointed to all or substantially all of the assets and undertaking of the entity; or
- (e) in the case of any entity which is a trust, the trust terminates or the trustee of the trust resolves to terminate the trust or a court makes an order to wind up the trust (other than to effect a solvent reconstruction) or the trustee becomes obliged to distribute the assets of the trust to members of the trust.

If there is any inconsistency between the provisions of these Conditions and any other document issued in relation to the offer of Securities, then, to the maximum extent permitted by law, the provisions of these Conditions will prevail.

1. Form, Denomination and Title

1.1 Securities

- (a) The principal amount of the Securities is A\$500 million. The Securities are in registered form, serially numbered, in principal amounts of A\$100,000 or higher integral multiples of A\$100,000 (an **Authorised Denomination**).
- (b) Upon issue, transfer or conversion, a Securities certificate (**Certificate**) will be issued to a Security Holder in respect of its registered holding of Securities.
- (c) The Securities represented by the Certificate shall be recorded in the Register in the name of the Security Holder.

1.2 Title and Register

- (a) The Issuer shall at all times keep, or cause to be kept, a register which shall show the nominal amount of the Securities, the date of issue and all subsequent transfers, changes of ownership and conversions thereof and the names and addresses and notification details of the Security Holders (**Register**).
- (b) The Issuer shall recognise the Security Holder whose name appears in the Register as if it were (and it will be taken to be) the absolute owner of the Security recorded in its name in the Register without regard to any other record or instrument. Title to the Securities passes only by transfer and registration in the Register as described in Condition 3 below.
- (c) The Issuer need not take notice of any other interest in, or claim to, a Security, except as ordered by a court of competent jurisdiction or required by law.

1.3 Manifest errors

The making of, or the giving effect to, a manifest error in an inscription into the Register will not void the constitution, issue or transfer of a Security. The Issuer must correct any manifest error of which it becomes aware.

2. Status of the Securities; Subordination

2.1 Status of the Securities

- (a) The Securities shall at all times rank:
 - (i) subordinate and postponed, and subject in right of payment, to the satisfaction in full of all other debts of the Goodman Group which do not rank and are not expressed (in Condition 2.1(a)(iii) or otherwise) to rank equally with or subordinate to the Securities, the Goodman PLUS or any other hybrid security issued by an entity in the Goodman Group (**Senior**

Obligations), as further set out in Condition 2.2 below. The Securities are not subordinated to the Ordinary Units in the Sub-Trust;

- (ii) *pari passu* and without any preference or priority among themselves and among Goodman PLUS; and
- (iii) in priority to all Stapled Securities, all other units in the Trust and shares in the Company.

The Securities constitute an interest in the Trust and the Issuer has, as responsible entity of the Trust, in relation to the Security Holders, the same duties it has in relation to the holders of Units. The Issuer must not take, or refrain from taking, as responsible entity of the Trust, any action (where taking, or refraining from taking such action, is prejudicial to the interests of the Security Holders) which it would not be appropriate for the Issuer to take, or refrain from taking, if the Securities constituted actual Units.

- (b) Security Holders will be entitled to the same rights as a holder of Units with respect to receiving notice of, and consenting to and attending, general meetings of the Trust and will be entitled to exercise the same rights as a holder of Units at any such meeting (or with respect to the passing of resolutions without holding a meeting), including the right to vote on resolutions relating to the Trust and:
 - (i) on a show of hands, each Security Holder shall have one vote; and
 - (ii) on a poll, the number of votes determined in accordance with the Voting Deed Poll.

2.2 Subordination

In any liquidation, winding-up or other administration of the Issuer, the Goodman Entities or any other entity in the Goodman Group, the Security Holders:

- (a) shall not be entitled to prove for any amount due in respect of a Security other than as a debt subject to the prior payment in full of all Senior Obligations and shall not be entitled to receive any amount in respect of a Security other than following the payment in full of all Senior Obligations;
- (b) shall be entitled to payment in full prior to any payment or in specie distribution being made to holders of Stapled Securities or any other claims ranking or expressed (in Condition 2.1(a)(iii) or otherwise) to rank after the Securities or Stapled Securities;
- (c) shall rank *pari passu* with the holders of Goodman PLUS for any payment or in specie distribution or any other claims ranking or expressed to rank *pari passu* with the Goodman PLUS; and
- (d) shall be entitled to payment in full prior to any payment or in specie distributions being made to the holders of Ordinary Units.

3. Transfers of Securities; Issue of Certificates

3.1 Transfer to Subsidiaries only

- (a) A Security may only be transferred by a Security Holder (**Transferor**) to:
 - (i) one or more Subsidiaries of the Security Holder; or
 - (ii) any person after:
 - (A) 31 October 2009, in respect of Tranche 1;
 - (B) 30 June 2010, in respect of Tranche 2; and
 - (C) 31 December 2010, in respect of Tranche 3,(each a **Transferee**) in accordance with this Condition 3.
- (b) If a Transferee ceases to be a Subsidiary of the Transferor, then the Transferee must procure that any Securities it holds are transferred back to the Transferor (or to a Subsidiary of the Transferor) in accordance with this Condition 3 before the Transferee ceases to be a Subsidiary of the Transferor.
- (c) A Transferee must execute a Voting Deed Poll substantially in the form set out in schedule 1 before becoming registered as the holder of a Security.

3.2 Transfer of Securities

- (a) A Security may, subject to the terms of Condition 3.5, be transferred in whole or in part in an Authorised Denomination by delivery of the Certificate issued in respect of that Security with the form of transfer on the back duly completed and signed in accordance with these Conditions.
- (b) Every form of transfer must be signed by the holder by its attorney(s) duly authorised in writing or given under the holder's common seal and the holder shall be deemed to remain the owner of the Security to be transferred until the name of the transferee(s) is or are entered in the Register in respect of that Security.
- (c) The form of transfer must be deposited at the Issuer's registered business address accompanied by:
 - (i) the Certificate for the Security to be transferred or, where that Certificate has been lost, stolen or destroyed:
 - (A) a certificate of the Security Holder certifying to such loss, theft or destruction of that Certificate; and
 - (B) an undertaking to indemnify the Issuer in respect of any loss it suffers as a result of that Certificate not having been surrendered; and
 - (ii) if the transfer form is executed by some other person on a holder's behalf, the written authority of that person to do so.

3.3 Delivery of new Certificates

- (a) Each new Certificate to be issued upon a transfer or conversion of Securities will, within five Business Days of receipt by the Issuer of the form of transfer or Exchange Notice duly completed and signed, be made available for collection at the Issuer's registered business address or, if so requested in the form of transfer, be mailed (at the cost of the Issuer) by uninsured mail at the risk of the holder entitled to such Securities to the address specified in the form of transfer. The form of transfer and Exchange Notice is available at the registered business address of the Issuer.
- (b) Where only part of the principal amount of Securities (being that of one or more Securities) in respect of which a Certificate is issued is to be transferred, redeemed or exchanged, a new Certificate in respect of the Securities not so transferred, redeemed or exchanged will, within seven Business Days of the delivery of the original Certificate to the Issuer, be made available for collection at the registered business address of the Issuer or, if so requested in the form of transfer, redemption or exchange be mailed (at the cost of the Issuer) by uninsured mail at the risk of the holder of the Securities not so transferred, redeemed or exchanged to the address of such holder appearing on the Register.

3.4 Formalities Free of Charge

Registration of a transfer or conversion of Securities and issuance of new Certificates will be effected without charge to a Security Holder by or on behalf of the Issuer, but only upon:

- (a) receipt by the Issuer of the form of transfer or Exchange Notice, as the case may be, duly completed and signed and accompanied by such other evidence or documents as may be required by these Conditions; and
- (b) payment by such Security Holder (or the giving of such indemnity as the Issuer may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

3.5 Closed Periods

No Security Holder may require to be registered, and the Issuer is not required to arrange for the registration of the transfer of a Security:

- (a) during the period of seven days ending on (and including) the dates for redemption under Conditions 7.2, 7.3, 7.4 or 7.5;
- (b) after an Exchange Notice has been delivered with respect to such Security; and
- (c) during the period of seven days ending on (and including) any Distribution Record Date.

Each such period is referred to herein as a **Closed Period**.

4. Distributions

4.1 Issuer's discretion

- (a) Payments of Distributions in respect of the Securities on any Distribution Payment Date in accordance with Condition 4.2 or, in respect of any accrued Distributions from the preceding Distribution Payment Date, on any date fixed for redemption of any Security pursuant to Conditions 7.2, 7.3, 7.4 or 7.5, is at the absolute and sole discretion of the Issuer. Accordingly, the Issuer shall not be obliged to pay any Distributions in respect of any Security to any Security Holder on any Distribution Payment Date or on any date fixed for redemption pursuant to Conditions 7.2, 7.3, 7.4 or 7.5, as the case may be, in which case the non-payment of any such Distributions will not constitute a default, or similar event, in respect of the Securities.
- (b) Distributions are non-cumulative. Accordingly, without prejudice to Condition 5.9(f), Distributions shall only accrue on the Securities from one Distribution Payment Date to the next Distribution Payment Date and any Distributions accrued up to such Distribution Payment Date which the Issuer does not pay (as provided in Condition 4.1(a)) shall cease to be payable at any time thereafter, provided that the Issuer may elect in its sole and absolute discretion to subsequently make any such payment, which may be all or part of an Optional Distribution Payment, without penalty or premium other than under these Conditions, for the purposes of Condition 5.9(f) or for any other purpose, and shall be deemed to have done so if the Issuer elects to redeem the Securities pursuant to any of Conditions 7.2, 7.3, 7.4 or 7.5 or is required to redeem the Securities pursuant to Condition 10.
- (c) If the Issuer elects to make a payment under Condition 4.1(b), the Issuer must give a notice, or cause a notice to be given, to the Security Holders notifying them of the following at least 5 Business Days before the date of payment under Condition 4.1(b):
 - (i) the amount of the payment to be made;
 - (ii) the proposed date for payment;
 - (iii) the balance of any unpaid Distribution after the payment; and
 - (iv) if a Distribution payment is outstanding, whether Stapled Securities are to be issued to the Security Holders under Condition 4.2(b).
- (d) The Issuer must give a notice, or cause a notice to be given, to the Security Holders of a proposed issue of Stapled Securities to the Security Holders or their nominees under Condition 4.2(b), at least 20 Business Days before the Distribution Date relating to that issue of Stapled Securities:
 - (i) the amount of the payment to be made;
 - (ii) the proposed date for payment;
 - (iii) the balance of any unpaid Distribution after the payment; and

- (iv) if a Distribution payment is outstanding, whether Stapled Securities are to be issued to the Security Holders under Condition 4.2(b).
- (e) Security Holders will have a present entitlement on the Distribution Record Date for a relevant Distribution Period, in priority to any entitlement of the holders of Ordinary Units in the Sub-Trust and pro rata according to the number of Securities held by them respectively, to receive payments of distributions of Distributable Income of the Sub-Trust and any capital of the Sub-Trust, which the Issuer determines to distribute to them in an aggregate amount for each Security up to the Distribution Amount for the Distribution Period.

4.2 Distribution rate and payment of Distributions

- (a) Subject always to Condition 4.1, Distributions will accrue from day to day on the principal amount outstanding of the Securities at the Distribution Rate from (and including) the Issue Date and shall cease to accrue on a Security:
 - (i) where the Exchange Rights are exercised by Security Holders, from (and including) the Distribution Payment Date immediately preceding the relevant Exchange Date, provided that such Security is so exchanged on such date; and
 - (ii) where such Security is to be redeemed, from (but excluding) the day fixed for redemption of that Security under any of Conditions 7.2, 7.3, 7.4 or 7.5, provided that such Security is so redeemed on such date.
- (b) Subject always to Condition 4.1, the Issuer shall pay all accrued Distributions in respect of the immediately preceding Distribution Period on each Distribution Payment Date and, in respect of any Security being redeemed, on the date fixed for redemption of that Security by paying such Distributions to holders in cash or, where some or all of such Distributions is not paid to holders in cash, by paying the unpaid amount of such Distributions by procuring that the Goodman Entities issue Stapled Securities to holders in accordance with the following formula:

$$N = A / B$$

where:

- N is the number of Stapled Securities to be issued to the relevant holders;
- A is the unpaid amount of the Distributions due to the relevant holders; and
- B is 97.5% of the arithmetic average of the VWAP of Stapled Securities on the 15 consecutive Trading Days immediately preceding the due date for payment of the Distributions to the relevant holders.

Where the Issuer satisfies its Distribution payment obligations by procuring that the Goodman Entities issue Stapled Securities to holders in lieu of paying such Distributions in cash (as contemplated above), the Issuer must procure that the Goodman Entities issue the Stapled Securities to holders within 10 Business Days after the due date for payment of such Distributions, unless the Goodman Entities are unable to do so on the basis that the issue requires securityholder or other regulatory approval, in which case the Issuer must procure that the Goodman Entities issue the Stapled Securities to the relevant Security Holders or their nominees as soon as reasonably practicable after such approvals have been obtained.

The Issuer acknowledges and agrees that it shall not pay any Distributions with a Distribution Payment Date after 30 June 2010 to holders in cash in accordance with this Condition 4.2(b) if, on the due date for payment of such Distributions:

- (i) **(ICR covenant)**: the number represented by EBITDA divided by Interest Expense, which shall be calculated as at 30 June and 31 December each year in respect of the immediately preceding 12 month period up to that date using the most recent balance date Financial Statements of the Goodman Group (either audited or reviewed by an independent auditor), is less than 2.5; or
- (ii) **(gearing covenant)**: the number represented by Net Liabilities divided by Net Tangible Assets, which shall be calculated as at 30 June and 31 December each year using the most recent balance date Financial Statements of the Goodman Group (either audited or reviewed by an independent auditor), exceeds 0.55.

For the purposes of this Condition 4.2(b), **EBITDA**, **Interest Expense**, **Net Tangible Assets**, **Net Liabilities** and **Financial Statements** have the meanings given in the Common Terms Deed Poll.

- (c) If any Distribution Payment Date would otherwise fall on a date which is not a Business Day, that Distribution Payment Date will be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding Business Day.
- (d) Distributions for each Distribution Period will be calculated on the basis of the number of days in the Distribution Period divided by 365.

4.3 Consequences of non-payment of Distributions or Optional Distribution Amount

- (a) If:
 - (i) the amount a Security Holder is paid in respect of a Distribution Period is less than the Distribution Amount for that Distribution Period, or if the Distribution Amount has not been paid on the relevant Distribution Payment Date; and
 - (ii) an Optional Distribution Payment is not paid,

- (b) then the Goodman Entities and the Goodman PLUS RE must not satisfy, make or pay and must not cause any other person to satisfy, make or pay on behalf of the Goodman Entities or the Goodman PLUS RE or otherwise, any Equity Obligation until the earlier to occur of the following dates:
 - (i) the date that the Security Holders are paid an amount equal to the full amount of the Distribution Amounts for a period of 12 months immediately preceding the Resolution Date (whether by payment of the Optional Distribution Payment, by payment in full of the Distribution Amounts or a combination of the two); or
 - (ii) the date that a number of Stapled Securities is issued to the Security Holders or their nominees under Condition 4.2(b) whose value is equal to the Optional Distribution Payment; or
 - (iii) the date that all the Securities have been exchanged under Condition 5 or redeemed under Condition 7; or
 - (iv) the date that a Special Resolution of the Security Holders has been passed approving the satisfaction, making or payment by the Goodman Entities or the Goodman PLUS RE (or causing any other person to satisfy, make or pay on behalf of the Goodman Entities or the Goodman PLUS RE or otherwise), any Equity Obligation.

4.4 Consequences of non-payment of Distributions or Optional Distribution Payment and payment of an Equity Obligation

- (a) If:
 - (i) the amount a Security Holder is paid in respect of a Distribution Period is less than the Distribution Amount for that Distribution Period, or if Distribution Amount has not been paid in full on the relevant Distribution Payment Date; and
 - (ii) an Optional Distribution Payment is not paid; and
 - (iii) the Goodman Entities or the Goodman PLUS RE satisfy, make or pay (or cause any other person to satisfy, make or pay on behalf of the Goodman Entities or the Goodman PLUS RE or otherwise), any Equity Obligation,
- (b) then:
 - (i) the Issuer must pay or cause to be paid to the Security Holders the Optional Distribution Payment; or
 - (ii) the Issuer must procure the issue to the Security Holders or their nominees under Condition 4.2(b) of the number of Stapled Securities whose value is equal to the Optional Distribution Payment,

on or before, and at the very latest contemporaneously with, the date of the satisfaction, making or payment of an Equity Obligation by or on behalf of or at the direction of the Goodman Entities or the Goodman PLUS RE (**Equity Obligation Date**); and

- (iii) if the Optional Distribution Payment is not made when required to be made under Condition 4.4(b), Security Holders may issue an Exchange Notice and elect to have their Securities exchanged under Condition 5 or redeemed under Condition 7.5 during the 90 day period commencing on the Equity Obligation Date. If a Security Holder issues an Exchange Notice under this Condition 4.4(b)(iii), the Optional Distribution Payment will also be made by issuing Stapled Securities to the Security Holder or its nominee in accordance with Condition 4.2(b).
- (c) In the event of a winding-up, termination or dissolution of the Sub-Trust, a Security Holder is entitled to all payments up to the principal amount, together with all accrued Distributions (if any) in respect of the preceding two Distribution Periods up to (but excluding) the date of the event in respect of their Securities and the Issuer must make all such payments in respect of the Sub-Trust, in priority to the holders of Ordinary Units in the Sub-Trust.

5. Exchange

5.1 Exchange Right and Exchange Period

- (a) The right of Security Holders to exchange the Securities into Stapled Securities is called the **Exchange Right**.
- (b) Subject to and in compliance with this Condition 5, Security Holders together have the right to exchange Tranche 1, or Tranche 2 or Tranche 3 into Stapled Securities at any time during the applicable Exchange Periods referred to below. Exchange Rights may only be exercised in respect of Authorised Denominations of Securities in accordance with the Exchange Process and may only be exercised:
 - (i) once or twice in respect of each of Tranche 1, Tranche 2 and Tranche 3; and
 - (ii) where the aggregate principal amount of the Securities to be exchanged is at least \$60,000,000.
- (c) The **Exchange Periods** in respect of the Securities and the applicable principal amount of Securities on issue that may be exchanged commences as follows:
 - (i) on or after 31 October 2009, in respect of Tranche 1;
 - (ii) on or after 30 June 2010, in respect of Tranche 2;
 - (iii) on or after 31 December 2010, in respect of Tranche 3;
 - (iv) if Security Holders issue an Exchange Notice under Condition 4.4(b)(iii), the date of issue of the Exchange Notice under that Condition;
 - (v) in respect of any Securities the subject of an Optional Redemption Notice, an Issuer Redemption Notice or a Tax Redemption Notice, the date of that Optional Redemption Notice, Issuer Redemption Notice or Tax Redemption Notice;

- (vi) if there is a Change of Control before 31 December 2010, the date of the Change of Control,
and (subject to Condition 5.5) ends at the close of business on the:
 - (vii) 6th Business Day prior to the date fixed for redemption of the Securities under Condition 7; or
 - (viii) where Security Holders issue an Exchange Notice under Condition 4.4(b)(iii), the 90th day after the Equity Obligation Date relating to the issue of that Exchange Notice.
- (d) Notwithstanding any other provision of these Conditions, the exercise of Exchange Rights by Security Holders as outlined in Condition 5.1(b) is subject to those Security Holders warranting to the Issuer in the Exchange Notice(s) that such Security Holders (or the person(s) specified in the Exchange Notice(s) as the person(s) to whom the relevant Stapled Securities are to be issued on the Exchange Date) have obtained all necessary approvals of any Government Agency in, or of, Australia in relation to their ability to receive and hold Stapled Securities.

5.2 Exchange Process

- (a) The exercise of Exchange Rights by Security Holders as outlined in Condition 5.1 must take place in accordance with the following process (the **Exchange Process**):
- (i) the Security Holder must transfer the Securities the subject of the Exchange Notice to the Issuer or its nominee on the Exchange Date;
 - (ii) the Issuer must acquire or cause its nominee to acquire the Securities on the Exchange Date; and
 - (iii) the Issuer must procure that the Goodman Entities issue the number of Stapled Securities to the Security Holder determined in accordance with this Condition 5.
- (b) Each Security Holder irrevocably appoints the Issuer to be the attorney of the Security Holder and the agent of the Security Holder with power in the name and on behalf of the Security Holder to do all such acts and things, including signing all documents or transfers as may in the opinion of the Issuer be necessary or desirable to be done in order to record or perfect the exchange of any Securities under this Condition 5.2.
- (c) By subscription for, or acquisition of, the relevant Securities, a Security Holder is taken irrevocably to direct the Issuer to undertake the Exchange Process as contemplated by this Condition 5.

5.3 Fractions of Stapled Securities

Fractions of Stapled Securities will not be issued on conversion and no cash adjustments will be made in respect of any fractions of Stapled Securities.

5.4 Exchange Price

- (a) The price at which Stapled Securities will be issued on exchange of the Securities (the **Exchange Price**) will initially be:
- (i) A\$0.43, in respect of Tranche 1;
 - (ii) A\$0.44, in respect of Tranche 2; and
 - (iii) A\$0.45, in respect of Tranche 3,
- as the context requires but will be subject to adjustment in the manner provided in these Conditions.
- (b) The number of Stapled Securities to be issued on exchange of the Securities will be determined by dividing the aggregate principal amount of the Securities to be exchanged by the Exchange Price in effect at the relevant Exchange Date, disregarding any resulting fraction of a Stapled Security.

5.5 Revival and/or survival after Default

For the purposes of this Condition 5, and notwithstanding the provisions of Condition 5.1, if:

- (a) the Issuer defaults in making payment in full in respect of any Security which is due for redemption on the date fixed for redemption of that Security; or
- (b) any Security is not redeemed on the relevant date fixed for redemption in accordance with any of Conditions 7.2, 7.3, 7.4 or 7.5,

the Exchange Right attaching to that Security will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Security is deposited for exchange) on the date upon which the full amount of the moneys payable in respect of such Security has been duly received by the relevant Security Holder.

5.6 Exchange Notice

- (a) To exercise the Exchange Rights attaching to Securities, Security Holders must complete, execute and deposit at their own expense during 9:00am to 4.00pm on any Business Day at the registered business address of the Issuer a notice of conversion (an **Exchange Notice**) in the form (for the time being current) obtainable from the the registered business address of the Issuer, together with the relevant Certificate(s) (or certificate and undertaking specified in Condition 3.2(c)(i)). An Exchange Notice deposited outside the hours specified above or on a day that is not a Business Day at the place of the registered business address of the Issuer shall for all relevant purposes be deemed to have been deposited at the registered business address of the Issuer on the next day that is a Business Day during the hours specified above. Any Security submitted for exchange in circumstances where the resulting Exchange Date would fall on or after an Distribution Record Date and prior to the following Distribution Payment Date will not be treated as being so submitted until after 9:00am on the next Business Day after that Distribution Payment Date.

- (b) The exchange date in respect of the Securities (the **Exchange Date**) must fall within the Exchange Period and will be the fifth Business Day following the date of deposit of the Exchange Notice(s) together with the Certificate(s) to which such Securities relate (or certificate and undertaking specified in Condition 3.2(c)(i)). A valid Exchange Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents to such withdrawal.
- (c) An Exchange Notice will not be valid, and shall not be deemed to be valid, unless accompanied by the relevant Certificate(s) (or a certificate and undertaking as referred to in Condition 3.2(c)(i)) and the Security Holder delivering the Exchange Notice gives the representations and warranties to the Issuer set out in the form of the Exchange Notice, which include representations and warranties that:
- (i) the Security Holder (or the person specified by it in the Exchange Notice as the person to whom the relevant Stapled Securities are to be issued on the Exchange Date) is, and will be upon the allotment or issue of Stapled Securities on conversion of the relevant Securities, in compliance with the *Foreign Acquisitions and Takeovers Act 1975* (Cth) and section 606 of the Corporations Act, in each case, following the acquisition of those Stapled Securities allotted or issued on conversion of the relevant Securities;
 - (ii) the Security Holder (or the person specified by it in the Exchange Notice as the person to whom the relevant Stapled Securities are to be issued on the Exchange Date) has obtained all necessary approvals of any Government Agency in, or of, Australia in relation to its ability to receive and hold the Stapled Securities; and
 - (iii) the Security Holder (and, if applicable, the person specified by it in the Exchange Notice as the person to whom the relevant Stapled Securities are to be issued on the Exchange Date) has paid to the relevant authorities all taxes payable under Condition 5.7(a) and legally required to be paid before conversion.

For the avoidance of doubt, if an Exchange Notice is not regarded as valid or as having been validly deposited as a result of Condition 5.6(a) or this Condition 5.6(c), the Exchange Rights shall be deemed not to have been exercised in respect of the Securities subject to that Exchange Notice and those Securities will remain outstanding and the Exchange Rights in respect of those Securities shall remain exercisable in accordance with these Conditions.

5.7 Stamp duty and taxes

A Security Holder delivering a Certificate in respect of a Security for conversion (and, if applicable, the person specified by it in the Exchange Notice as the person to whom the relevant Stapled Securities are to be issued on the Exchange Date) must pay:

- (a) any taxes and capital, stamp, issue and registration duties (if any) arising on conversion; and
- (b) all, if any, taxes arising by reference to any disposal or deemed disposal of a Security in connection with such conversion,

in each case directly to the relevant authorities.

5.8 Registration

- (a) Stapled Securities to be issued on exercise of Exchange Rights must be freely tradeable without restriction under section 707(3) or section 1012C(6) of the Corporations Act and will be issued in uncertificated form through the securities settlement and transfer system known as the Clearing House Electronic Sub-register System operated by ASX Settlement and Transfer Corporation Pty Ltd (**CHES**) (or any successor licensed clearance and settlement facility applicable to the Stapled Securities). The Stapled Securities to be delivered through CHES will be delivered to the account specified by the Security Holder exercising such Exchange Right in the Exchange Notice by the date falling two Business Days after the relevant Exchange Date.
- (b) Statements of holding of Stapled Securities issued on exercise of Exchange Rights will be dispatched by the Issuer by mail free of charge as soon as practicable but in any event within five Business Days after the relevant Exchange Date.
- (c) If the Exchange Date in relation to the Securities is after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Exchange Price under these Conditions, but before the relevant adjustment becomes effective under the relevant Condition, upon the relevant adjustment becoming effective the Issuer must issue (and must procure that the Goodman Entities issue) to the exchanging Security Holders (or in accordance with the instructions contained in the Exchange Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Stapled Securities which, together with the Stapled Securities issued or to be issued on exchange of the relevant Securities, is equal to the number of Stapled Securities which would have been required to be issued on exchange of such Securities if the relevant adjustment to the Exchange Price had been made and become effective immediately after the relevant record date (as calculated by the Issuer).
- (d) The person or persons designated in the Exchange Notice will become the holder(s) of record of the number of Stapled Securities issuable upon conversion of the relevant Securities with effect from the date the person is, or the persons are, registered as such in each of the Goodman Entities' registers of members (the **Registration Date**). The Stapled Securities issued upon conversion of the Securities will in all respects rank *pari passu* with the Stapled Securities on issue on the relevant Registration Date. Except as set out in these Conditions, a holder of Stapled Securities issued on exchange of Securities shall not be entitled to any rights which arise or were granted on a record date which precedes the relevant Registration Date.

5.9 Undertakings

Unless otherwise agreed by the Security Holders by way of Special Resolution, until such time as all Securities have been exchanged or redeemed in full (and, in the case of

Condition 5.9(f), following redemption until 12 months after redemption), the Issuer agrees that it shall, and where relevant will procure that the Goodman Entities shall:

- (a) issue, allot, register and deliver Stapled Securities on exercise of Exchange Rights or in satisfaction of the Issuer's Distribution payment obligations in accordance with these Conditions;
- (b) ensure that at all times each Unit is stapled to a Share, and each Share is stapled to a Unit, in each case as a single stapled security in accordance with the Stapling Deed and that there is no alteration in the composition of such stapled security of the Goodman Entities, whether by way of a change in the number of Units or Shares comprised in such stapled security or the stapling of a Unit or Share to any other security;
- (c) comply, and shall procure that each of its Subsidiaries complies, in all material respects with all laws binding on it and them (other than where such failure would not have a material adverse effect on the Security Holders) and shall comply with all applicable rules, regulations and requirements of the ASX (other than where such failure would not have a material adverse effect on the Security Holders) and use all reasonable endeavours to maintain the quotation of all Stapled Securities on the ASX and to quote on the ASX any Stapled Securities issued on exercise of Exchange Rights or in satisfaction of the Issuer's Distribution payment obligations and, if the Issuer is unable to obtain or maintain such quotation, to use all reasonable endeavours to obtain and maintain a listing for all Stapled Securities on such other stock exchange as the Issuer may from time to time determine and as is approved by the Security Holders by Ordinary Resolution and will promptly give notice to the Security Holders in accordance with Condition 11 of the quotation or cessation of quotation (as a class) of the Stapled Securities by any stock exchange;
- (d) not issue any (or pay up any unpaid amount on) Stapled Securities or other securities by way of capitalisation of profits or reserves, other than:
 - (i) by the issue of Stapled Securities paid up in full out of profits or reserves (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash Dividend; or
 - (ii) where the same gives rise to an adjustment of the Exchange Price;
- (e) not modify the Constitutions or the Stapling Deed where such modification would adversely affect the rights of Security Holders or the ability of the Issuer or the Goodman Entities, to perform their obligations with respect to the Securities;
- (f) ensure that they do not (and must ensure that the Goodman PLUS RE does not) satisfy, make or pay (or cause any other person to satisfy, make or pay on behalf of the Goodman Entities or the Goodman PLUS RE or otherwise), any Equity Obligation unless the Security Holders have been paid in cash or Stapled Securities an amount equal to the full amount of the Distribution Amounts for the preceding 12 months (which may be paid in whole or in part by way of an Optional Distribution Payment);

- (g) following the occurrence of a Change of Control, give notice thereof to the Security Holders in accordance with Condition 11 (a **Change of Control Notice**) promptly and, in any event, within 14 days of the first day on which it becomes so aware. The notice shall contain a statement informing Security Holders of their entitlement to exercise their Exchange Rights as provided in these Conditions and shall also specify:
 - (i) all information that has been released by the Goodman Entities to the ASX concerning the Change of Control; and
 - (ii) the Exchange Price then in effect;
- (h) not declare, pay or make any Dividend or make any other payment referred to in Condition 5.9(f) unless the Board of Directors of the Issuer has determined (acting reasonably) that the Issuer will have sufficient funds to pay, and will not have any other reason not to pay, Distributions accrued on the Securities on the next Distribution Payment Date following such Dividend or other payment;
- (i) if an offer is made to all (or as nearly as may be practicable all) Stapled Security Holders (or all (or as nearly as may be practicable all) such Stapled Security Holders other than the offeror and/or any associate or associates of the offeror) to acquire all or part of the Stapled Securities, or if any person proposes a scheme with respect to such acquisition, and if such offer comes to the knowledge of the Issuer or the Goodman Entities, it will give notice in writing of such offer or scheme to the Security Holders as soon as practicable after acquiring such knowledge stating the details concerning such offer or scheme and, where and for so long as such an offer or scheme has not been rejected by the Boards of Directors of the Issuer and the Goodman Entities or where such an offer has become or been declared unconditional in all respects, use all reasonable endeavours to procure that a like offer or scheme is extended to the Security Holders, and the holders of any Stapled Securities issued during the period of the offer or scheme arising out of an exercise of Exchange Rights;
- (j) not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction (other than the Commonwealth of Australia) unless:
 - (i) it would not as a result be required, under the then current laws and regulations to withhold or deduct for or on account of any present or future Taxes, imposed or levied by, or on behalf of, such jurisdiction or any political subdivision of that jurisdiction having power to tax in respect of any payment on or in respect of the Securities; and
 - (ii) no Issuer Tax Event or Accounting Event would occur as a result.

In the event of such change in domicile or residence or becoming subject generally to the taxing authority of any other jurisdiction, references in these Conditions to Australia shall be construed as including a reference to such other jurisdiction;
- (k) not, after the date of the issue of the Securities, issue or incur or permit any of its Subsidiaries or any person under an arrangement with the Issuer or the Goodman Entities, or any of their respective Subsidiaries to issue or incur any interest,

instrument or financial indebtedness which has rights to convert into or exchange or subscribe for or purchase Stapled Securities other than Goodman PLUS or:

- (i) securities or financial indebtedness comprising obligations of the Goodman Entities to issue Stapled Securities on exchange that rank after the Securities for distributions and a return of capital; or
 - (ii) options, warrants or rights over, or in respect of, Stapled Securities issued, offered, exercised, allotted or granted to or for the benefit of employees or former employees (including directors holding or formerly holding executive offices) of the Goodman Entities or their Subsidiaries and associated companies or other eligible persons (as set out in any employee share option scheme or plan) under any of the Goodman Entities' employee share option scheme or plan duty adopted by the Goodman Entities pursuant to the Listing Rules; and
- (l) procure that the Sub-Trust will meet all the conditions in Division 6 of the Income Tax Assessment Act 1936 (and any subsequent amendments to the provisions) and be treated as a "flow-through" trust for Australian taxation purposes.

The Deed of Undertaking contains additional undertakings in favour of, or for the benefit of Security Holders.

6. Adjustments to the Exchange Price

6.1 Adjustments to Exchange Price

Each applicable Exchange Price will be subject to adjustment upon the occurrence of any of the events described in Conditions 6.1(a) to 6.1(i) below.

- (a) (**Consolidation, subdivision or reclassification**) If and whenever there shall be an alteration to the number of issued Stapled Securities as a result of consolidation, subdivision or reclassification, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such alteration by the following fraction:

$$A / B$$

where:

- A is the aggregate number of issued Stapled Securities immediately before such alteration; and
- B is the aggregate number of issued Stapled Securities immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (b) (**Capitalisation of profits or reserves**)
- (i) If and whenever any Stapled Securities shall be issued credited as fully paid to the holders of Stapled Securities by way of capitalisation of profits or reserves (including any share premium account) including Stapled

Securities paid up out of distributable profits or reserves (including any share premium account) (except where Stapled Securities are issued in lieu of the whole or any part of a specifically announced cash Dividend (the **Relevant Cash Dividend**) (pursuant to a dividend reinvestment plan or otherwise), being a Dividend which the holder of the Stapled Security concerned would or could otherwise have elected to receive (a **Scrip Dividend**)), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue by the following fraction:

$$A / B$$

where:

- A is the aggregate number of issued Stapled Securities immediately before such issue; and
- B is the aggregate number of issued Stapled Securities immediately after such issue.

- (ii) In the case of an issue of Stapled Securities by way of a Scrip Dividend where the Current Market Price on the day before such Scrip Dividend is announced of such Stapled Securities exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted an Extraordinary Dividend, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before the issue of such Stapled Securities by the following fraction:

$$([A \times M] + B) / [(A+C) \times M]$$

where:

- A is the aggregate number of issued Stapled Securities immediately before such issue;
- B is the amount of the whole, or the relevant part, of the Relevant Cash Distribution
- C is the aggregate number of Stapled Securities issued by way of such Scrip Distribution; and
- M is the Current Market Price of the Stapled Securities on the day before such Scrip Distribution is announced.

Such adjustment under this Condition 6.1(b) shall become effective on the date of issue of such Stapled Securities or, if a record date is fixed therefore, immediately after such record date.

- (c) (**Extraordinary Dividend**) If and whenever any Extraordinary Dividend is paid or made to the holders of Stapled Securities (except where the Exchange Price falls to be adjusted under Condition 6.1(b)), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$(A - B) / A$$

where:

- A is the Current Market Price of one Stapled Security on the last Trading Day immediately preceding the Effective Date; and
- B is the portion of the Fair Market Value of the aggregate Extraordinary Dividend attributable to one Stapled Security, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Dividend by the number of Stapled Securities entitled to receive the relevant Extraordinary Dividend (or, in the case of a purchase, redemption or buy back of Stapled Securities or any depositary or other receipts or certificates representing Stapled Securities by or on behalf of the Goodman Entities or any Subsidiary of them, by the number of Stapled Securities on issue immediately following such purchase, redemption or buy back, and treating as not being on issue any Stapled Securities, or any Stapled Securities represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date, or, if later, the first date upon which the Fair Market Value of the relevant Extraordinary Dividend is capable of being determined as provided herein.

In this Condition:

Effective Date means the first date on which the Stapled Securities are traded on the ASX, or other relevant stock exchange, ex-the relevant Extraordinary Dividend or in the case of a purchase, redemption or buy back of Stapled Securities or any depositary or other receipts or certificates representing Stapled Securities, the date on which such purchase, redemption or buy back is made or, where an announcement (excluding, to avoid doubt, for these purposes any general authority for such purchases, redemptions or buy backs approved by a general meeting of holders of Stapled Securities or any notice convening such a meeting of holders of Stapled Securities) has been made of the intention to purchase, redeem or buy back Stapled Securities at some future date at a specified price, on the date of such announcement.

Dividend means any dividend or distribution to holders of Stapled Securities whether of cash, assets or other property, and however described and whether payable out of profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Stapled Securities or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves or otherwise), provided that for the purposes of this Condition 6.1(c) and the definition of Extraordinary Dividend:

- (i) where a Dividend in cash is announced which is to be, or may at the election of a holder of Stapled Securities be, satisfied by the issue or

delivery of Stapled Securities or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a holder of Stapled Securities be, satisfied by the payment of cash, then the Fair Market Value of the Dividend in question shall be treated as an amount equal to the greater of (A) such cash amount and (B) the Current Market Price of such Stapled Securities or, as the case may be, Fair Market Value of such other property or assets (as at the date of the first public announcement of such Dividend or capitalisation (as the case may be) or if later, the date on which the number of Stapled Securities (or amount of property or assets, as the case may be) which may be issued or transferred and delivered is determined);

- (ii) a purchase or redemption or buy back shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back, the price per Stapled Security (before expenses) on any one day (a **Specified Day**) in respect of such purchases or redemptions or buy backs exceeds the arithmetic mean of the VWAP of the Stapled Securities on the five Trading Days immediately preceding the Specified Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of holders of Stapled Securities or any notice convening such a meeting of Stapled Securities) has been made of the intention to purchase, redeem or buy back Stapled Securities at some future date at a specified price, on the five Trading Days immediately preceding the date of such announcement, in which case such purchase, redemption or buy back shall be deemed to constitute a cash Dividend to the extent that the aggregate price paid (before expenses) in respect of such Stapled Securities purchased, redeemed or bought back exceeds the product of (A) the arithmetic mean of the VWAP of the Stapled Securities on such five Trading Days and (B) the number of Stapled Securities so purchased, redeemed or bought back;
- (iii) if there is any purchase, redemption or buy back of any depositary or other receipts or certificates representing Stapled Securities, the provisions of paragraph (ii) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Institution; and
- (iv) a purchase or redemption or buy back of any redeemable preference shares which are issued after the Issue Date by the Issuer or the Goodman Entities or any of their respective Subsidiaries in accordance with the terms of such redeemable preference share shall not constitute a Dividend.

For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (i) of the definition of "Dividend" and in the definition of "Fair Market Value") be determined on the day as at the Effective Date.

In making any calculations for the purposes of this Condition 6.1(c), such adjustments (if any) shall be made as an Independent Financial Institution may determine in good faith to be appropriate to reflect (i) any consolidation or sub-division of any Stapled Securities or the issue of Stapled Securities by way of capitalisation of profits or reserves (or any like or similar event) or any increase in the number of Stapled Securities on issue in relation to the financial year, or (ii) any change in the financial year of the Sub-Trust, the Trust or the Company.

- (d) **(Rights issue of Stapled Securities)** Except where the Exchange Price falls to be adjusted under Condition 6.1(c), if and whenever any Stapled Securities are issued to all or substantially all holders of Stapled Securities as a class by way of rights, or there is an issue or grant to all or substantially all holders of Stapled Securities as a class, by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Stapled Securities, in each case at less than the Current Market Price per Stapled Security on the last Trading Day preceding the date of the announcement of the terms of such issue or grant, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue or grant by the following fraction:

$$(A-B) / A$$

where:

A is the Current Market Price on the Trading Day immediately preceding the date on which Stapled Securities are traded on the ASX ex-rights, ex-options or ex-warrants (the **ex-date**); and

B is the Fair Market Value on the date immediately preceding the ex-date of the portion of the rights attributable to one Stapled Security.

Such adjustment shall become effective on the date of issue of such Stapled Securities or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Stapled Securities are traded ex-rights, ex-options or ex-warrants (as the case may be).

- (e) **(Rights issue of other securities)** If and whenever any securities (other than Stapled Securities or options, warrants or other rights to subscribe for, purchase or otherwise acquire Stapled Securities) are issued to all or substantially all holders of Stapled Securities as a class, by way of rights, or there is an issue or grant to all or substantially all holders of Stapled Securities as a class by way of rights, of any options, warrants or other rights to subscribe for, purchase or otherwise acquire, any securities (other than Stapled Securities or options, warrants or other rights to subscribe, or purchase Stapled Securities or otherwise acquire Stapled Securities), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue or grant by the following fraction:

$$(A - B) / A$$

where:

- A is the Current Market Price of one Stapled Security on the last Trading Day immediately preceding the date on which Stapled Securities are traded on the ASX ex-rights, ex-options or ex-warrants (the 'ex-date'); and
- B is the Fair Market Value on the date immediately preceding the ex-date of the portion of the rights attributable to one Stapled Security.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Stapled Securities are traded ex-rights, ex-options or ex-warrants (as the case may be).

- (f) **(Issues at less than Current Market Price)** If and whenever (otherwise than as mentioned in Condition 6.1(d)) any Stapled Securities (other than Stapled Securities issued on the exercise of Exchange Rights or on the exercise of any other rights of conversion into, or exchange or subscription for or purchase of, Stapled Securities) are issued or if and whenever (otherwise than as mentioned in Condition 6.1(d)) any options, warrants or other rights to subscribe for, purchase or otherwise acquire Stapled Securities (including securities that are convertible into, or exchangeable for, Stapled Securities) are issued or granted, in each case at a price per Stapled Securities which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue or grant, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue or grant by the following fraction:

$$(A \times M + B) / [(A+C) \times M]$$

where:

- A is the number of Stapled Securities on issue immediately before the issue of such additional Stapled Securities or the issue or grant of such option, warrants or other rights to subscribe for, purchase or otherwise acquire Stapled Securities;
- B is the aggregate consideration (if any) receivable for the issue of such additional Stapled Securities, or the consideration receivable if such options, warrants or other rights are exercised;
- C is the number of Stapled Securities to be issued or which would be issued immediately after the exercise of such options, warrants or other rights to subscribe for Stapled Securities; and
- M is the Current Market Price of the Stapled Securities on the day before such issue is announced.

Provided that if at the time of issue or grant of any such options, warrants or rights (as used in this Condition 6.1(f), the **Specified Date**) such number of Stapled Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such rights of subscription are exercised or at such other time as may be provided) then for the purposes of this Condition 6.1(f), 'C' shall be determined by application of such formula or variable feature or as if the relevant

event occurs or has occurred as at the Specified Date and as if such conversion, exchange, subscription or purchase had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such additional Stapled Securities or, as the case may be, the issue or grant of any such options, warrants or other rights.

- (g) (**Other issues at less than Current Market Price**) Except for an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this Condition 6.1(g), in the event of the issue (otherwise than as mentioned in Conditions 6.1(d), 6.1(e) or 6.1(f)) or (at the direction or request of or pursuant to any arrangements with the Issuer or the Goodman Entities or any of their Subsidiaries) by any other company, person or entity of any securities (other than the Securities) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Stapled Securities to be issued upon conversion, exchange or subscription at a consideration per Stapled Security which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue by the following fraction:

$$(A \times M + B) / [(A+C) \times M]$$

where:

- A is the number of Stapled Securities on issue immediately before such issue;
- B is the aggregate consideration receivable for the Stapled Securities to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities;
- C is the maximum number of Stapled Securities to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate; and
- M is the Current Market Price of the Stapled Securities on the day before such issue is announced.

Provided that if at the time of issue of the relevant securities or date of grant of such rights (as used in this Condition 6.1(g), the **Specified Date**) such number of Stapled Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such securities are converted or rights of subscription are exercised or, as the case may be, such securities are re-designated or at such other time as may be provided) then for the purposes of this Condition 6.1(g), 'C' shall be determined by application of such formula or variable feature or as if the relevant event occurs or has occurred as at the Specified Date and as if such

conversion, exchange, subscription, purchase or acquisition or, as the case may be, re designation had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such securities.

- (h) **(Modification of rights of conversion)** If there is a modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6.1(g) (other than in accordance with the terms applicable to such securities) so that the consideration per Stapled Security (for the number of Stapled Securities available on conversion, exchange or subscription following the modification) is less than the Current Market Price on the last Trading Day preceding the effective date of such modification, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such modification by the following fraction:

$$[M - (B/A)] / M$$

where:

- A is the number of Stapled Securities on issue including all the securities to be issued under such modification assuming those securities are issued at a price equal to M as defined in this sub-clause;
- B is the change in aggregate consideration receivable from the modified securities (assuming the attached conversion, exchange or subscription right is exercised) due to the modification of such conversion, exchange or subscription; and
- M is the Current Market Price of the Stapled Securities as used in clause 6.1(g).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (i) **(Other Offers to Holders of Stapled Securities)** If and whenever the Goodman Entities or any Subsidiary of the Goodman Entities or (at the direction or request of or pursuant to any arrangements with the Goodman Entities or any Subsidiary of the Goodman Entities) any other company, person or entity issues, sells or distributes any securities in connection with an offer by or on behalf of the Goodman Entities or any Subsidiary of the Goodman Entities or of such other company, person or entity pursuant to an offer in which the holders of Stapled Securities generally (meaning for these purposes the holders of at least 60% of the Stapled Securities outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Exchange Price falls to be adjusted under any of Conditions 6.1(d), 6.1(e), 6.1(f) or 6.1(g)), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue, sale or distribution by the following fraction:

$$(A - B) / A$$

where:

- A is the Current Market Price of one Stapled Security on the last Trading Day immediately preceding the date of such issue, sale or distribution; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Stapled Security.

(j) In this Condition 6.1, **Current Market Price** means, in respect of a Stapled Security at a particular time on a particular date, the average of the VWAP of one Stapled Security (being a Stapled Security carrying full entitlement to dividends and distributions) for the 10 consecutive Trading Days ending on the Trading Day immediately preceding such date;

provided that if at any time during the said 10 Trading Day period the Stapled Securities shall have been quoted ex-dividend or ex-distribution (or ex- any other entitlement) and during some other part of that period the Stapled Securities shall have been quoted cum-dividend or cum-distribution (or cum- any other entitlement) then:

- (i) if the Stapled Securities to be issued in such circumstances do not rank for the dividend or distribution (or entitlement) in question, the quotations on the dates on which the Stapled Securities shall have been quoted cum-dividend or cum-distribution (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend or distribution (or entitlement) per Stapled Securities as at the date of the first public announcement of such dividend or distribution (or entitlement); or
- (ii) if the Stapled Securities to be issued in such circumstances rank for the dividend or distribution (or entitlement) in question, the quotations on the dates on which the Stapled Securities shall have been quoted ex-dividend or ex-distribution (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;

and provided further that if the Stapled Securities on each of the said 10 Trading Days have been quoted cum-dividend or cum-distribution (or cum- any other entitlement) in respect of a dividend or distribution (or entitlement) which has been declared or announced but the Stapled Securities to be issued do not rank for that dividend or distribution (or entitlement), the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend or distribution (or entitlement) per Stapled Security as at the date of the first public announcement of such dividend or distribution (or entitlement),

and provided further that:

- (iii) if the VWAP is not available on each of the 10 Trading Days during the relevant period, then the arithmetic average of such VWAPs which are available in the relevant period shall be used (subject to a minimum of two such VWAPs); and

- (iv) if only one or no such VWAP is available in the relevant period, then the Current Market Price shall be determined in good faith by an Independent Financial Institution.

6.2 Other provisions relating to Exchange Price

- (a) Except where expressly stated otherwise, any adjustment under Condition 6.1 will be calculated by the Issuer and shall be notified by the Issuer in writing to the Security Holders as soon as reasonably practicable following such calculation, such notice to include reasonable details of the basis of the calculation of the adjustment.
- (b) In the event that the Majority Security Holders dispute any adjustment made or to be made under Condition 6.1 or reasonably consider that the information provided under Condition 6.2(a) is insufficient to enable them to determine whether the adjustment made or to be made is correct, those Security Holders may notify the Issuer in writing, within 15 Business Days of the date of any notice under Condition 6.2(a), of any objection (giving reasonable details of the dispute). If the Majority Security Holders do not object in writing within 15 Business Days of notice of the adjusted Exchange Price, the Security Holders shall be deemed to have accepted such adjusted Exchange Price and (without prejudice to any claim for damages in the event such determination later proves to have not complied with these Conditions) it will be binding on the Security Holders, the Issuer and the Goodman Entities.
- (c) If the Majority Security Holders do object within the period referred to in Condition 6.2(b), the Issuer will provide such further information as is reasonably necessary to determine whether an adjustment made or to be made was correct and those Security Holders and the Issuer shall negotiate in good faith to agree the appropriate adjustment to the Exchange Price for a period of not more than 5 Business Days from the date of objection.
- (d) If the Majority Security Holders and the Issuer do not agree the appropriate adjustment to be made to the Exchange Price within the period referred to in Condition 6.2(c), the Issuer shall procure an Independent Financial Institution, acting as expert, to determine and notify to the Security Holders and the Issuer as soon as practicable what adjustment (if any) to the Exchange Price is appropriate in accordance with Condition 6.1. Such adjustment (if any) as so determined will take effect in accordance with such determination and will be binding on the Security Holders, the Issuer and the Goodman Entities.
- (e) Notwithstanding any other Condition, no adjustment shall be made to the Exchange Price:
 - (i) where Stapled Securities or rights, warrants or options in respect of Stapled Securities are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of employees or former employees (including directors holding or formerly holding executive offices) of the Issuer or the Goodman Entities or their Subsidiaries or other eligible

persons (as set out in a relevant employee share option scheme or plan) under any of the Goodman Entities' employee share option scheme or plan duly adopted by the Goodman Entities, in compliance with the Listing Rules;

- (ii) in respect of the announcement, declaration or payment of any Dividend other than an Extraordinary Dividend or a Dividend in respect of which the Exchange Price falls to be adjusted under Condition 6.1(b);
 - (iii) except in the case of a consolidation of Stapled Securities, where the adjustment would result in an increase of the Exchange Price; or
 - (iv) in connection with the August 2009 Offer.
- (f) If:
- (i) the rights of conversion, exchange, purchase or subscription attaching to any options, rights, warrants to subscribe or purchase Stapled Securities or any securities convertible into, or exchangeable for, Stapled Securities or the rights carried by such securities to subscribe for, or purchase, Stapled Securities are modified (other than pursuant to, and as provided in, the existing terms and conditions of such options, rights, warrants or securities); or
 - (ii) the Majority Security Holders determine that an adjustment should be made to the Exchange Price as a result of an event or circumstance not referred to in Condition 6.1 and such adjustment has not been made,
- the Issuer shall, at its own cost and expense, consult an Independent Financial Institution to determine as soon as practicable what adjustment (if any) to the Exchange Price is required to preserve the economic value of the Exchange Rights and the date such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving rise to any adjustment under this Condition 6.2 have already resulted or will result in an adjustment to the Exchange Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to any adjustment to the Exchange Price, such modifications (if any) shall be made to the operation of the provisions of this Condition 6 as may be advised by the Independent Financial Institution to be in their opinion appropriate to give the intended result.
- (g) On any adjustment, the relevant Exchange Price, if not an integral multiple of one hundredth of one Australian cent, shall be rounded down to the nearest hundredth of one Australian cent.
 - (h) No adjustment shall be made to the Exchange Price where such adjustment (rounded down if applicable) would be less than 1% of the Exchange Price then in effect. Any adjustment not required to be made, and any amount by which the Exchange Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall

be made on the basis that the adjustment not required to be made had been made at the relevant time.

- (i) All calculations of any nature whatsoever under the Conditions shall be performed by the Issuer unless otherwise specified.
- (j) If at any time the Issuer is required to appoint an Independent Financial Institution for the purposes of this Condition 6 and fails to select an Independent Financial Institution to be approved by the Security Holders as so required (whether initially or following any failure by Security Holders to approve such appointment by way of Ordinary Resolution), the Security Holders (by way of Ordinary Resolution) may appoint an Independent Financial Institution for such purpose.
- (k) All costs, charges, liabilities and expenses incurred in connection with the appointment, retention, consultation and remuneration of an Independent Financial Institution appointed under these Conditions shall be borne by the Issuer.

7. Redemption

7.1 Redemption

The Issuer may not redeem any Securities except as provided in Conditions 7.2, 7.3, 7.4 or 7.5. A Security Holder may not require the Issuer to redeem its Securities except as provided in Conditions 7.5 and 10.

For the avoidance of doubt, if a Security Holder exercises Exchange Rights in respect of Securities which are the subject of an Optional Redemption Notice, an Issuer Redemption Notice or a Tax Redemption Notice, those Securities will not be redeemed pursuant to the Optional Redemption Notice, Issuer Redemption Notice or a Tax Redemption Notice, and instead they will be converted in accordance with Condition 5.

7.2 Redemption at the option of the Issuer

On giving not less than 30 nor more than 60 days' notice (an **Optional Redemption Notice**) to the Security Holders in accordance with Condition 11, the Issuer may redeem all but not some only of the Securities on the date (the **Optional Redemption Date**) specified in the Optional Redemption Notice (which must be a date not later than the date 20 Business Days after the date of the Optional Redemption Notice) at their principal amount together with all unpaid Distribution Amounts (if any) in respect of the preceding two Distribution Periods up to (but excluding) the Optional Redemption Date if, at any time on or after:

- (a) 31 December 2010, in respect of Tranche 1;
- (b) 31 December 2011, in respect of Tranche 2; and
- (c) 30 June 2012, in respect of Tranche 3,

the closing price of a Stapled Security for at least 20 out of 30 consecutive Trading Days prior to the giving of the Optional Redemption Notice is greater than 125% of the Exchange Price then in effect for the applicable Securities.

If there shall occur an event giving rise to a change in the Exchange Price, the 30 consecutive Trading Day period referred to in this Condition shall commence after the change to the Exchange Price has taken effect and been notified to the Security Holders in accordance with these Conditions.

Any Optional Redemption Notice shall be irrevocable, and on the Optional Redemption Date, the Issuer must redeem the Securities at their principal amount together with all unpaid Distribution Amounts (if any) in respect of the preceding two Distribution Periods up to (but excluding) the Optional Redemption Date. Any such notice shall specify:

- (d) the Optional Redemption Date;
- (e) the aggregate principal amount of the Securities outstanding;
- (f) the closing price of a Stapled Security for each Trading Day during the 30 consecutive Trading Day period referred to in this Condition;
- (g) the Exchange Price then in effect; and
- (h) the last day on which Exchange Rights may be exercised by Security Holders before the Optional Redemption Date.

7.3 Redemption for taxation reasons

- (a) The Issuer must (unless the Security Holders agree otherwise in writing):
 - (i) give not less than 30 and not more than 60 days' notice (a **Tax Redemption Notice**) to the Security Holders in accordance with Condition 11, if:
 - (A) the Issuer certifies to the Security Holders immediately prior to the giving of such Tax Redemption Notice that an Issuer Tax Event has occurred; and
 - (B) such obligation cannot be avoided by the Issuer or the Goodman Entities taking reasonable measures available to it; and
 - (ii) redeem all but not some only of the Securities on the date (the **Tax Redemption Date**) specified in the Tax Redemption Notice (which must be a date not later than the date 20 Business Days after the date of the Tax Redemption Notice) at their principal amount together with all unpaid Distribution Amounts (if any) in respect of the preceding two Distribution Periods up to (but excluding) the Tax Redemption Date.
- (b) Prior to the publication of any Tax Redemption Notice under this Condition 7.3, the Issuer shall issue to the Security Holders, or procure the issuance to the Security Holders of:
 - (i) a certificate signed by two duly authorised officers of the Issuer stating that an Issuer Tax Event has occurred, the detriment that would result from that Issuer Tax Event occurring in the absence of redemption under this Condition 7.3, and that that detriment cannot be avoided by the Issuer or the Goodman Entities taking reasonable measures available to it; and

- (ii) an opinion of independent legal or tax advisers of recognised international standing to the effect that an Issuer Tax Event has occurred and explaining the detriment that would result from that Issuer Tax Event occurring in the absence of redemption under this Condition 7.3 and that redemption of the Securities is necessary as a consequence of the occurrence of the Issuer Tax Event.
- (c) Any Tax Redemption Notice shall be irrevocable, and on the Tax Redemption Date, the Issuer must redeem the Securities at their principal amount together with all unpaid Distribution Amounts (if any) in respect of the preceding two Distribution Periods up to (but excluding) the Tax Redemption Date. Any such notice shall specify:
 - (i) the Tax Redemption Date;
 - (ii) the aggregate principal amount of the Securities outstanding;
 - (iii) the Exchange Price then in effect; and
 - (iv) the last day on which Exchange Rights may be exercised by Security Holders before the Tax Redemption Date.

7.4 Issuer call rights

- (a) If at any time an Accounting Event occurs, the Issuer may, having given not less than 30 nor more than 60 days' notice (an **Issuer Redemption Notice**) to the Security Holders in accordance with Condition 11, redeem all but not some only of the Securities on the date (the **Issuer Redemption Date**) specified in the Issuer Redemption Notice (which must be a date not later than the date 20 Business Days after the date of the Issuer Redemption Notice) at their principal amount together with all unpaid Distribution Amounts (if any) in respect of the preceding two Distribution Periods up to (but excluding) the Issuer Redemption Date.
- (b) Any Issuer Redemption Notice shall be irrevocable, and on the Issuer Redemption Date, the Issuer must redeem the Securities at their principal amount together with all unpaid Distribution Amounts (if any) in respect of the preceding two Distribution Periods up to (but excluding) the Issuer Redemption Date. Any such notice shall specify:
 - (i) the Issuer Redemption Date;
 - (ii) the aggregate principal amount of the Securities outstanding;
 - (iii) the Exchange Price then in effect; and
 - (iv) the last day on which Exchange Rights may be exercised by Security Holders before the Issuer Redemption Date,
 and in the case of an Accounting Event, must be accompanied by:
 - (v) a certificate signed by two duly authorised officers of the Issuer attaching a copy of the opinion of the auditors of the Goodman Entities confirming that the Accounting Event has occurred; and

- (vi) an opinion of independent accounting advisers of recognised international standing to the effect that an Accounting Event has occurred.

7.5 Redemption following failure to pay the Distribution Amount and Optional Distribution Payment

If the Optional Distribution Payment is not made when required to be made under Condition 4.4(b), Security Holders may give notice to the Issuer that the Securities are, and they shall accordingly become, immediately due and repayable and the Issuer must redeem them at their principal amount, together with accrued Distributions from the preceding Distribution Payment Date up to (but excluding) the date of such notice.

Such notice must be given during the 90 day period commencing on the Equity Obligation Date relating to the entitlement to give that notice under Condition 4.4(b)(iii).

7.6 Purchase

- (a) The Issuer, the Goodman Entities or any Subsidiary of the Goodman Entities may at any time purchase Securities in the open market or otherwise at any price.
- (b) Any purchase by tender shall be made available to all Security Holders alike.
- (c) Any Securities so purchased shall be immediately cancelled and cannot be resold or reissued.

7.7 Cancellation

All Securities which are redeemed or in respect of which Exchange Rights are exercised will be cancelled and may not be reissued or resold.

8. Payments

8.1 Principal and Distributions

- (a) Payment of any amount payable on redemption of a Security will be made by transfer to the registered account of the relevant Security Holder or by A\$ cheque drawn on a bank in Australia mailed to the registered address of such Security Holder if it does not have a registered account. Payment of such amounts will only be made after surrender of the relevant Certificate at the registered business address of the Issuer (or, where that Certificate has been lost, stolen or destroyed on provision of (i) a certificate of the Security Holder certifying to such loss, theft or destruction of that Certificate, and (ii) an undertaking to indemnify the Issuer in respect of any loss it suffers as a result of that Certificate not having been surrendered).
- (b) Subject always to Condition 4.1, Distributions on Securities will be paid on the due date for payment of the Distributions to the holder shown on the Register at the close of business on the 7th day before the due date for the payment of the Distributions (the ***Distribution Record Date***). Payment of Distributions on each Security to be satisfied by payment in cash will be made by transfer to the registered account of the Security Holder or by A\$ cheque drawn on a bank in

Australia mailed to the registered address of the Security Holder if it does not have a registered account.

8.2 Registered accounts and addresses

For the purpose of this Condition 8, a Security Holder's **registered account** means the A\$ account maintained by it or on its behalf with a bank in Australia, details of which appear on the Register at the close of business on the second Business Day before the due date for payment, and a Security Holder's **registered address** means its address appearing on the Register at that time.

8.3 Fiscal laws

All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9, no commissions or expenses shall be charged to the Security Holders in respect of such payments.

8.4 Payment initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Business Day, for value on the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the written request of the Security Holder otherwise than by ordinary mail, expense of the Security Holder) on the due date for payment (or, if it is not a Business Day, the immediately following Business Day) or, in the case of a payment of principal, if later, on the Business Day on which the relevant Certificate is surrendered at the registered business address of the Issuer.

8.5 Delay in payment

Security Holders will not be entitled to any Distributions or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Security Holder is late in surrendering its Certificate (if required to do so), or if a cheque mailed in accordance with this Condition 8 arrives after the due date for payment.

9. Taxation

9.1 Deduction from payments

- (a) All payments made by on or behalf the Issuer in respect of the Securities will be made free from any restriction or condition and be made without deduction or withholding, except where deduction or withholding of taxes, duties, assessments or governmental charges is required to be made by law.
- (b) The Security Holder will be liable (as between the parties) for any and all taxes, duties, assessments or governmental charges that are required to be deducted or withheld by law in connection with the Securities, and it will promptly notify the Issuer of any change in its tax status that may affect whether amounts are to be deducted or withheld by law in connection with the Securities.

9.2 Stamp duties

- (a) Subject to Condition 9.2(b), the Issuer shall pay or reimburse each Security Holder for all stamp, transaction, registration and similar fees (including fines and penalties) on or in relation to the execution, delivery, or enforcement of these Conditions or any payment, receipt or other transaction contemplated by these Conditions, except in relation to any transfer by a Security Holder under Condition 3.
- (b) The Issuer shall indemnify each Security Holder against any liability resulting from delay or omission to pay the fees referred to in Condition 9.2(a), except to the extent the liability results from failure by the relevant Security Holder, as the case may be, to pay any fee after having been put in funds (with all necessary documents) to do so by the Issuer.

9.3 Survival of obligations

The obligations of the Issuer and the Security Holder under this Condition 9 survive the redemption of any Security and the termination of these Conditions.

10. Events of Default

On a Winding-Up Event occurring in respect of the Sub-Trust or at any time, Security Holders may give notice to the Issuer that their Securities are, and they shall accordingly become, immediately due and repayable and the Issuer must without prejudice to the Exchange Rights immediately redeem the Securities at their principal amount, together with all unpaid Distribution Amounts (if any) in respect of the preceding two Distribution Periods up to (but excluding) the date of such notice, if any of the following events (each, an **Event of Default**) has occurred:

- (a) except for the purpose of a solvent reconstruction or amalgamation:
 - (i) where an application or an order is made, proceedings are commenced, a resolution is passed or proposed by the Sub-Trust, the Trust or the Company in a notice of meeting or other steps are taken for the winding up, dissolution, liquidation, termination or cessation of existence or any analogous process, of, or in relation to, the Sub-Trust, the Trust or the Company (other than frivolous or vexatious applications, proceedings, notices and steps which are being contested by the Issuer or the Goodman Entities in good faith and by appropriate means and which have not resulted in an order being made or resolution being passed for such winding up, dissolution, liquidation or analogous process); or
 - (ii) where the Issuer or a Goodman Entity ceases, suspends or threatens to cease or suspend the conduct of all or substantially all of its business, or ceases, suspends or threatens to cease or suspend the conduct of its business as a going concern, or (whether in a single transaction or a series of transactions (whether related or not)) disposes of or threatens to dispose of all or substantially all of its assets; or

- (b) the Trust or the Company are, or under legislation are presumed or taken to be, (other than as the result of a failure to pay a debt or claim the subject of a good faith dispute) insolvent; or
- (c) a Winding-Up Event occurs in respect of the Trust or the Company.

For the avoidance of doubt, the Exchange Rights remain exercisable in accordance with these Conditions following notice being given under this Condition at any time up to the date the Securities are redeemed by the Issuer in accordance with these Conditions.

11. Subordinated Guarantee

- (a) The payment of the Guaranteed Moneys is guaranteed on a subordinated and joint and several basis by each of the Goodman Entities pursuant to the Guarantee.
- (b) The Guarantee is a joint and several obligation of each of the Goodman Entities for the Guaranteed Moneys, including (without limitation) all of the money which becomes due and payable on the Securities and issues of Stapled Securities under these Conditions.
- (c) The Guarantee constitutes direct and unsecured obligations of each of the Goodman Entities, which are subordinated to the claims of all Senior Creditors of the Goodman Entities but rank ahead of all other unsecured and subordinated obligations of the Goodman Entities.
- (d) No amount is payable by a Goodman Entity in respect of the Guarantee if any amount is outstanding to a Senior Creditor except that a Goodman Entity may make payments under or in relation to the Guarantee if at the time the payment is made, no Winding-Up Event is subsisting in respect of the Company or the Trust and no potential event of default or event of default exists or, after giving effect to the payment, would exist, under any agreement or instrument between a Guarantor and any of the Senior Creditors.
- (e) Claims against the Goodman Entities under the Guarantee shall, in their liquidation or following any Winding-Up Event in respect of any of the Goodman Entities, rank:
 - (i) ahead of all Stapled Security holders;
 - (ii) after other subordinated creditors (other than any subordinated creditors whose claims are expressed to rank after or pari passu with the claims of Security Holders under the Guarantee); and
 - (iii) after the claims of all Senior Creditors.
- (f) Security Holders waive, to the fullest extent permitted by law, any right to prove in any liquidation or following the occurrence of any Winding-Up Event in respect of any of the Goodman Entities as a creditor ranking for payment equally with any Senior Creditor.

12. Prescription

Claims in respect of amounts due in respect of the Securities will become prescribed unless made within 10 years in the case of amounts due on redemption.

13. Notices

- (a) All notices to Security Holders shall be validly given if sent by registered post, couriered or faxed to them at their respective addresses in the Register maintained by the Issuer.
- (b) Communications will take effect, in the case of a letter sent by registered post, on the seventh Business Day after posting; in the case of a letter sent by courier, at the time of delivery; and in the case of fax, at the time of despatch if the correct error-free transmission report is received; provided that if such communication would take effect outside business hours in the place of receipt then it shall be deemed to be received on the next Business Day in the place of receipt. Any notice not by letter shall be confirmed by letter but failure to send or receive the letter of confirmation shall not invalidate the original communication.

Schedule 1 – Voting Deed Poll

Voting Deed Poll

Leader Investment Corporation

Allens Arthur Robinson
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000
Tel 61 2 9230 4000
Fax 61 2 9230 5333
www.aar.com.au



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Date	
By	Leader Investment Corporation of 1710-H, 17/F, New Poly Plaza, No. 1 North Chaoyangmen Street, Dongcheng District, Beijing, P.R.C. (the Security Holder).
In favour of	Unitholders
Recitals	<p>A The Issuer proposes to issue the Securities on the terms and conditions set out in the Conditions.</p> <p>B The Security Holder proposes to become registered as the holder of Securities.</p> <p>C The Security Holder enters into this Deed Poll in favour of Unitholders pursuant to which the Security Holder undertakes to exercise the Security Holder's voting rights on resolutions relating to the Trust by virtue of its holding of Securities in accordance with this Deed Poll.</p>

It is declared as follows.

1. Definitions and Interpretation

1.1 Definitions in Conditions to apply

Subject to clause 1.2, terms defined in the Conditions have the same meaning when used in this Deed Poll.

1.2 Definitions

The following definitions apply unless the context requires otherwise:

CIC means China Investment Corporation of 1710-H, 17/F, New Poly Plaza, No. 1 Chaoyangmen Street, Dongcheng District, Beijing, P.R.C.

Conditions means the terms of issue of the Securities as set out in schedule 1.

Non-Preference Matter means a resolution relating to the Trust in circumstances other than those listed in the definition of "Preference Matter".

Preference Matter means any resolution relating to the Trust in each of the following circumstances and in no others:

- (a) during a period during which a dividend or distribution (or part of a dividend or a distribution) in respect of the Securities is in arrears;
- (b) on a proposal to reduce the capital of the Trust;
- (c) on a resolution to approve the terms of a buy-back agreement;
- (d) on a proposal that affects rights attached to the Securities;
- (e) on a proposal to wind up the Trust;
- (f) on a proposal for the disposal of the whole of the Trust's property, business and undertaking; and
- (g) during the winding up of the Trust.

Subsidiary means, in relation to a person:

- (a) any company or business entity of which that person owns (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or business entity; and
- (b) any company or business entity which at any time has its accounts consolidated with those of that person or which, under the Accounting Standards, should have its accounts consolidated with those of that person.

Unitholder means a holder of Units from time to time.

1.3 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise:

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a ***person*** includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (e) A reference to a ***clause*** or ***schedule*** is a reference to a clause of, or a schedule to, this Deed Poll.
- (f) A reference to an ***agreement*** or ***document*** (including a reference to this Deed Poll) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Deed Poll or that other agreement or document.
- (g) A reference to ***writing*** includes any method of representing or reproducing words, figures, drawings, or symbols in a visible or tangible form.
- (h) A reference to a ***party*** to this Deed Poll or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).



- (i) A reference to *legislation* or to a *provision* of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (j) A reference to *dollars* or *\$* is a reference to the lawful currency of Australia.
- (k) A reference to time is a reference to Sydney time.
- (l) Mentioning anything after *includes, including, for example* or similar expressions does not limit what else might be included.

2. Nature of Deed Poll

The Security Holder acknowledges and agrees that this Deed Poll may be relied upon and enforced by any Unitholder in accordance with its terms, even though the Unitholders are not a party to it.

3. Condition Precedent and Termination

3.1 Condition precedent

The Security Holder's obligations under this Deed Poll are not binding unless and until the Security Holder becomes registered as the holder of Securities.

3.2 Termination

The Security Holder's obligations under this Deed Poll will automatically terminate when the Security Holder ceases to be registered as the holder of Securities and, subject to clause 3.3, the terms of this Deed Poll will be of no further force or effect.

3.3 Consequences of termination

If this Deed Poll is terminated pursuant to clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) the Security Holder is released from its obligations under this Deed Poll; and
- (b) each Unitholder retains any rights, powers or remedies that the Unitholder has, as at the time the Deed Poll is terminated pursuant to clause 3.2, against the Security Holder in respect of any breach of the Security Holder's obligations under this Deed Poll that occurred before termination of this Deed Poll.

4. Security Holder's Undertakings

4.1 Number of votes exercisable by Security Holder in relation to Preference Matters

On a Preference Matter for which the Security Holder has a right to vote by virtue of its holding of Securities, the Security Holder has the number of votes it is entitled to under Part 2G.4 of the Corporations Act in respect of its holding of Securities.



4.2 Number of votes exercisable by Security Holder in relation to Non-Preference Matters

On a Non-Preference Matter for which the Security Holder has a right to vote by virtue of its holding of Securities, the Security Holder irrevocably undertakes to each Unitholder that it will abstain from voting in respect of its holding of Securities.

5. Representations and Warranties

The Security Holder makes the following representations and warranties.

- (a) **(Power)** It has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll.
- (b) **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll.
- (c) **(Document binding)** This Deed Poll is its valid and binding obligation enforceable in accordance with its terms, subject to any necessary stamping and registration.
- (d) **(Transactions permitted)** The execution and performance by it of this Deed Poll and each transaction contemplated by this Deed Poll did not and will not violate a provision of:
 - (i) a law, judgment, ruling, order or decree binding on it; or
 - (ii) its constituent documents.

6. General

6.1 Notices

All notices, requests, demands, consents, approvals, agreements or other communications to or by a party to this Deed Poll shall be:

- (a) in writing addressed to the address of the recipient shown in this Deed Poll or to such other address as it may have notified the sender;
- (b) signed by a director, secretary or other authorised officer of the sender; and

deemed to be duly given or made (in the case of delivery in person or by post, facsimile transmission or cable) when delivered to the recipient at such address but if such delivery or receipt is later than 4pm (local time) on a Business Day in the place to which such communication is sent, it shall be deemed to have been duly given or made at the commencement of business on the next Business Day in that place.

6.2 Further Assurances

The Security Holder will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Deed Poll and the transactions contemplated by this Deed Poll.

6.3 No waiver

No failure to exercise nor any delay in exercising any right, power or remedy by the Security Holder or by any Unitholder operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy. A waiver is not valid or binding on the person granting that waiver unless made in writing.

6.4 Remedies cumulative

The rights, powers and remedies of the Security Holder and each Unitholder under this Deed Poll are in addition to, and do not exclude or limit, any other rights, powers or remedies provided by law or in equity independently of this Deed Poll.

6.5 Assignment

The rights and obligations of the Security Holder and the rights of each Unitholder under this Deed Poll must not be assigned or otherwise dealt with at law or in equity.

6.6 Governing law and jurisdiction

- (a) This Deed Poll is governed by the laws of New South Wales.
- (b) In the event of any dispute, controversy or claim arising out of or in connection with this Deed Poll including the validity, invalidity, breach or termination thereof (*Dispute*), the right of a Unitholder to enforce any of its rights pursuant to this Deed Poll is conditional upon that Unitholder first consulting and negotiating with the Security Holder and attempting to reach a satisfactory solution. For the purposes of the negotiation, each of the parties to the Dispute will each nominate one representative who shall have authority to resolve the Dispute. If the relevant parties do not resolve the Dispute within thirty (30) days, then upon notice by any such party to the other(s), any unresolved Dispute shall be referred to and finally settled by arbitration in Hong Kong under the Hong Kong International Arbitration Centre Administered Arbitration Rules (*Rules*) in force when the Notice of Arbitration is submitted in accordance with these Rules. The number of arbitrators shall be three. The arbitration proceedings shall be conducted in English.

Directory

Goodman Group

Comprising:

- Goodman Limited (ABN 69 000 123 071) and
- Goodman Industrial Trust (ARSN 091 213 839) the responsible entity of which is Goodman Funds Management Limited (ABN 48 067 796 641)

Registered office

Level 10, 60 Castlereagh Street

Sydney NSW 2000

Website

www.goodman.com