

## asx release+

### Annual General Meeting and Long Term Incentive Plan

Date 6 November 2009

Release Immediate

The Notice of Meetings dated 30 October 2009 for the Annual General Meetings of Goodman Limited and Goodman Industrial Trust to be held on 30 November 2009 noted that a further announcement would be made in respect of the proposed performance hurdles for the Long Term Incentive Plan for which approval is sought under Resolution 6.

The Board has received independent expert advice and had regard to the Group's forecasts and strategy to determine an appropriate matrix of targets and vesting conditions that aligns employees with securityholders by:

- + Setting performance targets and stretch outcomes that are achievable having regard to the Group's business plan and prudent risk strategy;
- + Providing an incentive for decisions to be made with regard to long term performance outcomes over three financial years; and
- + Seeking to lock-in high performing employees with deferred vesting of even longer dated second and third tranches with continued employment.

As set out in the Notice of Meetings, the Board has determined that each grant will be divided into three tranches with vesting after years 3, 4 and 5 subject to meeting the relevant performance hurdle and continued employment.

Each tranche will be divided in half so that vesting of 50% of the tranche is determined on satisfaction of a Total Securityholder Return (TSR) performance hurdle and vesting of 50% of the tranche is determined on satisfaction of a Growth in Earnings Per Security (EPS) performance hurdle.

As set out in the Notice of Meetings, the Performance Hurdles will be tested in respect of the period 1 July 2009 to 30 June 2012 (FY10, FY11 and FY12). In addition to meeting the performance hurdle test, vesting of the second tranche after year 4 and third tranche after year 5 will require continued employment (other than in special circumstances as determined by the Board).

**TSR Hurdle:** 50% of each tranche will be subject to a TSR vesting condition.

The TSR vesting condition will be determined by Goodman's relative TSR performance over the Performance Hurdle testing period of three financial years. Goodman's TSR performance will be measured against the TSR performance of the entities comprising the S&P/ASX 200 Index. TSR will be based on security price movements on ASX plus distributions paid on securities. The extent to which LTIs that are subject to the TSR vesting condition in any tranche will vest based on Goodman's relative TSR performance in the three financial years applying to the testing of the Performance Hurdles is as follows:

| TSR ranking in each vesting period                                              | Proportion of LTIs in a tranche subject to TSR vesting condition that will vest |
|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| At or below the 50 <sup>th</sup> percentile                                     | 0%                                                                              |
| At the 51 <sup>st</sup> percentile                                              | 50%                                                                             |
| Above the 51 <sup>st</sup> percentile but below the 76 <sup>th</sup> percentile | 50%, plus 2% for each percentile above the 51 <sup>st</sup> percentile          |
| At or above the 76 <sup>th</sup> percentile                                     | 100%                                                                            |

**Growth in EPS Hurdle:** 50% of each tranche will be subject to a Growth in EPS vesting condition.

The Growth in EPS vesting condition will be determined by Goodman's aggregate growth in diluted operating EPS from FY10 to FY12 based on Target and Stretch amounts approved by the Board. In determining the Target and Stretch amounts, the Board is setting challenging performance hurdles having regard to independent expert advice.

The extent to which LTIs that are subject to the Growth in EPS performance hurdle will vest based on Goodman's operating EPS growth is as follows:

| Cumulative EPS growth                                               | Proportion of tranche subject to EPS hurdle vesting                               |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Less than Target                                                    | 0%                                                                                |
| Equal to aggregate of Target                                        | 50%                                                                               |
| Greater than aggregate of Target but less than aggregate of Stretch | Proportion of EPS grant vesting increases in a straight line between 50% and 100% |
| At or above aggregate of Stretch                                    | 100%                                                                              |

The diluted EPS takes into account the Exchangeable Hybrid Securities and Options granted to CIC and Macquarie.

For further information, please contact Goodman:

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**About Goodman:** Goodman owns, develops and manages industrial property and business space globally. It is the largest industrial property group listed on the Australian Securities Exchange and one of the largest in the world, with offices across Asia Pacific, UK and Europe. At the core of the Group's success is its integrated customer service model, which reflects the organisation's commitment to creating long-term customer relationships.