5 October 2021

Market Announcements Office
ASX Limited
Via ASX Online

Dear Sir/Madam

GOODMAN GROUP EMPLOYEE EQUITY GRANTS

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

Grant of Performance Rights under the LTIP

1. Class of Securities

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

2. Number of Securities

Under the LTIP, 7,642,650 5 Year Performance Rights and 8,375,000 10 Year Performance Rights were granted on 30 September. The combined total of 5 year and 10 year Performance Rights is 16,017,650 Performance Rights.

Additional proposed grants to Executive Directors will be considered at the 2021 Annual General Meeting.

3. Principal terms of the Performance Rights Grant

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

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

3.1 Performance Hurdles

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

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

Type	Performance Testing Period
5 Year Performance Rights	1 July 2021 to 30 June 2024 (3 years)

Goodman Group
Goodman Limited | ABN 69 000 123 071
Goodman Funds Management Limited | ABN 48 067 796 641 | AFSL Number 223621
as responsible entity for Goodman Industrial Trust | ARSN 091213 839
The Hayesbery, 1-11 Hayes Road, Rosebery, NSW 2018 | GPO Box 4703, Sydney NSW 2001 Australia
Tel +61 2 9230 7400 | Fax +61 2 9230 7444
Goodman Logistics (HK) Limited | Company No. 1700359 | ARBN 155 911 149 | a Hong Kong company with limited liability
Suite 901, Three Pacific Place, 1 Queen's Road East, Hong Kong | Tel +852 2249 3100 | Fax +852 2525 2070
info-au@goodman.com | www.goodman.com

Type	Performance Testing Period
10 Year Performance Rights	1 July 2021 to 30 June 2025 (4 years)

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

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

(i) three year Performance Testing Period for the 5 Year Performance Rights and

(ii) the four year Performance Testing Period for the 10 Year Performance Rights,

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

TSR Performance in Performance Testing Period Compared to ASX 100	Proportion of Performance Rights subject to TSR hurdle vesting
Less than 51st Percentile	0%
At 51st Percentile	25%
Greater than 51st Percentile but less than 90th Percentile	25% plus additional 1.875% for every 1% increase in percentile rank
At 90th Percentile or above	100%

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

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

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

Operating EPS required	5 Year Performance Rights	10 Year Performance RIghts
Threshold Level	78.1 cps in FY24	82.8 cps in FY25
Upper Level	87.3 cps in FY24	96.0 cps in FY25

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

Operating EPS	Portion of Performance Rights satisfying
Less than Threshold Level	0%
At Threshold Level	25%

Operating EPS	Portion of Performance Rights satisfying
Between Threshold Level and Upper Level	25% plus 75% of the proportionate share of the increased EPS, between the threshold and upper levels, expressed as a percentage $= 25\% + 75\% \times \left(\frac{EPS - Threshold\ Level}{Upper\ Level - Threshold\ Level}\right)$
Upper Level or above	100%

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

3.2 ESG Condition

The Board will adopt certain environmental and sustainability targets during FY22 and subsequent years (**ESG Targets**). Subject to the Board's assessment of progress and achievement of those targets during the testing period, that based on the determination of the Board up to 20% of the total that satisfy the Operating EPS Performance Hurdle be lapsed in the event of material underperformance against the ESG Targets.

3.3 Employment Condition

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

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

4. Vesting Dates

The 5 year Performance Rights are divided into three equal tranches which vest annually each 1 September between 2024 and 2026.

The 10 year Performance Rights are divided into seven equal tranches which vest annually each 1 September between 2025 and 2031.

The Vesting dates are set out below:

Year	Vesting Date*	5 Year PR Vesting	10 year PR Vesting
1			
2			
3	1 September 2024	Tranche 1	
4	1 September 2025	Tranche 2	Tranche 1
5	1 September 2026	Tranche 3	Tranche 2
6	1 September 2027		Tranche 3

Year	Vesting Date*	5 Year PR Vesting	10 year PR Vesting
7	1 September 2028		Tranche 4
8	1 September 2029		Tranche 5
9	1 September 2030		Tranche 6
10	1 September 2031		Tranche 7

**Note: or the next business day where 1 September falls on a non-business day in Sydney, Australia.*

5. Issue Price

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

6. Purpose of the Issue

Remuneration of employees.

Yours faithfully,

Carl Bicego
Company Secretary

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