



16 September 2015

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

Dear Sir

GOODMAN GROUP EMPLOYEE EQUITY GRANTS

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

Grant of Performance Rights under the LTIP

1. Class of Securities

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

2. Number of Securities

The proposed Grants of 18,829,699 Performance Rights are expected to occur on or around 23 September 2015. Of this amount, the Grants of 3,500,000 Performance Rights to Executive Directors are subject to Securityholder approval at the 2015 Annual General Meeting (AGM), as detailed below.

3. Principal terms of the Performance Rights Grant

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

Each Grant is divided into three equal tranches which have Vesting Dates after 3, 4 and 5 years being:

- + Tranche 1 - 1 September 2018
- + Tranche 2 - 1 September 2019; and
- + Tranche 3 - 1 September 2020.

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

Goodman Group

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The vesting of Performance Rights is subject to meeting the Vesting Conditions.

The Vesting Conditions include the Performance Hurdles and Employment Condition as set out below.

(a) Performance Hurdles

Under the LTIP, 25% of each Grant will be tested against a relative TSR hurdle and the remaining 75% of each Grant against an aggregate EPS hurdle. The performance hurdles in respect of each Grant will be tested in respect of the period 1 July 2015 to 30 June 2018 (the **Performance Testing Period**).

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

Total Securityholder Return (**TSR**) is based upon Security price movements on ASX plus distributions paid in respect of those Securities, as determined by the Board. Satisfaction of the Performance Hurdle for 25% of each Grant will be based upon the TSR achieved by Goodman over the three year Performance Testing Period as compared to the TSR achieved by companies in the S&P/ASX 100 for that same 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	50%
Greater than 51st Percentile but less than 76th Percentile	50% plus additional 2% for every 1% increase in percentile rank
At 76th Percentile or above	100%

(ii) EPS Performance Hurdle – 75% of each Grant

Satisfaction of the Performance Hurdle for 75% of the each Grant will occur if the aggregate Earnings Per Security (**EPS**) achieved by Goodman over the three year Performance Testing Period meets or exceeds the EPS Targets established by the Board for that period.

EPS is defined as the average annual operating profit (as determined by the Board) divided by the number of Securities on issue. For this purpose, the number of 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).

The Board has determined that the EPS Target for FY16 is 39.4 cents per Security. The EPS targets for FY17 and FY18 will be advised around the commencement of each of those financial years (generally on announcement of the prior year results).

(b) 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 LTIP 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 Stapled Securities on the applicable vesting date.

4. Issue Price

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

5. Purpose of the Issue

Remuneration of staff.

6. Securityholder Approval

The following grants to Executive Directors are subject to Securityholder approval at the 2015 AGM:

- 2,000,000 Performance Rights to Greg Goodman;
- 600,000 Performance Rights to Anthony Rozic;
- 450,000 Performance Rights to Philip Pearce; and
- 450,000 Performance Rights to Danny Peeters.

The 2015 AGM is to be held on 25 November 2015.

Grant of Securities under the GTEP

1. Class of Securities

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

2. Number of Securities

Under the GTEP, Goodman Group will award 237 employees \$1,000 worth of Stapled Securities. The number of Stapled Securities awarded will be determined by dividing \$1,000 by the volume weighted average price at which Stapled Securities are traded on the ASX during the 5 day period ending on the business day immediately before the date the Stapled Securities are issued (expected to be on or around Wednesday 23 September 2015), rounded down to the nearest whole number of Stapled Securities.

3. Principal terms of the GTEP Grant

Participants are not permitted to sell the Stapled Securities they acquire under the GTEP until the earlier of:

- 3 years from the date on which participants receive the Stapled Securities; or
- the date on which participants cease to be an Employee with the Goodman Group.

4. Issue Price

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

5. Purpose of the Issue

Remuneration of staff.

6. Securityholder Approval

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

Yours faithfully

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

Carl Bicego
Company Secretary