

## Financial Markets Conduct (Goodman Group) Exemption Notice 2017

Pursuant to section 556 of the Financial Markets Conduct Act 2013, the Financial Markets Authority, being satisfied of the matters set out in section 557 of that Act, gives the following notice.

### Contents

|  | Page   |
|--|--------|
| 1 Title  | 1      |
| 2 Commencement   | 1      |
| 3 Revocation   | 1      |
| 4 Interpretation   | 1      |
| 5 Exemptions   | 2      |
| 6 Conditions of exemptions in clause 5<br>Schedule – Warning Statement | 2<br>4 |

### Notice

#### 1 Title

This notice is the Financial Markets Conduct (Goodman Group) Exemption Notice 2017.

#### 2 Commencement

This notice comes into force on 21 July 2017.

#### 3 Revocation

This notice is revoked on the close of 20 July 2022.

#### 4 Interpretation

(1) In this notice, unless the context otherwise requires,—

**Act** means the Financial Markets Conduct Act 2013

**Australian LTIP** means the Goodman Group Long Term Incentive Plan under which an eligible person may acquire stapled securities

**control** has the same meaning as in clause 48, Schedule 1 of the Act

**eligible person** means a person who is, at the time of the offer or at the time when the stapled securities are acquired, 1 or more of the following:

- (a) an employee or director of the issuers or any of their subsidiaries; or
- (b) a trustee for a trust in respect of which a person described in paragraph (a) is a beneficiary; or

(c) a company that is controlled by a person described in paragraph (a) or (b)

**employee stapled securities purchase scheme** means a scheme established by the issuers under which an eligible person may acquire stapled securities of the issuers

**Goodman Industrial Trust** means Goodman Industrial Trust, an Australian managed investment scheme with Australian Registered Scheme Number 091 213 839

**Goodman Limited** means Goodman Limited, a company organised under the laws of Australia with Australian Business Number 69 000 123 071

**Goodman Logistics (HK) Limited** means Goodman Logistics (HK) Limited, a company organised under the laws of Hong Kong with company number 1700359

**issuers** means each of Goodman Limited, Goodman Industrial Trust, and Goodman Logistics (HK) Limited

**offer** means an offer made under the Australian LTIP by the issuers of stapled securities to an eligible person

**Regulations** means the Financial Markets Conduct Regulations 2014

**relevant financial statements** has the meaning set out in clause 2 of Schedule 8 of the Regulations

**stapled security** means a share in Goodman Limited, a unit in Goodman Industrial Trust, and a CHESS depository interest in respect of a share in Goodman Logistics (HK) Limited that are—

- (a) linked together so that one cannot be transferred or otherwise dealt with without the other; and
- (b) which are jointly quoted on the market operated by ASX Limited as a “stapled security”.

(2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

## 5 Exemptions

- (1) Every issuer is exempt from Part 3 of the Act in respect of an offer.
- (2) Goodman Industrial Trust is exempt from Part 4 of the Act in respect of an offer.

## 6 Conditions of exemptions in clause 5

- (1) The exemptions in clause 5 are subject to the conditions that—
  - (a) the offer of stapled securities must—
    - (i) be made as part of the remuneration arrangements for the eligible person or otherwise made in connection with the employment or engagement of the eligible person; and
    - (ii) not be for the primary purpose of raising funds for any of the issuers or for any subsidiary of an issuer; and
  - (b) the total number of stapled securities issued or transferred under all of the issuers' employee stapled securities purchase schemes to eligible persons in any 12-month period does not exceed 10% of the stapled securities of the issuers as at the start of the 12-month period; and
  - (c) the offer of the stapled securities must be made only to eligible persons, so that—

- (i) the only investors who are able, under the terms of the offer, to acquire the stapled securities are eligible persons; and
    - (ii) all of the investors who acquire the stapled securities under the offer are eligible persons; and
  - (d) the issuers must not accept an application for, or issue or transfer stapled securities to, an eligible person if the following have not been provided to that person before the application was made:
    - (i) a document that contains, in a prominent position, the warning statement referred to in the Schedule; and
    - (ii) a document that contains a description of the Australian LTIP and its terms and conditions; and
    - (iii) the document or documents described in clause 6(2).
- (2) For the purposes of clause 6(1)(d)(iii), the document or documents are—
- (a) each of the following:
    - (i) a copy of the issuers' latest annual report prepared under any enactment or overseas law (if any);
    - (ii) a copy of the relevant financial statements of the issuers and, if those statements are not audited or reviewed by an auditor, a statement to that effect;
    - (iii) a copy of the auditor's report on those relevant financial statements (if any); or
  - (b) a notice that contains—
    - (i) a statement to the effect that the eligible person has a right to receive from the issuers, free of charge, a copy of the documents referred to in subparagraph (a) if the eligible person makes a request to the issuer to receive a copy of those documents; and
    - (ii) a statement to the effect that the eligible person may obtain a copy of those documents by electronic means; and
    - (iii) a statement as to how the eligible person may obtain a copy of those documents by electronic means (for example, from a specified Internet site address).
- (3) One or more of the documents specified in clauses 6(1)(d) and 6(2) above may be combined in a single document.
- (4) In calculating the total number of stapled securities issued or transferred under all of the issuers' employee stapled securities purchase schemes to eligible persons for the purposes of clause 6(1)(b), an issue or sale to a person must be disregarded if the issue or sale results from an offer that—
- (a) does not require disclosure under Part 3 of the Act because of any reason other than as a result of the application of clause 8 of Schedule 1 of the Act or this notice; or
  - (b) is not received in New Zealand; or
  - (c) is a regulated offer that is separate from the offer under the employee stapled securities purchase scheme.
- (5) For the purposes of clauses 6(1)(d) and 6(2)—
- (a) a document must be provided to an eligible person by giving it to that person or delivering or sending it to that person's address; and



- (b) if an eligible person requests a document referred to in clause 6(1)(d) or 6(2), the issuers must provide that document to that person within 5 working days after the issuers receive that request.

## Schedule

### Warning statement

#### “Warning

This is an offer of stapled securities (being shares in Goodman Limited, units in the Goodman Industrial Trust, and CHESS depository interests in respect of shares in Goodman Logistics (HK) Limited) (together, **GMG**). The stapled securities give you a stake in the ownership of GMG. You may receive a return if dividends are paid.

If any of Goodman Limited, Goodman Industrial Trust, Goodman Logistics (HK) Limited runs into financial difficulties or is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an exemption granted by the Financial Markets Authority that allows Goodman Limited, Goodman Industrial Trust and Goodman Logistics (HK) Limited to offer the stapled securities to eligible employees. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

The stapled securities are quoted on the ASX. This means you may be able to sell them on the ASX if there are interested buyers. You may get less than you invested. The price will depend on the demand for the stapled securities.”

Dated at Wellington this 12<sup>th</sup> day of July 2017.

  
Garth Stanish  
Director of Capital Markets  
Financial Markets Authority

### Statement of reasons

This notice comes into force on 21 July 2017, and is revoked on the close of 20 July 2022.

This notice exempts Goodman Limited, Goodman Industrial Trust (**GIT**), and Goodman Logistics (HK) Limited (together, the **issuers**) from compliance with the disclosure requirements of Part 3 of the Financial Markets Conduct Act 2013 (**Act**). This notice also exempts GIT from compliance with the governance requirements for managed investment schemes under Part 4 of the Act.

The exemptions apply only to offers (**offer**) of stapled securities (each consisting of a share in Goodman Limited, a unit in GIT, and a CHESS depositary interest in respect of a share in Goodman Logistics (HK) Limited (**stapled securities**)) under the Goodman Group Long Term Incentive Plan (**Australian LTIP**) which are made by the issuers to certain eligible persons, including employees or directors of the issuers and employees or directors of the issuers' subsidiaries in New Zealand (**employees**).

The exemptions are subject to certain conditions requiring an offer to be consistent, as far as practicable, with the requirements of the exclusion relating to employee share purchase schemes in clause 8 of Schedule 1 of the Act (the **Schedule 1 exclusion**) and with clauses 10 to 12 of Schedule 8 of the Financial Markets Conduct Regulations 2014 (which relate to the Schedule 1 exclusion).

The Financial Markets Authority (**FMA**), after satisfying itself as to the matters set out in section 557 of that Act, considers it appropriate to grant the exemptions because—

- the return on the stapled securities is linked to the performance of the issuers. Therefore, the Australian LTIP encourages employees' involvement in the performance of Goodman Limited and its subsidiaries, in a manner similar to that of an employee share purchase scheme. However, due to the composite nature of the stapled securities, which consist of both equity securities and managed investment products, the issuers are unable to rely on the Schedule 1 exclusion:
- the exemption therefore promotes innovation and flexibility in the financial markets by allowing employees to participate in an offer which is in substance similar to an employee share scheme and which will be offered on a similar basis as offers made in reliance on the Schedule 1 exclusion:
- the conditions to the exemptions require employees to be provided access to the same kinds of information as would be required under the Schedule 1 exclusion. As the stapled securities are listed on the Australian Securities Exchange (**ASX**), the issuers are subject to ASX requirements and to Australian securities laws, with the market value and material issues relating to the stapled securities publicly available and accessible to employees. In these circumstances, the FMA is satisfied that employees will have access to sufficient and appropriate information for them to make an informed investment decision in relation to the offer and requiring the issuer to comply with the disclosure requirements of Part 3 of the Act is unnecessary:
- GIT is regulated under Australian law, and is subject to Australian laws and regulatory requirements relating to governance of managed investment trusts. Therefore, sufficient and appropriate governance arrangements and protections for investors are already in place under Australian requirements, and requiring GIT to comply with the governance requirements in Part 4 of the Act in relation to the offer is unnecessary:
- as such, the FMA is satisfied that the granting of the exemptions is desirable in order to promote the purposes of the Act, specifically by avoiding unnecessary compliance costs and by promoting innovation and flexibility in financial markets:
- in circumstances where the exemptions are limited to the offers of stapled securities made by the issuers to employees in connection with the Australian LTIP, and their key impact is to provide the Australian LTIP with equivalent treatment to that which applies to employee share schemes under the Act, the FMA is satisfied that the exemptions are not broader than is reasonably necessary to address the matters that gave rise to them.