



Goodman Property Trust

Fee Summary

As an externally managed Unit Trust, Goodman Property Trust pays fees to the Manager for the services it provides. They are summarised below. The fees have been previously approved by Unitholders and are periodically reviewed by the Independent Directors through an industry benchmarking exercise undertaken by external consultants.

The Trust's Management Expense Ratio, the measure of administration expenses divided by average property assets, is below the sector average at around 0.5%.

1. Fund Management Fees

Base Fund Fee	A tiered fee, 0.5% of property assets up to \$500m and 0.4% thereafter. The Base Fund Fee is reduced by a rebate equivalent to the management fee attributable to development land.
Performance Fee	The performance fee is determined by reference to the Trust's unit performance (including gross distributions and movements in the unit price) relative to a benchmark return that includes the Trusts NZX listed peers. The performance fee is calculated as 10% of the amount by which Unitholders' returns exceed the benchmark return up to a cap. The cap is set at 5% more than the benchmark return. The performance fee, which is calculated 6 monthly, can be positive or negative and a carry forward balance is maintained. The carry forward is indefinite and any performance fee paid must be used by the Manager to subscribe for new units in the Trust.

2. Property Services Fees

Property Management	1% to 3% of gross annual rental, depending on the complexity of the property. These costs are typically recovered from customers through a buildings operating expenses.
Leasing Fees	New customer - As per the current schedule of fees, which range between 13% and 19% of annual gross rental depending on the length of the lease. If an external agent is involved this reduces to 25% of the applicable fee. Existing customer - 50% of the applicable fee as detailed in the current schedule of fees. If an external agent is involved this reduces to 25% of the applicable fee. Renewal - 50% of the applicable fee as detailed in the current schedule of fees. If an external agent is involved this reduces to 25% of the applicable fee.
Rent Review Fees	For market rent reviews, 10% of the annual rental increase. Fixed and CPI structured rent reviews incur a fee of \$1,500.
Acquisitions and Disposals	Agreed by the Independent Directors on a case by case basis, in the range of 0% to 1% of the acquisition/disposal price.
Other Fees	Minor project management fees on capital expenditure projects >\$1m are agreed on a case by case basis as a percentage of the cost of the works. For projects below \$1m a tiered fee of up to 7.5% applies.

Other Fees (cont'd) Engineering and Building Supervision fees are charged on an ad-hoc basis. The fee is on a salary recovery plus margin basis.
Legal and marketing fees can be charged on an hourly rate basis provided that the services would otherwise need to be acquired from a third party provider.

3. Development Management Fees

Fees relating to the development of new buildings are approved by the Independent Directors on a case by case basis. The following fees typically apply.

Development Management	3.5% of the total project cost. For developments at Highbrook Business Park it is 3.5% of the completed value less the land component.
Project Management	Up to 1.5% of the construction cost of the project, including the costs of any external project manager.
Pre-leasing Fee	10% of gross annual rental reducing to 2.5% if an external agent is involved.