Analysis of GMT corporate governance framework against NZX Corporate Governance Best Practice Code ("Code")

Code	requirement	Current governance framework of Goodman (NZ) Limited
1.	Code of Ethics	
1.1	An Issuer should formulate a code of ethics to govern its conduct	All New Zealand Goodman employees are required to comply with Goodman Group's Employee Handbook (previously called
1.2	The code of ethics should address ethical issues, establish compliance standards and procedures, provide mechanisms to report unethical behaviour and ensure that disciplinary measures are in place for any violations.	the Code of Ethics). The Handbook places obligations which generally cover all of the matters recommended by the NZX Code, mentioned left.
1.3	When drafting the code of ethics, the Issue should consider the following matters: (a) conflicts of interest; and (b) receipt and use of corporate information; and (c) receipt and use of corporate assets and property; and (d) Directors giving proper attention to the matters before them; and (e) a general obligation to act honestly and in the best interests of the Issuer as required by law; and (f) compliance with any other applicable laws, regulations and rules.	Directors of the Manager are not covered by the Employee Handbook, but their terms of appointment oblige full compliance with all legal and regulatory obligations.
2.	Directors	
Sepa	ration of Chief Executive and Chairman	Keith Smith is the Chairman of GNZ. John Dakin is the Chief Executive Officer of GNZ.
2.1	A Director should not simultaneously hold the positions of Chief Executive and chairman of the Board of the same Issuer.	
Appointments to the Board		The Board will, when it considers appropriate, constitute a committee to consider senior executive and director
2.2	Unless constrained by size, an Issuer should establish a nomination committee as recommended below in paragraph 3.10.	appointments and performance. An Appointments Committee will usually include at least one Independent Director and other persons considered appropriate.
2.3	Every Issuer should have formal and transparent methods for the nomination and appointment of Directors on the Board.	Directors are appointed by the parent company of the Manager, Goodman Limited (which is effectively the ASX listed Goodman Group). Unitholders do not vote on Director appointments.
Director Training		Continuing education is highly valued by the Board of the Manager. Directors are encouraged to participate in continuing
2.4	Directors should undertake appropriate training to remain current on how to best perform their duties as Directors of an Issuer.	education to enhance their understanding of GMT's business and on relevant areas of board and director responsibilities.

Director Remuneration		Director fees are not paid directly by Unitholders, but by the
2.5	Unless constrained by size, an Issuer should establish a remuneration committee as recommended below in paragraph 3.7.	Manager. The Manager's fee does not vary with changes in Director remuneration and the Manager has no right of reimbursement from the Trust for these fees.
2.6	Every Issuer should have a formal and transparent method to recommend Director remuneration packages to shareholders.	On this basis, the Board of the Manager has decided that a Remuneration Committee would serve little purpose and so none is maintained.
2.7	Directors are encouraged to take a portion of their remuneration under a performance based Equity Security compensation plan. The Equity Security compensation plan should not vest until at least after two years after the grant of plan entitlements to the Director. Alternatively (or in addition), Directors are encouraged to invest a portion of their cash Directors' remuneration in purchasing the Issuer's Equity Securities.	Directors take half of their fees in GMT units, or maintain a level of holding in GMT units equal to 50% or more of total fees paid to them.
2.8	Information of sufficient content, quality, and timeliness, as the Board considers necessary to enable the Board to effectively discharge its duties, should be provided to the Board by management.	Directors are provided with a comprehensive Board Report by Management prior to each meeting which sets out the necessary information to enable Directors to evaluate the current performance of GMT and to consider matters for which approval is sought. For periodic meetings, these are typically provided one week in advance of the meeting, and as soon as possible for other more urgent matters which the Board is asked to consider.
Board 2.9	The Board should establish a formal procedure to regularly assess individual and Board	Board performance review is carried out on a regular yet informal basis by the Chairman, and Directors are encouraged via an open Board dynamic to express views and facilitate discussion which could improve Board performance.
3.	performance. Committees	discussion which could improve board performance.
0.0	Committee	
3.1	Membership on the Audit Committee should comprise solely of non-executive Directors of the Issuer.	The Audit Committee is comprised of Peter Simmonds (as Chairman) Phil Pryke, Keith Smith and Susan Paterson, all non-executive Independent Directors of the Manager (with the exception of Mr Pryke). Phil Pryke was an Independent Director at his time of appointment.
3.2	The Audit Committee should produce a written charter that outlines the Audit Committee's authority, duties, responsibilities and relationship with the Board.	The Audit Committee Charter can be viewed under the heading Boards and Committees in the Corporate Governance section of GMT's website.
3.3	The Board should regularly review the performance of the Audit Committee in accordance with the Audit Committee's written charter.	Review of Audit Committee performance is carried out in a similar way to Board performance review, as noted under paragraph 2.9 above.
3.4	Directors who are not members of the Audit Committee and employees should only attend Audit Committee meetings at the invitation of the Audit Committee.	Relevant members of Management and the Directors attend Audit Committee meetings on a by-invitation basis.

3.5	The Audit Committee should also address issues of auditor independence as set out in section 4 below.	Refer to comments next to section 4 below.
3.6	Issuers should identify in their annual report the members of the Audit Committee.	Refer to the 2011 Annual Report.
3.7 3.8 3.9	The Issuer should establish a remuneration committee to recommend remuneration packages for Directors to the shareholders. Issuers should identify in their annual report the members of the remuneration committee. The remuneration committee should produce a written charter that outlines the remuneration committee's authority, duties, responsibilities and relationships with the Board. The Board should regularly review the performance of the remuneration committee in	The Manager does not maintain a Remuneration Committee for the reasons noted next to paragraphs 2.5 and 2.6 above.
Nomi	accordance with the remuneration committee's written charter.	The Board of the Manager does not have a standing nomination
3.10	An Issuer should establish a nomination committee to recommend Director appointments to the Board. At least a majority of the nomination committee should be independent Directors. Issuers should identify in their annual report the member or the nomination committee.	committee, but establishes one from time to time in the manner described next to paragraphs 2.2 and 2.3 above. Terms of reference for any nomination committee are established on a case by case basis if required, rather than any written charter being in place, and due to the irregularity of formation of such a Committee, no formal performance review system is in place.
3.11	The nomination committee should produce a written charter that outlines the nomination committee's authority, duties, responsibilities and relationship with the Board.	,
3.12	The board should regularly review the performance of the nomination committee in accordance with the nominations committee's written charter.	

4. Relationship with the Independent Auditor

- 4.1 The Board should establish a formal and transparent procedure for sustaining communication with the Issuer's independent and internal auditors.
- 4.2 The Board should establish a formal and transparent framework for the Issuer's relationship with its auditors, including:
 - (a) To ensure that the ability and independence of the auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired; and
 - (b) To address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the Issuer; and
 - (c) To provide for the monitoring and approval by the Issuer's Audit Committee of any service provided by the auditors to the Issuer other than in their statutory role.

Both the independent auditors and the internal auditors are invited to address the Audit Committee at least twice each year, during which times (and others if required), the Audit Committee meets the auditors with management not present.

The independent auditors formally advise the Audit Committee of all engagements by the company and fees earned from audit and non-audit work. The independent auditors also confirm independence to the Board on an annual basis.