

# notice of meeting+

Goodman



# notice of meeting+

Goodman Property Trust

## Notice of Annual Meeting

### Date of meeting:

Tuesday 2 August 2011

### Time:

Commencing at 1.30 pm

### Venue:

Pullman Hotel (formerly the Hyatt Hotel)  
Princes Ballroom C  
Cnr Waterloo Quadrant and Princes Street  
Auckland

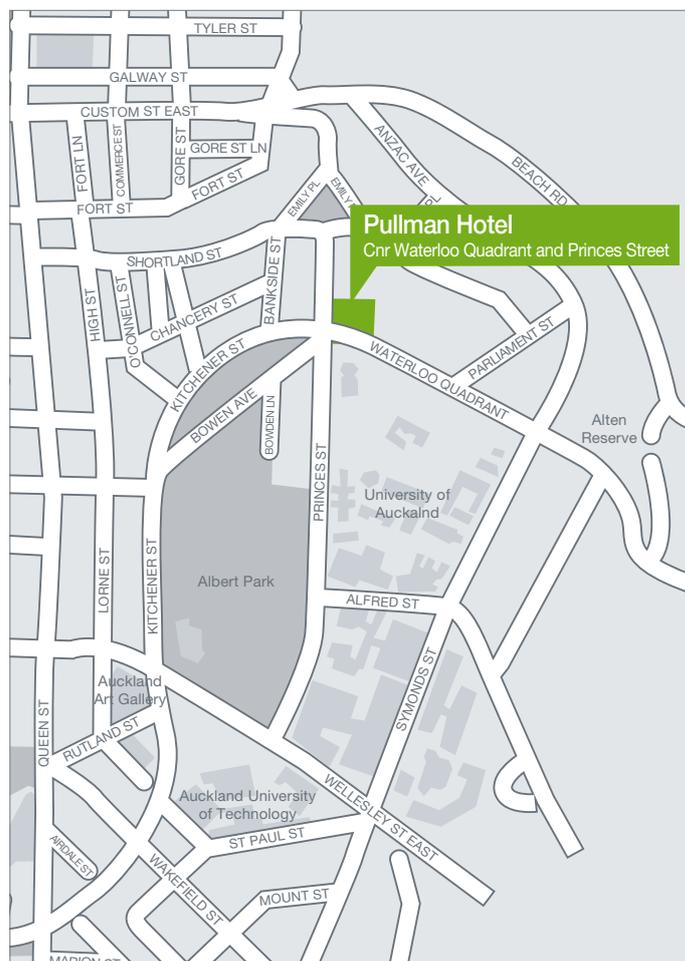
### Last day for receipt of voting and proxy forms:

Saturday 30 July 2011

This Notice of Meeting is an important document and requires your immediate attention. It should be read in its entirety. It has been prepared to advise you of the forthcoming Meeting and assist you in understanding the Resolution to be put to Unitholders for consideration at the Meeting. The Directors encourage you to read this Notice of Meeting and exercise your right to vote.

If you do not understand any part of this document or are in doubt as to how to deal with it, you should consult your broker or other professional adviser as soon as possible.

Please call the information line on 0800 359 999 (within New Zealand) or +64 9 488 8777 (outside New Zealand) if you have any queries about the Resolution or this Notice of Meeting.



# the resolution+

## Purpose of Meeting

The purpose of the Meeting is to review the performance of the Trust for the previous financial year and the Trust's current strategy, to give Unitholders an opportunity to ask questions of Directors, senior management, the Trust's auditors and the Trustee, and to consider the Resolution.

## Proposed Resolution

The Meeting will be asked to consider and, if thought fit, pass the following resolution:

**As an Ordinary Resolution, that Unitholders approve, on a perpetual basis, the issue of Units to the Manager (or any nominee of the Manager) pursuant to the management fee provisions of the Trust Deed.**

## Reason for Resolution

The Resolution is required as a condition of a waiver from Listing Rule 7.3.2 granted by NZXMS and dated 18 October 2010 in relation to the issue of Units pursuant to the management fee provisions of the Trust Deed, as explained under "the requirement for approval" on page 4.

If the Resolution is passed the Trust will be able to issue units to the Manager, (to be subscribed for by the Manager out of its performance fee) without the need for further Unitholder approval.

## Independent Directors' recommendation

**The Independent Directors have carefully considered the Resolution and unanimously recommend that it be approved by Unitholders.**

## Other important information

### (a) Voting exclusions

The only persons not permitted to vote on the Resolution are the Manager and its Associated Persons, other than where the Manager or its Associated Person is acting as proxy or representative for a person who is not disqualified from voting and is voting in accordance with the express instructions of that other person.

### (b) Attendance and voting rights

Subject to the voting exclusions described above, every Unitholder or that Unitholder's proxy, attorney or representative, is entitled to attend the Meeting and vote.

On a show of hands, each Unitholder has one vote, and on a poll, each Unitholder has one vote per Unit.

Unitholders for the purposes of voting at the Meeting will be determined from the Trust's register at the close of business on the day prior to the Meeting.

### (c) Voting and proxies

A Unitholder is entitled to appoint a proxy to attend and vote on behalf of the Unitholder at the Meeting. A proxy need not be a Unitholder. A Voting and Proxy Form is attached at the end of this Notice of Meeting. Unitholders wishing to appoint the chairman of the Meeting as their proxy should carefully read the instructions on the Voting and Proxy Form and direct such appointment in the manner provided for on that form. If no direction is given, the proxy will not be voted as the chairman of the Meeting is an Associated Person of the Manager and hence is disqualified from voting on the Resolution.

To be valid, Voting and Proxy Forms must be received at the office or facsimile of Computershare Investor Services Limited on or before Saturday 30 July 2011.

The office of Computershare Investor Services Limited is located on Level 2, 159 Hurstmere Road, Takapuna, Auckland, and the facsimile number is 09 488 8787 (within New Zealand) or +64 9 488 8787 (outside New Zealand).

### (d) Ordinary Resolution

To be passed, the Resolution needs to be approved by an Ordinary Resolution of Unitholders. An Ordinary Resolution means approval by more than 50% of the votes cast by Unitholders entitled to vote and voting on the Resolution.

### (e) Quorum

A quorum for the Meeting will be constituted if at least five persons are present (in person, by proxy, attorney or representative) and hold or represent at least 10% of the number of Units on issue as at the date of the Meeting and carrying the right to vote on the Resolution at the Meeting.

### (f) Glossary

Capitalised terms used in this Notice of Meeting are defined in the glossary on page 6.

# explanation of resolution+

## The requirement for approval

Under the Trust Deed, the Manager receives a fee for the management of the Trust. The fee is comprised of two components; a base fee and a performance fee.

Unitholders approved the fee structure in 2005 and amendments to the calculation of the performance fee in 2007.

The Trust Deed requires (subject to limited exceptions described below) that any performance fee earned by the Manager should be used to subscribe for new Units in the Trust. Unitholders approved the issue of Units under these provisions of the Trust Deed in 2007, but waivers were required from Listing Rules 6.2.1(a) and 7.3.2 to facilitate those issues. The waivers were obtained, but expired on 7 November 2010. On 18 October 2010, NZXMS granted a further waiver, expiring 18 October 2011, from Listing Rule 7.3.2 so that Units could be issued under the performance fee provisions of the Trust Deed until that date. It was a condition to that waiver that the approval of Unitholders to issues of Units under those provisions be sought at the next meeting of Unitholders.

In the waiver granted on 18 October 2010, NZXMS also granted additional waivers from Listing Rules 6.2.1(a) and 7.3.2 to allow the issue of Units under those provisions on a perpetual basis, in accordance with the Trust Deed and the approval of Unitholders (if obtained). If passed, the resolution will amount to Unitholder approval of the perpetual issue of units.

There is no performance fee currently outstanding, but if approval is not given by Unitholders, any future performance fee payments would be made in cash (subject to limited exceptions described below).

## Independent Directors' recommendation

The Independent Directors believe that issuing Units in consideration for any future performance fee is in the best interests of Unitholders. It directly aligns the interests of the Manager with the performance of the Trust.

**The Independent Directors therefore recommend that Unitholders vote in favour of the Resolution.**

## Information required by the waiver

The information set out below is provided in accordance with the conditions of the waiver granted by NZXMS from Listing Rule 6.2.1(a).

Under the Trust Deed, the Manager receives a fee for the management of the Trust. The fee is comprised of two components, a base fee and a performance fee:

- + The base fee component is equal to 0.50% per annum of the book value of assets less than or equal to \$500 million, and 0.40% per annum of the book value of assets greater than \$500 million. The book value of assets is taken from the audited financial statements for the prior Financial Year, but increased during the year to reflect capital expenditure and acquisitions, and reduced to reflect dispositions.
- + The performance fee is referable to the Trust's performance (including gross distributions and movements in Unit price) relative to the performance of the Trust's New Zealand listed real estate peers.

The following summarises the performance fee structure.

Fee	10% of gross returns above Target Return, up to Cap (but no fee if returns are negative)
Target Return	Return on Benchmark Index
Benchmark calculation period	Financial Year
Trust gross return calculation period	Financial Year
Cap	Target Return plus 5% per annum
Carry forward excess/deficit returns?	Yes (if returns are negative, see below)
Carry forward method	Lump sum
Carry forward if Trust return is negative	Yes, deficit or excess relative to Target Return
Current net fee balance	\$5.6 million of underperformance at 1 April 2011
Fee payment type	Units (subject to limited exceptions)
Calculation frequency	Annually in arrears

### Information required by the waiver (continued)

The performance fee is calculated by reference to Unitholders' returns, being, the aggregate gross distributions (being distributions plus imputation credits) per Unit declared for, and relating to, a financial year, plus or minus (as the case may be) the change in Unit price of the Units over the relevant financial year plus or minus (as the case may be) any allocated part of the "Net Balance" as described below.

The performance fee will be equal to 10% of the amount by which Unitholders' returns are above the Target Return (which will be calculated annually in reference to the Trust's 31 March financial year) multiplied by the weighted average number of Units on issue during the relevant year.

The Target Return will be equal to the return on a gross accumulation index, over the same period, created from NZX entities having a principal focus on investment in real property, excluding the Trust, expressed as a percentage, with the index being compiled by a person appointed by the Manager and approved by the Trustee. Any performance below the Target Return will be multiplied by the weighted average number of Units on issue during the financial year and carried forward to future periods as a lump sum (by incorporation, as a subtraction, into the Net Balance).

Except in a period in which the Manager ceases to hold office or the Trust terminates, the Manager will not receive a performance fee on any performance in excess of the Target Return plus 5% per annum. Any performance over that cap will be multiplied by the weighted average number of Units on issue during the financial year and carried forward to future periods as a lump sum (by incorporation, as an addition, into the Net Balance).

Where Unitholders' returns are less than zero in a year, no performance fee will be paid, but to the extent the Trust has outperformed or underperformed the Target Return, that outperformance or underperformance will be carried forward to the next period as a lump sum and incorporated into the Net Balance (as an addition or subtraction, as the case may be).

The Net Balance of carried forward underperformance as at 1 April 2011 is \$5.6 million. The next performance fee measurement period will be for the year ended 31 March 2012.

Except in certain circumstances, (including if issuance would be in breach of law or the NZSX Listing Rules, or is considered by Independent Directors not to be in the

best interests of the Trust) the Trust Deed requires that any performance fee paid to the Manager shall immediately be used to subscribe for new Units, issued at the higher of the weighted average price of Units on the NZSX over the five day trading period immediately before the date of receipt of a performance fee and the net asset value per Unit on the day before that date. The number of units issued will therefore be equal to the amount of the performance fee, divided by that issue price, rounded down to the nearest whole number.

Units issued under this clause shall be issued after the final record date for any distribution made to Unit Holders for, and relating to, that Financial Year.

# glossary+

The following terms are used in this Notice of Meeting:

**Annual Meeting** means the meeting of Unitholders required by the Trust Deed of the Trust to be held annually.

**Associated Persons** has the meaning given to that term in the Listing Rules, and Associated has a corresponding meaning.

**Business Day** means a day on which NZSX is open for trading.

**Directors** means the directors of the Manager, being the Independent Directors and Gregory Goodman, James Hodgkinson and Phil Pryke.

**Financial Year** means a year ending on such date as the Manager nominates and the Trustee agrees, or that part of such a year occurring at the commencement or termination of the Trust.

**Independent Directors** means the Independent Directors of the Manager, being Susan Paterson, Peter Simmonds and Keith Smith.

**Listing Rules** means the Listing Rules of NZSX.

**Manager** means Goodman (NZ) Limited, as the manager of the Trust.

**Meeting** means the Annual Meeting described in this Notice of Meeting, to be held on 2 August 2011, and any adjournments or postponements thereof.

**Net Asset Value per Unit** means such amount calculated as assets minus liabilities divided by the total number of Units on issue.

**Notice of Meeting** means this document issued by the Manager for the purpose of convening the Meeting.

**NZSX** means the main board equity security market operated by NZX.

**NZX** means NZX Limited.

**NZXMS** means NZX Market Supervision.

**Ordinary Resolution** means approval by more than 50% of the votes cast by Unitholders entitled to vote and voting on a resolution.

**Performance Fee or performance fee** means the fee calculated in accordance with clauses 18.4 to 18.6 of the Trust Deed.

**Resolution or Proposed Resolution** means the resolution to be considered by Unitholders in relation to the issue of Units as specified on page 3 of this Notice of Meeting under the heading "Proposed Resolution".

**Trust** means Goodman Property Trust and its controlled entities, as the context requires.

**Trust Deed** means the Trust's trust deed dated 23 April 1999, as amended from time to time.

**Trustee** means the trustee of the Trust which, at the date of this Notice of Meeting, was Perpetual Trust Limited.

**Unit** means a unit in the Trust.

**Unitholder** means a holder of one or more Units.

**Voting and Proxy Form** means the voting and proxy form accompanying this Notice of Meeting.

# important information+

## Date of this Notice of Meeting

Friday 15 July 2011

## Meeting date

Tuesday 2 August 2011

## Time

Commencing at 1:30 pm

## Venue

Pullman Hotel (formerly the Hyatt Hotel)  
Princes Ballroom C  
Cnr Waterloo Quadrant and Princes Street  
Auckland

## Last date for receipt of Voting and Proxy Forms

Saturday 30 July 2011

## Information line

0800 359 999 (within New Zealand)  
+64 9 488 8777 (outside New Zealand)

## Unit registrar

Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road  
Takapuna  
Auckland

Private Bag 92119

Auckland 1142

Email: [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)

## Manager

Goodman (NZ) Limited  
Level 3  
203 Queen Street  
Auckland Central

PO Box 90940

Victoria Street West

Auckland 1142

Toll free: 0800 000 656 (within New Zealand)

Telephone: +64 9 375 6060 (outside New Zealand)

Facsimile: +64 9 375 6061

Email: [info-nz@goodman.com](mailto:info-nz@goodman.com)

Website: [www.goodman.com/nz](http://www.goodman.com/nz)

## Directors of the Manager

### Chairman

Keith Smith

### Independent Directors

Susan Paterson

Keith Smith

Peter Simmonds

### Non-executive Directors

Gregory Goodman

James Hodgkinson

Phil Pryke

### Auditors

PricewaterhouseCoopers

PricewaterhouseCoopers Tower

188 Quay Street

Auckland

Private Bag 92162

Auckland 1142

### Trustee

Perpetual Trust Limited

Level 12, AMP Centre

29 Customs Street West

PO Box 3376

Shortland Street

Auckland 1140

### Time

All references are in New Zealand time.

### Investment decisions

This Notice of Meeting does not take into account the individual investment objectives, financial situation or particular needs of each Unitholder. You may wish to consult your broker or financial or other professional adviser before deciding whether or not to vote in favour of the Resolution.

This Notice of Meeting is dated 15 July 2011 and has been prepared by Goodman (NZ) Limited as Manager of GMT. The information in this Notice of Meeting and any discussion at the Meeting are general information only and are not intended as investment or financial advice and must not be relied upon as such. You should obtain independent professional advice prior to making any decision relating to your investment or financial needs. This Notice of Meeting is not an offer or invitation for subscription or purchase of securities or other financial products. Past performance is no indication of future performance.



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