
Minutes of the meeting of Goodman Property Trust unitholders

Date: 1.30pm, 4 July 2018 at Eden Park, Auckland

Present

Keith Smith	(Chairman and Independent Director of Goodman (NZ) Limited (GNZ or Manager), the manager of Goodman Property Trust (GMT or Trust))
Philip Pryke	Non-Executive Director GNZ
Susan Paterson	Independent Director GNZ
Leonie Freeman	Independent Director GNZ
Peter Simmonds	Independent Director GNZ
John Dakin	Chief Executive Officer and Executive Director GNZ
Andy Eakin	Chief Financial Officer GNZ
Anton Shead	General Counsel & Company Secretary GNZ

Representatives from	Covenant Trustee Services Limited, the Trustee and Supervisor for GMT PricewaterhouseCoopers the Auditors of GMT KPMG the Tax Advisor to GMT Russell McVeagh the solicitors to GMT Computershare the registry provider to GMT Goodman employees, including Goodman Group Head of Stakeholder Relations, James Inwood NZ Shareholders' Association
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Apologies	Greg Goodman, Non-Executive Director GNZ
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Mr Keith Smith opened the meeting at 1.30pm and welcomed GMT unitholders and provided advice on how to exit the premises in the event of an emergency.

Mr Smith noted that he had been appointed the Chairperson for the meeting by the GMT Trustee pursuant to the terms of the GMT Trust Deed and he tabled the nomination (Mr Smith hereafter referred to as the Chairman). The Chairman advised that the meeting was being recorded as part of the webcasting of the meeting for unitholders that could not attend in person.

The Chairman noted that a quorum was present that the business of the meeting was to review the performance of the Trust for the prior 12 months and to also consider a resolution to reappoint Leonie Freeman as an independent director of the Manager. The Chairman advised that Ms Freeman was retiring by rotation having completed her three-year term and had that Ms Freeman was offering herself for re-election.

The Chairman advised that the Board unanimously recommended the reappointment of Ms Freeman.

The Chairman then moved to the formal address which was provided by himself, Mr Eakin, the Chief Financial Officer of the Manger and by Mr Dakin, the Chief Executive Officer and Executive Director of the Manager. A copy of the address and accompanying presentation is available at www.nzx.com under the ticker code GMT.

Following the presentations, the Chairman asked for questions.

[Please note that the following txt is based on dialogue recorded at the meeting to ensure that these minutes are consistent with the recorded record of the meeting. Only minor amendments that do not impact the conversation have been made]

Q: Bruce Parks, unitholder and proxy holder from the Shareholder Association – GMT's statement of investment policies and objectives says the Manager intends to increase the distribution paid to unitholders can you give me a timeframe on that please?

A: The Chairman - Good question, thank you. Whilst we have been moving through the repositioning of our portfolio we have been reinvesting our earnings into more quality assets and reduced debt levels. Some of the assets we have sold were yielding slightly higher, so we expect to see earnings improve as we capture rental growth coming from the developments, but I can't give you an exact time when the dividend will rise but it is certainly at top of mind and as part of the overall strategic direction of the Trust. I would like to point out that the total shareholder returns this year have been pretty good and that's a reflection in part of the investment community confirming that we are on the right course with our strategy.

Q: Veeral Plimer unitholder – the assets that you have disposed of in the last year and the ones you have got under contract at the moment, how have they sold as opposed to book value?

A: The Chairman – the last one went extremely well in relation to the book value. I will have Mr Dakin expand.

John Dakin – over the period we have sold approximately 1.2b of assets and they have been on an average at a premium to book of 5-10% and some have been below, and some have been higher, the most recent one has been publicly announced and that was at an almost 17% premium. we are very pleased with that outcome and probably also reflective that there is still pressure on yields and that capital is still chasing good assets.

Q: Bruce Parks – this is for the Chair of the Risk Committee – can you tell us what the biggest risk you are facing at the moment and how you are mitigating it?

A: Peter Simmonds – I think if you look back at the GFC clearly it was a banking issue at the time and what it taught us was we had an absolute reliance on our bank debt and obviously in the recent period we have now got to the stage where we have reduced our reliance on Banks and instead diversified to retail bonds, wholesale bond, private placement market and I think that has taken away that risk of a bank lead crisis again and I think that is probably the biggest example of where risk has arisen in the past so I think that we are covered in respect of that. We obviously have other risks, there is customer risk which we mitigate with watching our debtors and bank guarantees and so forth, but I think that banking risk is the biggest.

Q: Robert Grey, Shareholder – with the diminishing land bank where is the company likely to find more land. Would you be able to find another area like Highbrook to develop in the future?

A: The Chairman – I will have Mr Dakin respond.

John Dakin – Auckland is very land constraint because of its geographic position. We have several land opportunities which we monitor, and we stay in touch with the owners and what I tend to find in my experience is that the real-estate doesn't change but peoples' circumstances do and really when that happens we like to be there in a position to acquire those sites.

Q: Matt, unitholder – I guess that is a leading question onto the next one which is, what is the residual development potential at Highbrook?

A: Mr Dakin – well the residual development potential across Highbrook and a couple of other sites is around \$250m additional spend which still leaves us with gearing under 30%. Highbrook is more that 80% done and we expect it to be 90% complete within another couple of years.

Q: JC – what are your thoughts on Tauranga's future as an industrial hub?

A: John Dakin – that is a really good question we have done quite a bit of work on this over the last little while and what our customers are looking for and we still think that the majority of imports still come in through Auckland into NZ and we think that they will want to be close to their consumer base which is Auckland. I think that Tauranga that a very strong future in terms of the port and they do more volume than Auckland although it is more export than import. We are finding with the logistic operators is that they want to be close to their consumers so they want to be located in Highbrook and Wiri and Penrose and places like that and in particular with the cost of congestion, we have just had another petrol tax in place and another one to come at the end of the year, so I think that the principal distribution hub is going to continue to be Auckland but I think that Tauranga's great advantage is the port and I think that there is an industrial market that's formed around that but we probably don't see that growing at the same rate.

The Chairman noted there were no further questions.

The Chairman then moved to the formal business of the meeting relating to the re-appointment of Ms Freeman. The Chairman invited Ms Freeman to speak.

Ms Freeman presented her experience and explained the skills and abilities she would bring to the Board of the Manager.

The Chairman then invited unitholders to vote and subsequently closed the meeting at 2.30pm.

[Note: Ms Freeman was reappointed with 99.85% voting in favour – the outcome of the vote was released to the NZX]