

Goodman (NZ) Limited, as trustee of the Goodman Property Trust

Audit Committee Charter – Updated as at 18 May 2011

Terms of Reference

1.0 Membership

- 1.1 The Audit Committee shall be appointed by the Board from amongst its members, and shall comprise at least three members.
- 1.2 A majority of the members must be independent Directors.
- 1.3 The members should be appropriately qualified to discharge their responsibilities. At least one member must have accounting or related financial management expertise or experience and qualifications.
- 1.4 The Chairman shall be appointed by the Board and shall be an independent non-executive Director.
- 1.5 An independent member shall notify the Company Secretary immediately, of any change in circumstances that may result in the member not being able to meet the criteria for independence. The Board may, after considering the change in circumstances, require the resignation of the member. The Board may, as a result of the resignation, re-constitute the Committee before the next scheduled meeting.
- 1.6 The office of a member shall become vacant upon the member's resignation/retirement/removal/disqualification as a Director of the Company.
- 1.7 Any vacancy in the Committee shall be filled within three months.

2.0 Administration

2.1 Meetings

- 2.1.1 The meetings of the Committee may be conducted by means of telephone conferencing or other methods of simultaneous communication, and the minutes of such meeting signed by the Chairman shall be conclusive evidence of such meeting having been conducted.
- 2.1.2 The Audit Committee shall meet at least two times a year, and more frequently if necessary.
- 2.1.3 The Audit Committee will meet at least once a year with the external auditors of Goodman Property Trust ("GMT") without the presence of the Company's management, if requested by either the non-executive directors or the external auditors.
- 2.1.4 The Committee shall have full discretion to invite any Director or member of the management to attend its meetings.
- 2.1.5 The Notice and Agenda of meetings shall be circulated at least three days before the scheduled meetings.

2.2 Quorum

The quorum shall be 2 members, one of whom should be an independent director.

2.3 Voting

2.3.1 A resolution shall be considered passed if:

- there is a majority of votes passed in favour of the resolution during a meeting of the Committee; or
- there is agreement in writing by a majority of members entitled to participate in the decision 2.3.2 In the event of any equality of votes, the Chairman shall have a casting vote.

3.0 Duties

3.1 The duties, responsibilities and authorities of the Committee will apply (as appropriate) to:

- GMT (including subsidiary companies); and
- other unit trusts managed by the Company from time to time.

3.2 The duties and responsibilities of the Committee shall be:

3.2.1 to provide advice to the Board on accounting, audit and risk management matters;

3.2.2 to review with the external auditors:

- the audit plan, including the nature and scope of the audit;
- their evaluation of the system of internal accounting controls;
- their audit report; and
- their management letter and Management's response;

3.2.3 to review the half-year and annual financial statements before submission to the Board for approval, focusing in particular, on:

- changes in accounting policies and practices;
- significant adjustments resulting from the audit;
- compliance with accounting standards; and
- compliance with stock exchange and statutory/regulatory requirements;

3.2.4 to develop and monitor the procedures established to regulate Related Party Transactions, including ensuring compliance with the provisions of the NZX Listing Rules relating to transactions between GMT and a "Related Party";

3.2.5 to review the assistance given by Management to the external Auditors;

3.2.6 to review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors annually. Where the auditors also supply non-audit services to GMT, the nature and extent of such services should be reviewed, monitored and approved by the Committee in order to maintain objectivity and independence;

- 3.2.7 to review the internal audit program (if required) and ensure coordination between the internal and external auditors and Management;
- 3.2.8 to review and discuss with the external auditors, any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on GMT's financial performance, or financial position, and Management's response;
- 3.2.9 to investigate any matter within its terms of reference, having full access to and co-operation of Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- 3.2.10 to undertake an at least annual review of Corporate Governance Issues;
- 3.2.11 to monitor and review any risk management policy or risk management plan to GMT;
- 3.2.12 to undertake such other functions and duties as may be required by the Board, by statute or the NZX Listing Rules, and by such amendments made thereto from time to time;
- 3.2.13 to consider the appointment or re-appointment of the external auditors, the audit fee and matters relating to the resignation or dismissal of the auditors; and
- 3.2.14 to obtain regular updates from management on the key enterprise wide risks faced by GMT, so as to enable the Audit Committee to review the processes to manage these risks.

4.0 Reporting Procedure

- 4.1 The Secretary shall circulate the minutes of all meetings of the Committee to Board members.
- 4.2 The Committee shall report to the Board the outcome of its reviews and discussions with the external auditors and its findings on any suspected fraud or irregularity, or suspected infringement of any Law, rules or regulations, which has or is likely to have a material impact on the financial performance or financial position of the Company.
- 4.3 The Board will regularly review the performance of the Committee in accordance with this Charter.