



Audit Committee Charter

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Goodman (NZ) Audit Committee Charter

1. Introduction

This Charter sets out the governance requirements for the Audit Committee ("Committee"), including the roles, responsibilities, procedures, members' powers and references to applicable legislative and non-legislative requirements.

A copy of this Charter is available at <http://nz.goodman.com/aboutus/corporate-governance/core-policies-and-charters>.

2. Objectives

- 2.1 The Committee has been established to assist the Board of Goodman (NZ) Limited ("Goodman") in overseeing its responsibilities in regards to the financial reporting, compliance and certain risk management practices, and audit functions of Goodman Property Trust ("Trust").
- 2.2 In particular, the Committee will review Goodman's:
 - + processes for identifying and managing financial risk; and
 - + financial reporting processes, systems of internal control, and the internal and external audit process.
- 2.3 The Committee will report back to the Board on all material matters and issues requiring consideration and decision making by the Board.



A copy of this Board Charter is available at <https://nz.goodman.com/about-goodman/corporate-governance>

3. Membership

- 3.1 The Committee shall be appointed by the Board from amongst its members. The establishment of the Committee does not remove any of the Board's responsibilities or legal obligations.
- 3.2 The Committee shall comprise at least three members, all being non-executive directors of Goodman ("Director").
- 3.3 A majority of the members must be independent Directors.
- 3.4 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.
- 3.5 The Chair shall be appointed by the Board and shall be an independent non-executive Director. The Chair may not also be the Chair of the Board of Goodman nor can they have a longstanding association with the external audit firm (as either a current or retired audit partner or senior manager at that firm). The Chair will generally be considered to be independent if there has been a period of at least three years between previously being employed by the external audit firm and serving as Chair of the Committee.
- 3.6 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.
- 3.7 The office of a member shall become vacant upon the member's resignation / retirement / removal / disqualification as a Director of the Company.
- 3.8 Any vacancy in the Committee shall be filled within three months.

4. Administration

4.1 Meetings

- 4.1.1 The Committee shall meet four times per year and more frequently if necessary. The proceedings of all meetings must be minuted.
- 4.1.2 The meetings of the Committee may be conducted by means of video or telephone conferencing or other methods of simultaneous communication, and the minutes of such meeting signed by the Chair shall be conclusive evidence of such meeting having been conducted.
- 4.1.3 The Committee will meet at the conclusion of each meeting with the external auditor of the Trust without the presence of Goodman's management, and at any other time if requested by either the non-executive Director members of the Committee or the external auditor.
- 4.1.4 The Committee shall have full discretion to invite any Director or member of the management to attend its meetings. For the avoidance of doubt, however, management may only attend meetings at the invitation of the Committee.
- 4.1.5 The Notice and Agenda of meetings shall be circulated at least three days before the scheduled meetings.

- 4.2 Quorum**
- The quorum shall be 2 members, one of whom should be an independent Director.
- + their management letter (if any) and management’s response;
- 4.3 Voting**
- 4.3.1 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.
- 4.3.2 In the event of any equality of votes, the Chair shall have a casting vote.
- 5. Duties of the Committee**
- 5.1 The duties, responsibilities and authorities of the Committee will apply (as appropriate) to:
- + the Trust (including subsidiary companies); and
 - + other unit trusts managed by Goodman from time to time.
- The duties and responsibilities of the Committee shall be:
- 5.2 External audit**
- 5.2.1 to review with the external auditor:
- + the audit plan, including the nature and scope of the audit;
 - + their evaluation of the system of internal accounting controls;
 - + their audit report; and
- 5.2.2 to review the assistance given by management to the external auditor;
- 5.2.3 to review the scope and results of the audit, and its cost effectiveness, and the independence as well as the objectivity of the external auditor annually. Where the auditor also supply non-audit services to the Trust, the nature and extent of such services shall be reviewed, monitored and approved by the Chair on behalf of the Committee in order to maintain objectivity and independence. Any non-audit services provided by the external auditor will be disclosed to investors in the annual report of the Trust;
- 5.2.4 to review and discuss with the external auditor, any suspected fraud, irregularity or break-down of the Trust’s internal controls or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Trust’s financial performance, or financial position, and management’s response;
- 5.2.5 to approve the annual plan and associated fees to be paid to the auditor; and
- 5.2.6 to consider, and recommend to the Board; the appointment or re-appointment of independent external auditor and matters relating to the resignation or dismissal of the auditor (having regard to the requirement for the external auditor or lead audit partner to be changed at least every five years).

Financial reporting

- 5.2.7 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 judgements made in preparing the financial statements;
 - + adjustments resulting from the audit;
 - + compliance with accounting standards; and
 - + compliance with stock exchange and statutory/regulatory requirements.

Internal controls

- 5.2.8 to develop and monitor the procedures established to regulate transactions with a Related Party (as that term is defined in the NZX Listing Rules), including ensuring compliance with the provisions of the NZX Listing Rules relating to transactions between the Trust and a Related Party;
- 5.2.9 to meet regularly to monitor and review the internal audit program, including to ensure coordination between the internal and external auditors and management;
- 5.2.10 to have direct communication with, and unrestricted access to, the independent external auditor and any internal auditor or accountants;
- 5.2.11 to develop arrangements by which employees of Goodman may, in confidence, raise concerns about possible financial improprieties; and

- 5.2.12 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.

Compliance with laws and governance frameworks

- 5.2.13 to undertake an at least annual review of corporate governance issues;
- 5.2.14 to undertake such other functions and duties as may be required by the Board, legislation or the NZX Listing Rules.

Risk management

- 5.2.15 to provide advice to the Board relating to accounting, audit and certain risk management matters to ensure that the Board is, at all times, properly and regularly informed about significant matters relating to the Trust;
- 5.2.16 to monitor and review any risk management policy or risk management plan of the Trust; and
- 5.2.17 to obtain regular updates from management on the key enterprise wide risks faced by the Trust (other than other discussed directly with the Board), so as to enable the Committee to review and report against the processes that are in place to manage these risks.

6. Reporting Procedure

- 6.1 The Secretary shall circulate the minutes of all meetings of the Committee to Board members.

- 6.2 The Committee shall regularly report, and make appropriate recommendations, to the Board on all matters that are relevant to the Committee's responsibilities.
- 6.3 The Committee shall report to the Board on the outcome of its reviews and discussions with the external auditor and its findings on any suspected fraud or irregularity, or suspected infringement of any law, rules, regulations or policy, which has or is likely to have a material impact on the financial performance or financial position of the Trust.
- 6.4 The Committee shall ensure that processes are in place, and shall monitor those processes, so that the Board is properly and regularly informed and updated on corporate financial matters.
- 6.5 The Board will regularly review the performance of the Committee against its responsibilities as set out in this Charter.
- 6.6 The Committee shall review this Charter on an annual basis and discuss any required or recommended changes with the Board.