

7 YEAR FIXED RATE BONDS

MATURITY
May 2024



SENIOR SECURED

BBB+

EXPECTED ISSUE
CREDIT RATING



\$100m



Joint Lead Managers



Co-Managers





26 May 2017

This terms sheet (**Terms Sheet**) sets out the key terms of the offer by GMT Bond Issuer Limited (**Issuer**) of \$100,000,000 of fixed rate secured bonds maturing on 31 May 2024 (**Goodman+Bonds**) under its bond master trust deed dated 6 November 2009 (as amended from time to time) as modified and supplemented by the bond supplemental trust deed dated 18 May 2017 entered into between the Issuer and Public Trust (**Bond Trustee**) (together, **Bond Trust Documents**).

Important notice

The offer of debt securities by the Issuer is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**).

The offer contained in this Terms Sheet is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as the Issuer's:

- \$100,000,000 fixed rate secured bonds maturing on 16 December 2020 (which have an interest rate of 6.20% p.a.) which are currently quoted on the NZX Debt Market under the ticker code GMB020 (**GMB020 Bonds**); and
- \$100,000,000 fixed rate secured bonds maturing on 23 June 2022 (which have an interest rate of 5.00% p.a.) which are currently quoted on the NZX Debt Market under the ticker code GMB030 (**GMB030 Bonds**),

(the GMB020 Bonds and the GMB030 Bonds, together the **Existing Bonds**).

The Goodman+Bonds are of the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014 (**FMC Regulations**).

The Issuer is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/GMB.

The Existing Bonds are the only debt securities of the Issuer that are in the same class as the Goodman+Bonds and are currently quoted.

Investors should look to the market price of the GMB020 Bonds and GMB030 Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds.

Issuer	GMT Bond Issuer Limited, a wholly owned subsidiary of Goodman Property Trust (GMT).
Manager	Goodman (NZ) Limited, as manager of GMT
Description	The Goodman+Bonds are fixed rate, senior secured bonds of the Issuer, and are guaranteed by GMT.
Purpose	The Issuer will on-lend the proceeds of the offer to GMT by way of an interest bearing loan. GMT will use the funds, after paying the costs of the issue, for general corporate purposes and to repay borrowings under GMT's bank facility. GMT will pay interest to the Issuer to enable the Issuer to pay interest on the Goodman+Bonds to holders of the Goodman+Bonds (Bondholders).
Amount	\$100,000,000
Opening Date	18 May 2017
Closing Date	26 May 2017
Rate Set Date	26 May 2017
Issue / Allotment Date	31 May 2017
Maturity Date	31 May 2024
Security	Each GMT Group Company (as defined below), including the Issuer, has granted security in favour of NZGT (GMT) Security Trustee Limited (Security Trustee), including mortgages over real property and assets held by those companies. The benefit of that security is held by the Security Trustee for all beneficiaries (including the banking syndicate, existing bondholders and the US private placement note holders) on an equal ranking basis. The GMT Group Companies are the wholly-owned subsidiaries of GMT being Goodman Property Aggregated Limited, Goodman Nominee (NZ) Limited, Goodman

(Highbrook) Limited, Highbrook Development Limited, Highbrook Business Park Limited, Henshaw Goodman Limited, Henshaw Holdings Limited, the Issuer and GMT Wholesale Bond Issuer Limited.

Wynyard Precinct Holdings Limited (GMT's joint venture company with GIC, Singapore's sovereign wealth fund) and its subsidiaries do not provide security in favour of the Security Trustee and the shares that Goodman Nominee (NZ) Limited holds in Wynyard Precinct Holdings Limited are excluded from the security granted in support of the Goodman+Bonds.

Guarantee	The Goodman+Bonds are guaranteed by GMT. GMT's obligations are in turn guaranteed by each GMT Group Company.		
LVR Covenant	<p>The Bond Trust Documents include a loan-to-value ratio covenant (LVR Covenant) that requires the Issuer to ensure that, while any Goodman+Bonds are outstanding, the ratio (LVR) of:</p> <p>(a) consolidated Finance Debt of the Group (which includes the Hedged Value of any Hedged Foreign Currency Borrowings); to</p> <p>(b) the value of the properties comprising the Security Pool,</p> <p>is at all times less than 50% (as those terms are defined in the Bond Trust Documents). A breach of the LVR Covenant would be an Event of Review under the Bond Trust Documents.</p>		
Further Indebtedness	GMT, the Issuer and other members of the GMT Group may incur Finance Debt (including bank debt or debt in respect of new bonds or new US private placement notes), without Bondholders consent, while the Goodman+Bonds are outstanding.		
Credit Ratings		GMT Credit Rating	Expected Issue Credit Rating
	Standard & Poor's (S&P)	BBB (stable)	BBB+
	S&P has issued a BBB (stable) credit rating for GMT and is expected to issue a BBB+ credit rating for the Goodman+Bonds. A rating is not a recommendation by any rating organisation to buy, sell or hold Goodman+Bonds. The above ratings are current as at the date of this Terms Sheet and may be subject to suspension, revision or withdrawal at any time by S&P.		
Early Repayment	Bondholders have no rights to require the Issuer to redeem the Goodman+Bonds early except through the Bond Trustee in the case of an Event of Default (as defined in the Bond Trust Documents). The Issuer does not have the right to redeem the Goodman+Bonds early.		
Interest Rate	4.54 percent per annum, being the sum of the Base Rate plus the Issue Margin.		
Issue Margin	1.55 percent per annum		
Base Rate	The semi-annual mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Joint Lead Managers in consultation with the Issuer, according to market convention, with reference to Reuters page 'ICAPAUKIWISWAP2' on the Rate Set Date (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).		
Issue Price	\$1.00 per Goodman+Bond		
Interest Payments	Semi-annually in arrear in equal payments.		
Interest Payment Dates	30 November and 31 May each year up to and including the Maturity Date. If any Interest Payment Date falls on a day that is not a Business Day, the due date for the payment to be made on that date will be the following Business Day. The First Interest Payment Date will be 30 November 2017.		
Record Date	5.00pm on the tenth calendar day before the Interest Payment Date. Should the Record Date fall on a day that is not a Business Day, the Record Date will be the next Business Day.		
Business Days	A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Auckland and Wellington.		
Minimum Application Amount and Minimum Holding	Minimum application of \$5,000 with multiples of \$1,000 thereafter		
ISIN	NZGMBDT004C4		



Registrar and Paying Agent	Computershare Investor Services Limited The Goodman+Bonds will be accepted for settlement within the NZClear system.
NZX Debt Market Quotation	Application has been made to NZX for permission to quote the Goodman+Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of this Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Terms Sheet. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA.
NZX Debt Market Ticker Code	GMB040
Expected Date of Initial Quotation and Trading on NZX Debt Market	1 June 2017
Bond Trustee / Supervisor	Public Trust
Security Trustee	NZGT (GMT) Security Trustee Limited
Governing Law	New Zealand
NZX Approval	<p>NZX has granted approval under NZX Listing Rule 11.1.5 to enable the Issuer to include transfer restrictions in the Bond Trust Documents permitting the Issuer to refuse a transfer of the Goodman+Bonds if the transfer is not in multiples of \$1,000 and/or results in the transferor holding an aggregate principal amount of less than the minimum holding of \$5,000 (other than zero).</p> <p>NZX has granted the Issuer a waiver from NZX Listing Rule 5.2.3 to enable the Issuer to apply for quotation on the NZX Debt Market even though the Goodman+Bonds may not initially be held by at least 100 members of the public holding at least 25% of the Goodman+Bonds issued. The waiver has been granted for a period of six months from the quotation date of the Goodman+Bonds. The effect of the waiver from NZX Listing Rule 5.2.3 is that initially the Goodman+Bonds may not be widely held and there may be reduced liquidity in the Goodman+Bonds. To the extent that the Goodman+Bonds meet the spread requirements of NZX Listing Rule 5.2.3, the Issuer will notify NZX accordingly. The Issuer has agreed to notify NZX as soon as practicable if there is a material reduction to the total number of members of the public holding Goodman+Bonds, and/or the percentage of Goodman+Bonds held by members of the public holding at least a Minimum Holding. The Issuer has also agreed to clearly and prominently disclose this waiver, its conditions and their implications in each offer document relating to the Goodman+Bonds and in its half-year report and its annual report for the period the waiver is relied on.</p>
Who May Apply & How to Apply	<p>All of the Goodman+Bonds including oversubscriptions will be reserved for clients of the Joint Lead Managers, the Co-Managers, institutional investors and other primary market participants invited to participate in the bookbuild.</p> <p>There will be no public pool for the Goodman+Bonds.</p> <p>Retail investors should contact any Joint Lead Manager, any Co-Manager, their financial adviser or any Primary Market Participant for details on how they may acquire Goodman+Bonds. You can find a Primary Market Participant by visiting www.nzx.com/investing/find_a_participant</p> <p>Each investor's financial adviser will be able to advise them as to what arrangements will need to be put in place for the investors to trade the Goodman+Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a primary market participant, as well as the costs and timeframes for putting such arrangements in place.</p>
Organising Participant	Westpac Banking Corporation (ABN 33 007 457 14) (acting through its New Zealand branch) (Westpac)
Joint Lead Managers	Bank of New Zealand (BNZ), Westpac
Co-Managers	Deutsche Craigs Limited, First NZ Capital Securities Limited, Forsyth Barr Limited
Selling Restrictions	<p>Part A - Initial Selling Restrictions</p> <p>If sold in New Zealand, the Goodman+Bonds may only be offered in New Zealand in conformity with all applicable laws and regulations in New Zealand. In respect of the initial offer of Goodman+Bonds by the Issuer under this Terms Sheet (Initial Offer), no Goodman+Bonds may be offered in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions set out below in this Part A. This Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions set out below in this Part A. For the avoidance of doubt, the selling restrictions set out below</p>

in this Part A apply only in respect of the Initial Offer.

United States of America

The Goodman+Bonds have not been and will not be registered under the Securities Act of 1933, as amended (**Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)).

None of the Issuer, the Joint Lead Managers, the Co-Managers nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) in relation to the Goodman+Bonds, and each of the Issuer, the Joint Lead Managers and the Co-Managers have complied and will comply with the offering restrictions in Regulation S.

The Goodman+Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Goodman+Bonds, as determined and certified by the Joint Lead Managers or the Co-Managers. Any Goodman+Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

"The Goodman+Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Goodman+Bonds and the closing date. Terms used above have the meaning given to them by Regulation S."

Relevant Member States of the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) no Goodman+Bonds have been offered and no Goodman+Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in that Relevant Member State except that an offer of Goodman+Bonds to the public in the Relevant Member State may be made with effect from the Relevant Implementation Date:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Joint Lead Manager and/or Joint Lead Managers and/or Co-Managers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Goodman+Bonds shall require the Issuer, any Joint Lead Manager or the Co-Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of the Goodman+Bonds to the public in relation to any Goodman+Bonds in any Relevant Member State** means the communication in any form and by any means of sufficient information on the terms of the offer and the Goodman+Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Goodman+Bonds, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (**FSMA**)) has been or may be made or caused to be made or will be made in connection with the issue or sale of the Goodman+Bonds in circumstances in which section 21(1) of the FSMA applies to the Issuer.

All applicable provisions of the FSMA with respect to anything done in relation to the Goodman+Bonds in, from or otherwise involving the United Kingdom must be complied with.

Japan

The Goodman+Bonds have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) in reliance upon the exemption from the registration requirements since the offering constitutes the small

number private placement as provided for in “ha” of Article 2, Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Goodman+Bonds shall not transfer or resell the Goodman+Bonds except where the transferor transfers or resells all the Goodman+Bonds en bloc to one transferee. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Singapore

This Terms Sheet has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Terms Sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Goodman+Bonds may not be circulated or distributed, nor may the Goodman+Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (**SFA**)) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Goodman+Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Goodman+Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Hong Kong

No Goodman+Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document other than (a) to **professional investors** as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a **prospectus** as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Goodman+Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Goodman+Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to **professional investors** as defined in the SFO and any rules made under the SFO.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Corporations Act**)) in relation to the Goodman+Bonds has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia. No person may:

- (a) make or invite (directly or indirectly) an offer of the Goodman+Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distribute or publish, any Terms Sheet, information memorandum, prospectus or any other

offering material or advertisement relating to the Goodman+Bonds in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- (ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for the Goodman+Bonds under this Terms Sheet, each person to whom the Goodman+Bonds are issued (an **Investor**):

- (a) will be deemed by the Issuer, any Joint Lead Manager and the Co-Managers to have acknowledged that if any Investor on-sells the Goodman+Bonds within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
 - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Goodman+Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or
 - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by the Issuer, any Joint Lead Manager and the Co-Managers to have undertaken not to sell those Goodman+Bonds in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Goodman+Bonds.

This Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Goodman+Bonds in Australia.

Part B - General Selling Restrictions

The Goodman+Bonds may only be offered for sale or sold in New Zealand. The Issuer has not and will not take any action which would permit a public offering of the Goodman+Bonds, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand). Goodman+Bonds may only be offered for sale or sold in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. Any information memorandum, terms sheet, circular, advertisement or other offering material in respect of the Goodman+Bonds may only be published, delivered or distributed in or from any country or jurisdiction under circumstances which will result in compliance with all applicable laws and regulations.

By subscribing for Goodman+Bonds, you indemnify the Issuer, the Joint Lead Managers, the Co-Managers, the Organising Participant and the Bond Trustee in respect of any loss incurred as a result of you breaching the above selling restrictions.



The dates set out in this Terms Sheet are indicative only and the Issuer, in conjunction with the Joint Lead Managers, may change the dates set out in this Terms Sheet. The Issuer has the right in its absolute discretion and without notice to close the offer early, to extend the Closing Date, or to choose not to proceed with the offer. If the Closing Date is changed, other dates (such as the Issue Date, the Maturity Date and the Interest Payment Dates) may be changed accordingly.

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Copies of the Bond Trust Documents will be made available by the Issuer for inspection during usual business hours by any investor at the Issuer's registered office listed below (or such office as the Issuer may notify from time to time).

Investors should seek qualified, independent financial and taxation advice before deciding to invest. Investors will be personally responsible for all tax return filing obligations in respect of their investment in the Goodman+Bonds, compliance with the financial arrangements rules (if applicable) and payment of provisional or terminal tax (if required) on interest derived.

For further information regarding the Issuer, visit www.nzx.com/companies/GMB.

For further information regarding GMT, visit www.nzx.com/companies/GMT.

ADDRESS DETAILS

Issuer

GMT Bond Issuer Limited

Level 28, SAP Tower
151 Queen Street
Auckland 1010

Organising Participant

Westpac Banking Corporation

(ABN 33 007 457 141) (acting through its New Zealand branch)
Westpac on Takutai Square
Level 8, 16 Takutai Square
Auckland 1010
0800 942 822

Manager

Goodman (NZ) Limited (as Manager of Goodman Property Trust)

Level 28, SAP Tower
151 Queen Street
Auckland 1010

Joint Lead Managers

Bank of New Zealand

Level 6
80 Queen Street
Auckland 1010
0800 284 017

Bond Trustee

Public Trust

Level 9
34 Shortland Street
Auckland 1010

Westpac Banking Corporation

(ABN 33 007 457 141) (acting through its New Zealand branch)
Westpac on Takutai Square
Level 8, 16 Takutai Square
Auckland 1010
0800 942 822

Security Trustee

NZGT (GMT) Security Trustee Limited

Level 15
191 Queen Street
Auckland 1010

Co-Managers

Deutsche Craigs Limited

Level 36, Vero Centre
48 Shortland Street
Auckland 1010
0800 226 263

Registrar

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622

First NZ Capital Securities Limited

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