

INDICATIVE TERMS SHEET



INDICATIVE TERMS SHEET FOR AN OFFER OF
FIXED RATE, SENIOR SECURED 5 YEAR GREEN BONDS
BY GMT BOND ISSUER LIMITED

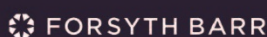


Highbrook Business Park, East Tamaki

DATE: 24 MARCH 2022

ARRANGER, GREEN
BOND CO-ORDINATOR
AND JOINT LEAD MANAGER

JOINT LEAD
MANAGERS



Goodman

Indicative Terms Sheet dated 24 March 2022

This indicative terms sheet (**Terms Sheet**) sets out the key terms of the offer (**Offer**) by GMT Bond Issuer Limited (**Issuer**) of up to NZ\$100 million (with the ability to accept oversubscriptions of up to NZ\$50 million at its discretion) of 5 year (maturing on 14 April 2027) fixed rate, senior secured green bonds (**Green Bonds**).

The product disclosure statement dated 24 March 2022 (**PDS**), which contains full details of the Offer, is available at www.goodmangreenbonds.co.nz or by contacting a Joint Lead Manager or your usual financial advice provider. The PDS must be given to investors before they decide to acquire any Green Bonds.

Capitalised terms used but not defined in this Terms Sheet have the meanings given to them in the PDS.

Issuer	GMT Bond Issuer Limited, a wholly owned subsidiary of Goodman Property Trust (GMT).	
Description	Fixed rate, senior secured green bonds.	
Offer Amount	Up to NZ\$100 million (with the ability to accept oversubscriptions of up to NZ\$50 million at the Issuer's discretion).	
Term and Maturity Date	5 years, maturing on 14 April 2027	
Credit Ratings	Issue Credit Rating	GMT Credit Rating
	S&P Global Ratings Australia Pty Limited (S&P)	BBB (stable outlook)
	<p>The Green Bonds have a credit rating of BBB+ from S&P. S&P has also issued a BBB (stable outlook) long-term credit rating for GMT. A rating is not a recommendation by any rating organisation to buy, sell or hold Green 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.</p>	
The Sustainable Finance Framework and the Green Bond Principles	<p>GMT has developed and adopted the Sustainable Finance Framework to ensure that, as at the date of the PDS, the Green Bonds comply with the Green Bond Principles. There is no legal obligation on any member of the GMT Group to comply with the Sustainable Finance Framework or satisfy any sustainable finance market principles and guidelines as set out in the Sustainable Finance Framework (including the Green Bond Principles) on an ongoing basis.</p> <p>If:</p> <ul style="list-style-type: none"> any member of the GMT Group (including GMT and the Issuer) fails to allocate the proceeds of the Green Bonds as described in the PDS; any member of the GMT Group fails to comply with the Sustainable Finance Framework or satisfy any sustainable finance market standards as set out in the Sustainable Finance Framework (including the Green Bond Principles); the Green Bonds cease to satisfy the Green Bond Principles; or any member of the GMT Group fails to notify Holders that the Green Bonds cease to comply with the Sustainable Finance Framework or the Green Bond Principles, <p>then:</p> <ul style="list-style-type: none"> no Event of Default will occur in relation to the Green Bonds; neither you nor the Issuer have any right for the Green Bonds to be repaid early; and the Green Bonds may cease to be labelled as 'green'. 	
Use of Proceeds	<p>The Issuer will on-lend all of the proceeds of the Offer to GMT.</p> <p>Once on-lent to GMT the proceeds of the Offer are intended to be allocated to finance or refinance, wholly or in part, Eligible Assets in accordance with the Sustainable Finance Framework.</p> <p>As at the date of the PDS, once on-lent to GMT, GMT intends to:</p> <ul style="list-style-type: none"> use the proceeds of the Offer to refinance existing bank debt; and allocate an amount equal to the proceeds of the Offer: 	

- first, to the Eligible Assets set out in in the table below, which are currently being developed and have been verified as targeting a New Zealand Green Building Council's 5 Green Star Design and / or Built rating. These Eligible Assets are, as at the date of the PDS, the only Eligible Assets under the Sustainable Finance Framework;

then

- any proceeds that are not allocated to the Eligible Assets set out in the table below will be allocated to Eligible Assets within 24 months of the Issue Date.

Property name	Property address
NZ Blood and Organ Service at Highbrook	80 Highbrook Drive, Highbrook
Stanley Black & Decker at Highbrook	20 El Kobar Drive, Highbrook
Riverside Warehouses at Highbrook	28 Business Parade North, Highbrook
NZ Post at Roma Road	60 Roma Road, Mount Roskill
Mainfreight at Favona Road	60 Favona Road, Favona

Refer to the PDS for more information on Eligible Assets, the Sustainable Finance Framework and the Green Bond Principles.

Opening Date	Monday, 4 April 2022
Closing Date	Thursday, 7 April 2022 at 11am (NZT)
Rate Set Date	Thursday, 7 April 2022
Issue Date	Thursday, 14 April 2022
Maturity Date	Wednesday, 14 April 2027
Interest Rate	A fixed rate of interest will be payable on the Green Bonds until the Maturity Date. The Interest Rate will be determined by the Issuer (in consultation with the Joint Lead Managers) following the Bookbuild held on the Rate Set Date (7 April 2022). The Interest Rate will be announced via NZX on or about the Rate Set Date. The Interest Rate will not change over the term of the Green Bonds. The Interest Rate will be equal to the sum of the Base Rate and the Margin but in any case will be no less than the minimum Interest Rate announced via NZX on or about the Opening Date.
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 Arranger in consultation with the Issuer, according to market convention, with reference to Bloomberg page ICNZ4 (or any successor page) on the Rate Set Date (rounded to 2 decimal places if necessary, with 0.005 being rounded up).
Margin	The Issuer expects to announce an indicative Margin (which may be subject to change) through NZX on or about the Opening Date. The actual Margin for the Green Bonds (which may be above or below the announced indicative Margin) is the rate (expressed as a percentage rate per annum) determined by the Issuer (in consultation with the Joint Lead Managers) through the Bookbuild held on the Rate Set Date.
Issue Price	Each Green Bond is issued at par (NZ\$1.00 per Green Bond).
Interest Payments	Semi-annually in arrear in equal payments.
Interest Payment Dates	14 April and 14 October 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 payment will be made on the next Business Day. The first Interest Payment Date will be 14 October 2022.

Guarantee	<p>The Issuer's obligations under the Green Bonds are guaranteed by:</p> <ul style="list-style-type: none"> • GMT under the Green Bond Guarantee. This guarantee is given in favour of the Supervisor and is limited to the assets held by Covenant Trustee Services Limited as trustee of GMT. GMT's obligations under this guarantee are in turn guaranteed by each GMT Group Company; and • each GMT Group Company under the GMT Group Guarantee. <p>Refer to the PDS for more information on these guarantees.</p>
Security	<p>Under the GMT Group Guarantee, each GMT Group Company has given a security interest over all of its assets together with first ranking Mortgage(s) given over its freehold and leasehold land. The security interests and Mortgages do not extend to certain excluded property.</p> <p>The security interests are given in favour of the Security Trustee for the benefit of all of the Beneficiaries (including Holders) and can only be enforced in accordance with the Security Trust Deed.</p> <p>Refer to the PDS for more information about the security interests.</p>
Further Indebtedness and Other Covenants	<p>The Issuer, GMT and other members of the GMT Group can create further liabilities (including by issuing new secured bonds) without the consent of Holders. However, there are covenants in the Trust Deed and other documents that have the effect of restricting the GMT Group's ability to create further liabilities that rank equally with or in priority to the Green Bonds.</p> <p>Under the Trust Deed, the Issuer agrees:</p> <ul style="list-style-type: none"> • to ensure that finance debt of the GMT Group (which includes the hedged value of any foreign currency debt) does not exceed 50% of the Security Pool Value; and • to not create, or permit to subsist, any other security interests over any of its assets or the land that comprise the Security Pool other than certain permitted security interests. <p>Refer to the PDS for more information.</p>
No Early Repayment	<p>Neither you nor the Issuer has any right to require the Green Bonds to be repaid before the Maturity Date unless an Event of Default occurs.</p>
Record Date	<p>Payments of interest on the Green Bonds will be made to the persons who are the Holders as at 5pm (New Zealand time) on the 10th calendar day before the relevant Interest Payment Date (or such other date as required by NZX).</p> <p>Payments of any other amount will be made to the persons who are the Holders as at 5pm (New Zealand time) on the date as is determined by the Issuer and notified to NZX (or such other date as required by NZX).</p> <p>If such date would fall on a day which is not a Business Day, then payments will be made to the persons who are the Holders as at the immediately preceding Business Day.</p>
Business Days	<p>A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Wellington and Auckland.</p>
Minimum Application Amount and Minimum Holding	<p>Minimum application of NZ\$5,000 with multiples of NZ\$1,000 thereafter.</p>
Transfers	<p>You may only transfer your Green Bonds in multiples of NZ\$1,000 in aggregate Principal Amount and after any transfer you and the transferee must each hold Green Bonds with an aggregate Principal Amount of at least NZ\$5,000 (or no Green Bonds).</p>
ISIN	<p>NZGMBDT009C3</p>
NZX Debt Market Quotation	<p>The Issuer intends to quote the Green Bonds on the NZX Debt Market. NZX ticker code GMB060 has been reserved for the Green Bonds.</p> <p>NZX takes no responsibility for the content of this Terms Sheet. NZX is a licensed market operator and the NZX Debt Market is a licensed market under the FMC Act.</p>
Expected Date of Initial Quotation and Trading on NZX Debt Market	<p>19 April 2022</p>

Who May Apply for Green Bonds There is no public pool for the Green Bonds. All of the Green Bonds (including any oversubscriptions) will be reserved for subscription by clients of the Joint Lead Managers, Primary Market Participants and other approved financial intermediaries invited to participate in the Bookbuild. This means that you can only apply for Green Bonds through a Primary Market Participant or approved financial intermediary who has obtained an allocation of Green Bonds.

You can find a Primary Market Participant by visiting www.nzx.com/investing/find-a-participant.

Supervisor Public Trust.

Security Trustee NZGT (GMT) Security Trustee Limited.

Registrar and Paying Agent Computershare Investor Services Limited.

Arranger and Green Bond Co-ordinator Westpac Banking Corporation (ABN 33 007 457 14) (acting through its New Zealand branch) (**Westpac**).

Joint Lead Managers Craigs Investment Partners Limited, Forsyth Barr Limited, Jarden Securities Limited and Westpac.

Governing Law New Zealand.

Singapore Securities and Futures Act Product Classification Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (Singapore), as modified or amended from time to time (SFA), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Green Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 (Singapore)).

Selling Restrictions The Issuer has not taken and will not take any action which would permit a public offering of Green Bonds, or possession or distribution of any offering material in respect of the Green Bonds, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

Part A - Initial selling restrictions

If sold in New Zealand, the Green Bonds may only be offered in New Zealand in conformity with all applicable laws and regulations in New Zealand. In respect of the Offer, no Green 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 applicable selling restrictions set out in this section headed "Part A - Initial selling restrictions". The PDS, this Terms Sheet and any offering material or any documents in connection with the Green Bonds 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 applicable selling restrictions set out in this section headed "Part A - Initial selling restrictions". For the avoidance of doubt, the selling restrictions set out in this section headed "Part A - Initial selling restrictions" apply only in respect of the Offer.

United States of America

The Green 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**)). No person may engage in any directed selling efforts (as defined in Regulation S) in relation to the Green Bonds, and persons must comply with the offering restrictions in Regulation S.

The Green 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 Green Bonds, as determined and certified by the Joint Lead Managers. Any Green 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 Green 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 Green Bonds and the closing date. Terms used above have the meaning given to them by Regulation S."

Member States of the European Economic Area

In relation to each Member State of the European Economic Area, no Green Bonds have been offered and no Green Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in that Member State except that an offer of Green Bonds to the public in the Member

State may be made:

- (a) to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Joint Lead Manager and/or Joint Lead Managers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation, provided that no such offer of the Green Bonds shall require the Issuer or any Joint Lead Managers to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of the Green Bonds to the public**" in relation to any Green Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Green Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Green Bonds and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

No Green Bonds have been offered and no Green Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in the United Kingdom except that an offer of Green Bonds to the public in the United Kingdom may be made:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Joint Lead Manager and/or Joint Lead Managers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (**FSMA**),

provided that no such offer of the Green Bonds shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of the Green Bonds to the public**" in relation to any Green Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Green Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Green Bonds and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other regulatory restrictions

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the 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 Green 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 Green Bonds in, from or otherwise involving the United Kingdom must be complied with.

Japan

The Green 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 Green Bonds shall not transfer or resell the Green Bonds in Japan or to a Japanese person except where the transferor transfers or resells all the Green 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

Each Joint Lead Manager has acknowledged that the PDS and this Terms Sheet have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Green Bonds or caused the Green Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Green Bonds or cause the Green Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the PDS, this Terms Sheet or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Green Bonds, 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 2001 (Singapore), as modified or amended from time to time (**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 Green 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 or securities based derivatives contracts (each term as defined in Section 2(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 Green Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, 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 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Hong Kong

No Green 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(WUMPO)**) or which do not constitute an offer to the public within the meaning of the C(WUMPO).

No advertisement, invitation or document relating to the Green 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 Green 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 Green 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 Green 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, the PDS, this Terms Sheet, any information memorandum, prospectus or any other offering material or advertisement relating to the Green 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.

Each of the PDS and this Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Green Bonds in Australia.

Part B - General selling restrictions

The Green Bonds may only be offered for sale or sold in compliance with all applicable laws and regulations in any country or jurisdiction in which they are offered, sold or delivered. The PDS, this Terms Sheet and any offering material or any documents in connection with the Green 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 in that country or jurisdiction.

By subscribing for Green Bonds, you agree to indemnify the Issuer, the Supervisor, the Arranger and the Joint

Lead Managers, for any loss suffered by any one or more of them by reason of any breach of the selling restrictions set out in this section headed "Part B - General selling restrictions".

The timetable is indicative only and subject to change. The Issuer has the right, in its absolute discretion and without notice, to vary the timetable (including by opening or closing the Offer early, accepting late applications, and extending the Closing Date).

If the Issuer changes any of the Opening Date and/or the Closing Date, the changes will be announced via NZX as soon as reasonably practicable.

If the Closing Date is extended, the Issue Date, the expected date of initial quotation and trading of the Green Bonds on the NZX Debt Market, the Interest Payment Dates and the Maturity Date may also be extended. Any such changes will not affect the validity of any applications received.

The Issuer reserves the right to cancel the Offer and the issue of the Green Bonds. If this occurs any application monies received will be refunded (without interest) as soon as practicable, and in any event within 5 Business Days of the Issuer announcing that the Offer has been cancelled.

ADDRESS DETAILS

Issuer

GMT Bond Issuer Limited

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Auckland

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Telephone: +64 9 375 6060

Registrar

Computershare Investor Services Limited

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Takapuna
Auckland 0622
Private Bag 92119
Auckland 1142

Phone: +64 9 488 8777

Arranger, Green Bond Co-ordinator and Joint Lead Manager

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

Phone: 0800 772 142

Joint Lead Managers

Craigs Investment Partners Limited

Level 32, Vero Centre
48 Shortland Street
Auckland 1010

Phone: 0800 226 263

Forsyth Barr Limited

Level 23, Shortland & Fort
88 Shortland Street
Auckland 1010

Phone: 0800 367 227

Jarden Securities Limited

Level 32, PwC Tower
15 Customs Street West
Auckland 1010

Phone: 0800 005 678