

# Dexus (ASX: DXS)

## ASX release



19 September 2018

### Dexus 2018 Notice of Annual General Meeting

Dexus today released its 2018 Notice of Annual General Meeting.

The 2018 Annual General Meeting (AGM) will be held on Wednesday 24 October 2018, commencing at 2.00pm. The AGM will be held at Dexus Place, Level 15, Governor Macquarie Tower, 1 Farrer Place, Sydney.

A letter to Security holders, the Notice of Annual General Meeting and sample Proxy and Q&A Forms are attached and will be mailed to Dexus Security holders today.

### For further information please contact:

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### About Dexus

Dexus is one of Australia's leading real estate groups, proudly managing a high quality Australian property portfolio valued at \$27.2 billion. We believe that the strength and quality of our relationships is central to our success, and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$13.3 billion of office and industrial properties. We manage a further \$13.9 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$4.2 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.7 million square metres of office workspace across 53 properties, we are Australia's preferred office partner. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by 27,000 investors from 20 countries. With more than 30 years of expertise in property investment, development and asset management, we have a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors. [www.dexus.com](http://www.dexus.com)

### Download the Dexus IR app

Download the Dexus IR app to your preferred mobile device to gain instant access to the latest stock price, ASX Announcements, presentations, reports, webcasts and more.

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)

Dexus Funds Management Limited  
ABN: 24 060 920 783  
AFSL: 238163

Level 25, Australia Square  
264-278 George Street  
Sydney NSW 2000

[dexus.com](http://dexus.com)



Dear Security holder,

You are invited to attend Dexus's 2018 Annual General Meeting (AGM). The AGM will be held at Dexus Place, Level 15, Governor Macquarie Tower, 1 Farrer Place, Sydney at 2.00pm on Wednesday 24 October 2018.

Please refer to the map on page 2 of this letter for further information on the location of the meeting and transport options.

At the AGM we will cover all the formal aspects relating to the resolutions and invite you to have a conversation with Directors and members of our Group Management Committee post the meeting over refreshments.

Please find enclosed the Notice of Annual General Meeting and personalised Proxy Form.

If you are attending the AGM, please bring along your personalised Proxy Form and arrive at 1.30pm to register for the event. The meeting will commence at 2.00pm.

To confirm your attendance, please RSVP to [rsvp@dexus.com](mailto:rsvp@dexus.com) or call Renee O'Connor on 02 9017 1134.

We look forward to seeing you on Wednesday 24 October 2018.

Kind regards

A handwritten signature in black ink, appearing to read "Richard Sheppard".

Richard Sheppard  
Chair  
Dexus Funds Management Limited  
19 September 2018



## Dexus's 2018 Annual General Meeting

**Date:** Wednesday 24 October 2018

**Time:** 1.30pm for 2.00pm start

**Venue:** Dexus Place, Level 15, Governor Macquarie Tower, 1 Farrer Place, Sydney

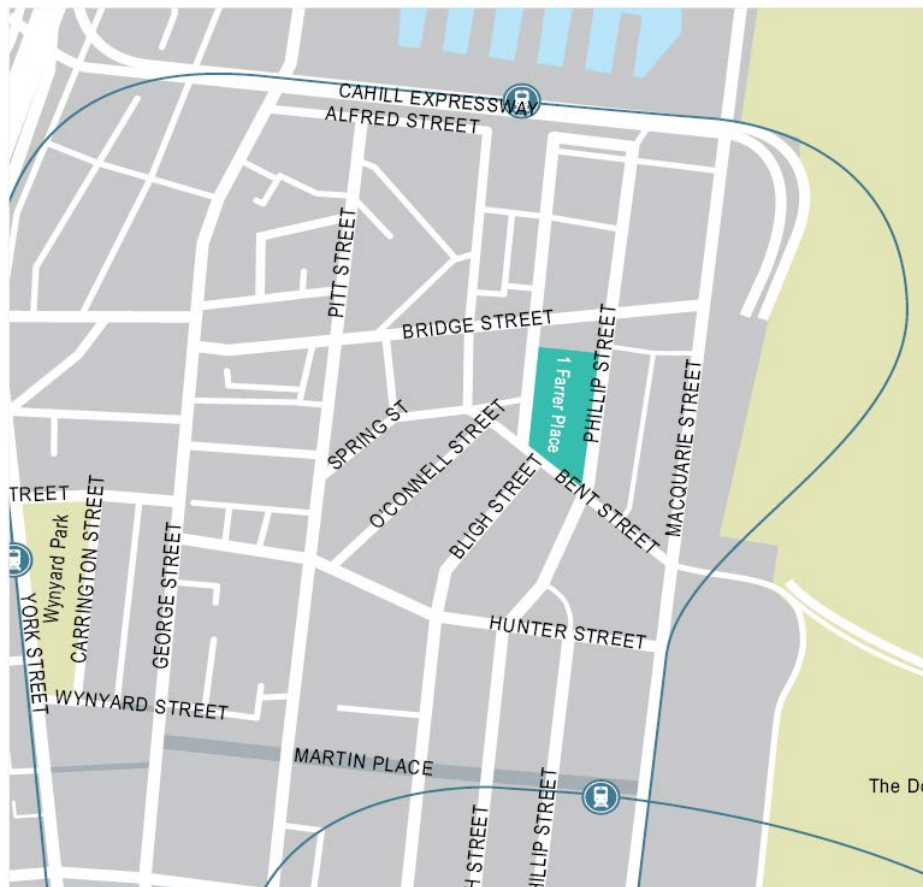
### How to get to the meeting

**By train:** the closest train station is Circular Quay. Exit Circular Quay Station onto Alfred Street. Walk east on Alfred Street and turn right onto Young Street. Cross Bridge Street and continue to Governor Macquarie Tower at 1 Farrer Place, Sydney - view map below

**By bus:** for information about bus routes and timetables, please call 131 500 or visit [www.131500.com.au](http://www.131500.com.au)

**Parking:** car parks available nearby include; Wilson Parking, 43 Phillip Street, Sydney or Secure Parking, 131 Macquarie Street, Sydney

**Accessibility:** a ramp is available near the corner of Bent and Bligh Streets for disabled access. Accessible doors are on either side of the revolving doors.



## Notice of Annual General Meeting

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**2018**

Notice is hereby given by Dexus Funds Management Limited, as responsible entity of each of the four trusts that comprise Dexus, that the 2018 Annual General Meeting of Security holders will be held at:

**Place**

Dexus Place  
Governor Macquarie Tower  
Level 15, 1 Farrer Place  
Sydney NSW 2000

**Date**

Wednesday, 24 October 2018

**Time**

Registration – 1.30pm  
Commencing – 2.00pm

In accordance with section 252S(1) of the *Corporations Act 2001* (Cth), Dexus Funds Management Limited appoints Richard Sheppard to act as Chair.

**10** years  
being listed  
as Dexus

# Business of the Meeting

## To present the Financial Report:

To present the Directors' Report, Financial Statements and Independent Auditor's Report for the financial year ended 30 June 2018.

## Resolutions:

### 1. Adoption of the Remuneration Report

To consider and if thought fit pass the following Resolution as an ordinary resolution: "That the Remuneration Report for the financial year ended 30 June 2018 be adopted."

### 2. Grant 2018 long term incentive performance rights to the Chief Executive Officer

To consider and if thought fit pass the following Resolution as an ordinary resolution:

"That approval is given for all purposes for:

- (a) the granting of 242,974 performance rights to Darren Steinberg under the Long-Term Incentive Rights Plan
- (b) the transfer or allocation of Securities to Darren Steinberg upon vesting of the performance rights and
- (c) the provision of benefits to Darren Steinberg under the Long-Term Incentive Rights Plan

for the year commencing 1 July 2018 as described in the Explanatory Memorandum to the 2018 Notice of Annual General Meeting."

### 3. Approval of Independent Directors

#### 3.1 Approval of an Independent Director – Richard Sheppard

To consider and if thought fit pass the following Resolution as an ordinary resolution:

"That the continuing appointment of Richard Sheppard as a Director of Dexus Funds Management Limited be approved (by ratification)."

#### 3.2 Approval of an Independent Director – Penny Bingham-Hall

To consider and if thought fit pass the following Resolution as an ordinary resolution:

"That the continuing appointment of Penny Bingham-Hall as a Director of Dexus Funds Management Limited be approved (by ratification)."

#### 3.3 Approval of an Independent Director – Tonia Dwyer

To consider and if thought fit pass the following Resolution as an ordinary resolution:

"That the continuing appointment of Tonia Dwyer as a Director of Dexus Funds Management Limited be approved (by ratification)."

### 4. Approval of a change to the Constitutions to allow Mandatory Direct Credit for Australian and New Zealand Security holders

To consider and if thought fit pass the following Resolution as a special resolution:

"That:

- (a) the Constitutions of each of the Trusts be amended in accordance with the provisions of the supplemental deeds poll tabled at the Meeting and initialed by the Chair for the purposes of identification and
- (b) the Responsible Entity of each of the Trusts, be authorised to execute the supplemental deeds poll in the same form as the supplemental deeds poll referred to in (a), and to lodge them with ASIC to give effect to the amendments to the Trusts' constitutions

Information on each of the Resolutions is set out in the accompanying Explanatory Memorandum. You should also read the Procedural Notes which form part of this 2018 Notice of Annual General Meeting.

By Order of the Board



**Brett Cameron**  
Company Secretary

Dexus Funds Management Limited

19 September 2018

# Procedural Notes

Dexus is the collective name of the four Trusts, and one unit in each of the Trusts together comprises one Security. As each Trust is a separate entity each is required to conduct a separate meeting.

Richard Sheppard, as Chair of the meetings, has determined that because the Resolutions to be proposed at each of the four meetings and the persons eligible to vote on the Resolutions are the same, each of the four meetings will be conducted concurrently so that, from an administrative and attendee point of view, the conduct of the meetings will be as if they were one single meeting.

## Quorum

The quorum necessary for this Meeting is 10 Security holders present in person or by proxy. If a quorum is not present within 30 minutes after the scheduled time for the Meeting, the Meeting will be adjourned as the Chair directs.

## Voting in person

If you wish to vote in person, you should attend the Meeting on Wednesday, 24 October 2018. Registration commences at 1.30pm with the Meeting to commence at 2.00pm at Dexus Place, Governor Macquarie Tower, Level 15, 1 Farrer Place, Sydney NSW 2000.

A corporation that is a Security holder may appoint a person to act as its representative and vote at the Meeting. The appointment must comply with section 253B of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment including any authority under which it is signed and a "Certificate of Appointment of Corporate Representative". A form of the certification may be obtained from the Group's Security Registry.

If your Securities are jointly held, only one of the joint holders is entitled to vote. If both joint holders are present at the Meeting, only the vote of the person named first in the register counts. In the case of joint holders, the Proxy Form may be signed by any one holder.

## Voting by proxy

If you are unable to attend the Meeting in person you may appoint a proxy to attend the Meeting in your place. The proxy does not need to be a Security holder. If you are entitled to cast two or more votes, then you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified each proxy may exercise half of your votes.

To appoint a proxy please complete the accompanying Proxy Form and return it to the Security Registry, Link Market Services Limited or alternatively you can lodge your Proxy vote online at [linkmarketservices.com.au](http://linkmarketservices.com.au) following the instructions provided on the website.

You will need your Holder Identification Number (HIN) or Security Reference Number (SRN) to lodge your Proxy vote online. Proxy Forms and online Proxy votes should be received by 2.00pm Monday, 22 October 2018 in accordance with the instructions set out on the Proxy Form. Return your Proxy Form or vote by:

- Lodging it online at [linkmarketservices.com.au](http://linkmarketservices.com.au) in accordance with the instructions provided on the website or
- Posting it in the reply paid envelope provided to Dexus C/- Link Market Services Limited, Locked Bag A14 Sydney South NSW 1235 or
- Hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000 or
- Faxing it to +61 2 9287 0309

## Voting entitlement

Subject to the following, all Security holders appearing on the register of Securities of Dexus as at 7.00pm (AEDT) on Monday, 22 October 2018 will be entitled to attend and vote at the Meeting.

## Majority required

All Resolutions, other than Resolution 4, are ordinary resolutions. Each of those Resolutions will be passed if at least 50% of the votes cast by Security holders entitled to vote on the Resolution are cast in favour of the Resolution.

Resolution 4 is a special resolution. Resolution 4 will be passed if at least 75% of the votes cast by Security holders entitled to vote on the Resolution are cast in favour of the Resolution.

## Poll

All Resolutions will be decided on a poll. On a poll, each Security holder has one vote for each whole \$1.00 of Security value (Security value is measured by reference to the last sale price for Securities on the ASX on the last day of trading immediately prior to the Meeting being Tuesday, 23 October 2018).

## Voting exclusion statement

In accordance with section 253E of the Corporations Act, the Responsible Entity and its associates are not entitled to vote their interest on any Resolution if they have an interest in the Resolution other than as a member.

Certain persons are not entitled to vote on Resolutions 1 or 2.

Refer to Sections 1 and 2 of the Explanatory Memorandum for further information.

## How the Chair will vote undirected proxies

In accordance with the instructions on your Proxy Form, if the Chair is your proxy and you do not direct the Chair how to vote, you will be taken to have directed the Chair to vote as the Chair sees fit on all Resolutions including Resolutions 1 and 2 notwithstanding that the Resolutions are connected with the remuneration of members of Dexus's Key Management Personnel (KMP), details of whose remuneration are included in the Remuneration Report. The Chair intends to vote undirected proxies in favour of all Resolutions. Dexus asks all Security holders who submit proxies to direct their proxy on how to vote on each Resolution.

## Enquiries

If you have any questions about the Resolutions, attending the Meeting, how to vote on the Resolutions or completing the Proxy Form, please contact the Dexus Infoline on 1800 819 675 Monday to Friday between 8.30am and 5.30pm (AEDT) or consult your financial or other professional advisor.

# Explanatory Memorandum

## Introduction

This Explanatory Memorandum is intended to provide Security holders with information to assess the merits of the Resolutions contained in the accompanying 2018 Notice of Annual General Meeting. Defined terms have the meaning attributed to them in the glossary. All monetary amounts (unless otherwise stated) are expressed in Australian dollars.

### 1. Adoption of the Remuneration Report

The purpose of Resolution 1 is to adopt the Remuneration Report for the financial year ended 30 June 2018. The Remuneration Report is in the 2018 Dexus Annual Report starting on page 24.

Under the Corporations Act, a listed company is required at its Annual General Meeting to put to its shareholders a resolution to approve its Remuneration Report. Consistent with its corporate governance framework, the Board of DXFM has determined that Dexus will be subject to this obligation even though it is a listed stapled group comprising real estate investment trusts. The vote on Resolution 1 is advisory only and does not bind the Directors or DXFM. However, if at least 25% of the votes cast on Resolution 1 are voted against the adoption of the 2018 Remuneration Report at the Meeting (first negative vote) then:

- If comments are made on the Remuneration Report at the Meeting, then Dexus's 2019 Remuneration Report will include an explanation of the DXFM Board's proposed action in response to those comments or, if no action is proposed, the DXFM Board's reasons for this and
- If, at the 2019 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the 2019 Remuneration Report are voted against the adoption of the 2019 Remuneration Report (second negative vote), Dexus will put to Security holders at the 2019 Annual General Meeting a resolution proposing that an Extraordinary General Meeting (EGM) be called to consider the election of Directors of DXFM (Spill Resolution). If the Spill Resolution is passed (i.e. more than 50% of the votes cast are in favour of it), Dexus will call an EGM within 90 days of the 2019 Annual General Meeting and all of the DXFM Directors (other than the Chief Executive Officer) will cease to hold office following that EGM, unless they are re-elected at the EGM.

During the meeting, there will be an opportunity for Security holders to comment upon, and ask questions about the Remuneration Report.

### Voting Exclusions

Consistent with Dexus's corporate governance framework, a vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of Dexus's KMP and their closely related parties.

However, a vote may be cast on Resolution 1 by a KMP or its closely related parties if:

- The vote is cast as a proxy and the proxy appointment is in writing and specifies how the proxy is to vote on Resolution 1 and
- The vote is not cast on behalf of a KMP or a closely related party of a KMP

Resolution 1 will be decided by poll. Resolution 1 must be decided by at least 50% of votes cast at the Meeting by Security holders entitled to vote on the Resolution.

### Recommendation

The Board unanimously recommends that Security holders vote in favour of Resolution 1 to adopt the Remuneration Report.

### 2. Grant 2018 long term incentive performance rights to the Chief Executive Officer

Under his employment agreement, Darren Steinberg's remuneration consists of:

- Fixed remuneration and
- At risk remuneration comprising of
  - Short-term incentive (STI), 25% of which is deferred remuneration and delivered in performance rights which vest after 1 and 2 years and
  - Long-term incentive (LTI), all of which is deferred remuneration and delivered in performance rights which vest in two tranches at the end of year 3 and year 4 subject to achieving performance hurdles

A performance right is the right, for no payment, to receive Securities on the vesting of that performance right.

It is proposed that Darren Steinberg be awarded performance rights under the Group's Long-Term Incentive Rights Plan (Plan) in respect of his 2018 LTI. This proposal is consistent with the Group's remuneration framework and Darren Steinberg's remuneration arrangements since his appointment as CEO and as previously disclosed to Security holders.

#### Why is Security holder approval being sought?

Dexus is not required to seek Security holder approval for the grant of performance rights to Darren Steinberg as Dexus acquires Securities on-market to satisfy these rights. However, the Board has determined to seek Security holder approval for the grant of performance rights to be satisfied by the transfer of Securities to Darren Steinberg.

If approved by Security holders, Darren Steinberg's vested performance rights will continue to be settled by Dexus acquiring the Securities on-market and transferring the Securities to Darren Steinberg.

#### What is the LTI?

The at risk LTI is delivered as performance rights which vest in two tranches at the end of year 3 and year 4 if performance hurdles are achieved. The performance hurdles for FY19 are Adjusted Funds From Operations growth (AFFO hurdle) (50%) and average Return on Contributed Equity (ROCE hurdle) (50%).

The AFFO hurdle and ROCE hurdle are set by the Board and are in line with Dexus's target range through the cycle. Both performance targets will be disclosed retrospectively at the end of the performance period.

The Group does not publish details of the hurdles prior to the testing of the first tranche at the end of the first performance period (year 3), as this would result in the disclosure of commercially sensitive information in connection with the Group's forecasts.

#### What is the AFFO hurdle?

AFFO is a key measure of growth and is calculated in line with the Property Council of Australia (PCA) definition. AFFO is Funds From Operations (FFO) as per the PCA's definition adjusted for maintenance capex, incentives (including rent free incentives) given to tenants during the period and other one-off items.

AFFO growth is measured as the implied compound annual growth rate (CAGR) of the aggregate AFFO earnings per Security over both the three and four year vesting periods.

#### What is the ROCE hurdle?

ROCE represents the annualised average rate of return to Security holders, calculated as a percentage, comprising AFFO together with the net tangible asset impact from completed developments, divided by the average contributed equity during the period. The ROCE calculation excludes the impact of asset revaluations.

ROCE is measured as the per annum average at the respective conclusion of the three and four year vesting periods.

#### What is the range of vesting?

Vesting under the ROCE hurdle and AFFO growth hurdle are on a sliding scale against performance conditions set by the Board.

Performance	Vesting Outcome
Below Target performance	Nil
Target performance	50%
Between Target and Outperformance	Straight line vesting
Outperformance	100%

#### Can the hurdles be adjusted?

The Board reserves the right to adjust performance hurdles under the Plan to reflect the impact of any capital transaction occurring during the performance period (for example: a significant equity issue or the sale or joint venture of a material part of the portfolio).

#### How is the number of performance rights calculated?

The LTI grant value is calculated on a 'face value' basis based on 150% of the fixed remuneration as at 1 July.

The 2018 LTI grant value is \$2,400,000 which is divided by the volume weighted average price of Securities ten trading days either side of the first trading day of the new financial year (\$9.87759). The proposed number of rights to be granted to Darren Steinberg is 242,974.

The minimum value of the grant is nil if the performance conditions are not met. The actual value cannot be determined until the end of the vesting periods and will depend on the actual Security price at those times.

#### When will the performance rights be granted?

The proposed grant of performance rights to Darren Steinberg will be made as soon as practicable after Security holder approval is obtained. The grant will have an effective date of 1 July 2018.

#### What happens if Darren Steinberg leaves Dexus?

Forfeiture will occur should Darren Steinberg's employment terminate within 12 months of the issue of performance rights for any reason, or if he voluntarily resigns or is terminated for cause prior to the vesting date.

Notwithstanding the above, if Darren Steinberg's employment is terminated for reasons such as retirement, redundancy, reorganisation, change in control or other unforeseen circumstances, the People & Remuneration Committee will recommend whether the participant should remain in the plan as a "good leaver", for decision by the Board.

#### What happens if there is a change of control?

Performance rights do not vest automatically as a consequence of a control transaction or a corporate restructuring. In relation to control transactions, the Board retains the discretion to accelerate the vesting date for performance rights issued under the Plan in such circumstances.

#### Does clawback or cancellation apply to the LTI?

Yes. Performance rights may be reduced or cancelled at the Board's discretion including in circumstances such as a participant committing an act of fraud, wilful misconduct, serious or wilful negligence or incompetence, being convicted of a criminal offence or if there has been a material misstatement of the Group's financial accounts as a consequence of a deliberate misrepresentation or fraud.

#### Are there any other forfeiture events?

Unvested performance rights will also lapse in the event of a participant:

- becoming bankrupt or
- becoming a "bad leaver" (for example, because the participant neglects or refuses to perform their duties under their employment agreement)

#### What is the hedging policy?

Participants in the Plan are prohibited from entering into hedging arrangements in respect of unvested performance rights (or performance rights the subject of a holding lock).

#### Voting Exclusions

Consistent with Dexus's corporate governance framework, a vote must not be cast (in any capacity) on Resolution 2 by or on behalf of a member of Dexus's KMP and their closely related parties.

However, a vote may be cast on Resolution 2 by a KMP or its closely related parties if:

- The vote is cast as a proxy and the proxy appointment is in writing and specifies how the proxy is to vote on Resolution 2, and
- The vote is not cast on behalf of a KMP or a closely related party of a KMP

Resolution 2 will be decided by poll. Resolution 2 must be decided by at least 50% of votes cast at the Meeting by Security holders entitled to vote on the Resolution.

#### Recommendation

The Board, excluding Darren Steinberg, recommends that Security holders vote in favour of Resolution 2. Given his personal interest in the outcome of Resolution 2, Darren Steinberg has refrained from providing a recommendation in connection with this Resolution.

#### 3. Approval of Independent Directors

At 30 June 2018, the Board of DXFM comprised nine members. All Directors are independent except for Dexus's Chief Executive Officer, Darren Steinberg.

In accordance with the corporate governance framework adopted by Dexus, the Directors have determined that the continuing appointment of each Director other than the CEO will be approved (by ratification) by Security holders at the Annual General Meeting immediately succeeding their initial appointment, and thereafter at least every three years, with at least one Director seeking approval at each Annual General Meeting. If an individual Director's appointment or continued appointment as a Director fails to be approved by a majority vote of Security holders at the required Annual General Meeting, then that Director will thereafter cease to hold the office of Director of DXFM.



# Explanatory Memorandum continued

## 3.1 Approval of an Independent Director – Richard Sheppard

Richard Sheppard is both Chair and an Independent Director of Dexus Funds Management Limited, Chair of the Board Nomination Committee and a member of the Board People & Remuneration Committee.

Richard is a Director of Snowy Hydro Limited, Star Entertainment Group and the Bradman Foundation.

Richard brings to the Dexus Board extensive experience in banking and finance and as a director and Chairman of listed and unlisted property trusts. He was Managing Director and Chief Executive Officer of Macquarie Bank Limited and Deputy Managing Director of Macquarie Group Limited from 2007 until late 2011. Following seven years at the Reserve Bank of Australia, Richard joined Macquarie Group's predecessor, Hill Samuel Australia in 1975, initially working in Corporate Finance. Richard became Head of the Corporate Banking Group in 1988 and headed a number of the Bank's major operating Groups, including the Financial Services Group and the Corporate Affairs Group. He was a member of the Group Executive Committee since 1986 and Deputy Managing Director since 1996. Richard was also Chairman of the Australian Government's Financial Sector Advisory Council, Macquarie Group Foundation, Eraring Energy and Green State Power Pty Limited.

## 3.2 Approval of an Independent Director – Penny Bingham-Hall

Penny Bingham-Hall is an Independent Director of Dexus Funds Management Limited, Chair of the Board People & Remuneration Committee and a member of the Board Nomination Committee and Board Risk Committee.

Penny is a Non-Executive Director of Fortescue Metals Group Ltd, BlueScope Steel Limited, Port Authority of NSW and Taronga Conservation Society Australia. She is also an independent director of Macquarie Specialised Asset Management Limited.

Penny has broad industry experience having spent more than 20 years in a variety of senior management roles with Leighton Holdings Limited including Executive General Manager Strategy, responsible for the Leighton Group's overall business strategy and Executive General Manager Corporate, responsible for business planning, corporate affairs including investor relations and governance systems. She is a former director of the Australian Postal Corporation, SCEGGS Darlinghurst Limited and the Global Foundation (a member-based organisation promoting high-level thinking within Australia and cooperation between Australia and the world). Penny also served as the inaugural Chair of Advocacy Services Australia Limited (a not-for-profit organisation promoting the interests of the Australian tourism, transport, infrastructure and related activities).

## 3.3 Approval of an Independent Director – Tonia Dwyer

Tonia Dwyer is an Independent Director of Dexus Funds Management Limited and Dexus Wholesale Property Limited, Chair of the Board Risk Committee and a member of the Board Audit Committee.

Tonia is a Director of OZ Minerals Limited, ALS Limited, Metcash Limited and Queensland Treasury Corporation. She is also Deputy Chancellor and a member of the Senate of the University of Queensland.

Tonia brings to the Board significant experience as a company director and executive working in listed property, funds management and corporate strategy across a variety of international markets. She was a Director from 2006 until 2010 of Quintain Estates and Development - a listed United Kingdom property company comprising funds management, investment and urban regeneration - and was Head of Funds Management from 2003.

Prior to joining Quintain, Tonia was a Director of Investment Banking at Hambros Bank, SG Cowen and Societe Generale based in London. She also held directorships on Cardno Limited, the Bristol & Bath Science Park Stakeholder Board, and on a number of boards associated with Quintain's funds management business including the Quercus, Quantum and iQ Property Partnerships.

Resolutions 3.1, 3.2 and 3.3 will be decided by poll. The Resolutions must be decided by at least 50% of the votes cast at the Meeting by Security holders entitled to vote on each Resolution.

## Recommendation

The Board (other than the Directors abstaining) recommends that Security holders approve the continued appointment (by ratification) of Richard Sheppard, Penny Bingham-Hall and Tonia Dwyer as Independent Directors of DXFM and vote in favour of Resolutions 3.1, 3.2 and 3.3.

Each Director whose continued appointment is being voted upon has abstained from making a recommendation on their continued appointment.

## 4. Approval of a change to the Constitutions to allow Mandatory Direct Credit for Australian and New Zealand Security holders

Currently DXFM pays all distributions via direct credit to an account nominated by a Security holder or, if no account is nominated, by cheque.

DXFM has decided that it is in the best interests of Security holders for distributions to be paid by direct credit only. This is because direct credit:

- enables funds to be paid and available in Security holders' accounts much more quickly
- enables funds to still be received even if Dexus does not have a Security Holder's correct address
- removes postal delays
- eliminates the risk of cheque fraud
- prevents the risk of cheques being lost or stolen and
- is the most cost-effective means by which a distribution can be paid

The purpose of Resolution 4 is to approve amendments to clause 23.2 of the Constitutions of each of the four Trusts that comprise Dexus.

The proposed amendments are to enable the Responsible Entity to pay distributions via direct credit only.

The specific amendments proposed are detailed in the Annexure to this Notice of Meeting.

If this Resolution is passed, DXFM intends to commence paying all future distributions that fall due for payment after 31 December 2018, including the distribution for the half year ending on that date, into each Security holder's nominated bank or financial institution account by direct credit only. If a Security holder does not provide its banking details or the transfer is rejected or refunded by the bank, the distribution will be held in a non-interest accruing account until the Security holder has provided the Registry with valid details for an account to which the transfer can be made.

## Recommendation

The Board unanimously recommends that Security holders vote in favour of Resolution 4 and approve the proposed amendments to the Constitutions.

# Annexure

## Clause 23.2 - Method of payment, repayment

- a) Any money payable by the Responsible Entity to a Holder under this deed may be paid:
  - (i) by a crossed "not negotiable" cheque made payable to the Holder and posted to the Holder's registered address or
  - (ii) by such electronic or other means approved by the Responsible Entity directly to an account (of a type approved by the Responsible Entity) nominated in writing by the Holder
- b) A payment made under clause 23.2(a) is made at the Holder's risk.
- c) A cheque issued to a Holder which is presented and paid, or where the payment is to a financial institution or nominated person, payment to the institution or person, discharges the Responsible Entity in respect of the payment.
- d) The Responsible Entity may determine that any cheque not presented within 9 months is cancelled. If the Responsible Entity so determines the amount of the cheque is to be reinvested in Units or, if the Units are Stapled, in Units and Attached Securities. The reinvestment is taken to be made on the day the cheque is cancelled.
- e) If the Responsible Entity decides that payments will be made only by electronic transfer into an account (of a type approved by the Responsible Entity) nominated by a Holder, but no such account is nominated by the Holder or an electronic transfer into a nominated account is rejected or refunded, the Responsible Entity may credit the amount payable to an account of the Responsible Entity held on behalf of the Trust to be held until the Holder nominates a valid account or until required to be dealt with in accordance with any law relating to unclaimed moneys.
- f) An amount credited to an account under clauses 23.2(a)(ii) or 23.2(e) is to be treated as having been paid to the Holder at the time it is credited to that account. The Responsible Entity will not be a trustee of the money other than under this deed and no interest will accrue on the money.

# Glossary

<b>ASX</b>	means ASX Limited or the market operated by ASX Limited, as applicable
<b>Board</b>	means the Board of Directors of DXFM being the responsible entity of the Trusts
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth)
<b>Dexus or the Trusts or the Group</b>	means DDF, DIT, DOT and DXO and their controlled entities
<b>DDF</b>	means Dexus Diversified Trust (ARSN 089 324 541)
<b>DIT</b>	means Dexus Industrial Trust (ARSN 090 879 137)
<b>DOT</b>	means Dexus Office Trust (ARSN 090 768 531)
<b>DXFM</b>	means Dexus Funds Management Limited (ABN 24 060 920 783)
<b>DXO</b>	means Dexus Operations Trust (ARSN 110 521 223)
<b>KMP</b>	means Key Management Personnel as described in Section 1 of the 2018 Remuneration Report available in the 2018 Dexus Annual Report
<b>Meeting</b>	means the meetings of the Security holders of the units in each of the four Trusts to be held concurrently and in conjunction with each other on the date set out in the Notice of Annual General Meeting
<b>Notice of Annual General Meeting</b>	means the Notice of Annual General Meeting dated 19 September 2018
<b>Responsible Entity</b>	means Dexus Funds Management Limited (ABN 24 060 920 783) as the responsible entity of each of the four Trusts
<b>Resolution</b>	means a resolution contained in the Notice of Annual General Meeting 2018
<b>Security or Securities</b>	means a stapled Security of Dexus each consisting of one unit in each of the four Trusts that comprise Dexus (ASX: DXS)
<b>Security holders</b>	means the holders of Securities

# Directory

Dexus Diversified Trust ARSN 089 324 541  
Dexus Industrial Trust ARSN 090 879 137  
Dexus Office Trust ARSN 090 768 531  
Dexus Operations Trust ARSN 110 521 223

## Responsible Entity

DEXUS Funds Management Limited  
ABN 24 060 920 783  
AFSL 238163

## Registered office of Responsible Entity

Level 25, Australia Square  
264 George Street  
Sydney NSW 2000

PO Box R1822  
Royal Exchange Sydney NSW 1225  
Phone: +61 2 9017 1100  
Fax: +61 2 9017 1101  
Email: [ir@dexus.com](mailto:ir@dexus.com)  
Website: [www.dexus.com](http://www.dexus.com)

## Directors of the Responsible Entity

W Richard Sheppard, Chair  
Penny Bingham-Hall  
John C Conde AO  
Tonianne Dwyer  
Mark H Ford  
The Hon. Nicola L Roxon  
Darren J Steinberg, CEO  
Peter B St George

## Secretaries of the Responsible Entity

Brett Cameron  
Rachel Caralis

## Auditors PricewaterhouseCoopers

Chartered Accountants  
201 Sussex Street  
Sydney NSW 2000

## Investor enquiries

Infoline: +61 1800 819 675  
Email: [dexus@linkmarketservices.com.au](mailto:dexus@linkmarketservices.com.au)  
Website: [www.dexus.com](http://www.dexus.com)

## Security Registry

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

Locked Bag A14  
Sydney South NSW 1235

Infoline: +61 1800 819 675  
Fax: +61 2 9287 0309  
Email: [dexus@linkmarketservices.com.au](mailto:dexus@linkmarketservices.com.au)  
Website: [linkmarketservices.com.au](http://linkmarketservices.com.au)  
Monday to Friday between 8.30am and 5.30pm (Sydney time).

For enquiries regarding your holding please contact the Security Registry, or access your Security holding at [www.dexus.com/update](http://www.dexus.com/update)

## Australian Securities Exchange

ASX code: DXS

## LinkedIn, Twitter, Facebook

Dexus now engages with its followers via LinkedIn, Twitter and Facebook




## IR App


Download the Dexus IR App to gain instant access to the latest Dexus stock price, ASX announcements, presentations, reports, webcasts and more.


## LODGE YOUR VOTE

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
Dexus  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1800 819 675 (free call within Australia)



**X99999999999**

## PROXY FORM

I/We being a member(s) of Dexus and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chair of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of Dexus to be held at **2:00pm on Wednesday, 24 October 2018 at Dexus Place, Level 15, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1 and 2:** If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair of the Meeting to exercise the proxy in respect of Resolutions 1 and 2, even though the Resolutions are connected with the remuneration of a member of Dexus's Key Management Personnel (KMP).

**The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.**


### VOTING DIRECTIONS

Proxies will only be valid and accepted by Dexus if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3.3 Approval of an Independent Director – Tonia Dwyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Grant 2018 long term incentive performance rights to the Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 Approval of a change to the Constitutions to allow Mandatory Direct Credit for Australian and New Zealand Security holders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.1 Approval of an Independent Director – Richard Sheppard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3.2 Approval of an Independent Director – Penny Bingham-Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 \* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SECURITY HOLDERS – THIS MUST BE COMPLETED

Security holder 1 (Individual)

Joint Security holder 2 (Individual)

Joint Security holder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the Security holder. If a joint holding, either Security holder may sign. If signed by the Security holder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with Dexus's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS SECURITY HOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on Dexus's Security register. If this information is incorrect, please make the correction on the form. Security holders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your Securities using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a Security holder of Dexus.

### DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your Securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of Securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Dexus's Security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of Securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either Security holder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director, who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from Dexus's Security registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm on Monday, 22 October 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, Security holders will need their "Holder Identifier" (Security holder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your Security holding.

#### QR Code



To scan the code, you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Dexus  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND


delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
  
or  
  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)


**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**


## LODGE YOUR QUESTIONS

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
Dexus  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1800 819 675 (free call within Australia)



**X99999999999**

Please use this form to submit any questions about Dexus that you would like us to respond to at the Dexus's 2018 Annual General Meeting (AGM). Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Dexus's auditor it should be relevant to the content of the auditor's report, or the conduct of the audit of the financial report.

This form must be received by the Dexus's security registrar, Link Market Services Limited, by **17 October 2018**.

Questions will be collated. During the course of the AGM, the Chairman of the Meeting will endeavour to address as many of the more frequently raised Security holder topics as possible and, where appropriate, will give a representative of the Dexus's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to Security holders.

My question relates to *(please mark the most appropriate box)*

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report              | <input type="checkbox"/> Sustainability/Environment        | <input type="checkbox"/> Other              |
| <input type="checkbox"/> My question is for the auditor   | <input type="checkbox"/> Future direction                  |   |

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report              | <input type="checkbox"/> Sustainability/Environment        | <input type="checkbox"/> Other              |
| <input type="checkbox"/> My question is for the auditor   | <input type="checkbox"/> Future direction                  |   |

QUESTIONS