

Board Audit Committee

Terms of Reference



Authority

The Committee is accountable to and acts primarily as a delegated committee to the Dexus Funds Management Limited ("DXFM") and Dexus Holdings Pty Limited ("DXH") Boards ("the Board"). The Committee does not, of itself, have the power or authority of the Board.

Objectives

The objective of the Committee is to assist the Board in fulfilling its responsibilities by reviewing the integrity and quality of the Group's financial statements and disclosures including auditing, accounting and financial reporting processes. The Committee is responsible for the oversight of Dexus's Internal Audit program.

Terms of Reference **Financial Reporting**

- Review the accounting policies and practices adopted by the Group (including whether they are aggressive or conservative and whether they are common or minority practices), and compliance with accounting standards, ASX Listing Rules and relevant legislation
- Review significant changes to accounting policies and practices and recommend to the Board for approval
- Review the adequacy of corporate reporting processes
- Review the management processes supporting the production of financial statements and disclosures and adequacy of the internal control framework
- Review Statements of Compliance with financial covenants and recommend to the Board for approval
- Review the declarations made by the Chief Executive Officer and Chief Financial Officer in relation to the financial statements, financial records and systems
- Approve the Fraud Risk Statement on a six-monthly basis
- Ensure that each of the Trust's and DXFM's financial statements are true and fair and otherwise conform with law, and recommend to the Board for approval
- Review distribution payout ratio and periodic market guidance and recommend to the Board for approval
- Approve the Tax Risk Policy on an annual basis and review the application of the policy
- To review and recommend to the Board:
 - funding strategy and Group borrowing limits; and
 - financial risk management policy
- To review & approve new financial instrument types
- To review & approve exceptions to the Dexus Treasury Policy

External Audit

- Review and oversee external audit plans and monitor any change in scope
- Review recommendations for the appointment or removal of the external auditor and to recommend to the Board for approval
- Review procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners
- Review the independence of the external auditor and whether the independence of this function has been maintained having regard to the provision of non-audit services (other than tax compliance services)



- Review the performance of the external auditor on an annual basis and consider the need to tender the services
- Review engagements for all audit services and for non-audit services of greater than \$100,000

Internal Audit

- Review and approve the Internal Audit Plan (including any recommended changes)
- Review the annual evaluation of the performance, independence and objectivity of the Internal Audit function
- Review significant results of internal audits and Management's responsiveness to findings and recommendations
- Review and approve any recommendation regarding the appointment or dismissal of the out-sourced service provider

Members

- At least three Independent Directors (the Chair of the Board should not be the Chair of the Audit Committee)
- Members of the Committee have the ability to engage the services of external advisers (with or without Management present)
- Members of the Committee have the right to obtain information, interview management and internal and external auditors (with or without Management present)

By Invitation

- External Auditor (PwC)
- Internal Auditor (KPMG)
- Chief Executive Officer
- Chief Financial Officer
- Deputy CFO
- Head of Compliance
- Head of Governance
- Head of Risk

Secretary

Company Secretaries

Meetings

Not less than four times per year

Quorum

Any two members

Decisions

Simple majority

Minutes Circulation

- Committee Members
- DXFM Board

Standing Reports

- Capital Markets Committee Minutes (Head of Treasury)
- Taxation Management Meeting Minutes (Group Taxation Manager)

Procedure

Papers to be distributed minimum five business days prior to meeting.

Version

Approved by the Committee on 15 June 2020
Approved by the Board on 30 July 2020