

Board Risk 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.

The Committee also acts as an advisory body to the Dexus Wholesale Funds Limited Board ("DWFL") and Dexus Investment Management Limited Board ("DIML"). The Committee oversees risk management practices as they relate to Dexus's third party capital partners.

The Committee acts as Compliance Committee for the Dexus Industrial Fund.

The Board Risk Committee will work with other Board Committees to assist the Board in fulfilling its responsibilities.

Objectives

The objective of the Committee is to assist the above entities and Dexus's third party capital partners in fulfilling their responsibilities as they relate to risk management (including Work, Health & Safety) and compliance management. The Committee will foster and support a strong risk management culture across the organisation.

Terms of Reference Risk Management

- Review, at least annually, the Dexus Risk Management Framework, Risk Appetite Statements and Risk Management Policy and recommend to the relevant Board for approval
- Review the adequacy and implementation of the Group's risk management processes, internal control systems and risk management resources
- Review the identification and management of key operational risks including WHS, Security & Emergency Management and Building Health & Safety and oversee the adequacy of controls to mitigate these risks and the appropriateness of response to material issues identified
- Oversee the identification and management of digital disruption, cyber-security, privacy and data breaches including the adequacy of controls and disaster recovery testing to mitigate those risks
- Review the adequacy of Management's approach to the identification and management of emerging risks
- Review management actions to address risk tolerances exceeding measures set out in the Dexus Risk Appetite Statement
- Review all incidents of fraud and any instances of significant breakdowns of risk controls, and Management remediation plans
- Review the Financial Lines insurance program and recommend to the Board for approval
- Review the annual Property Insurance program
- Review and approve, at least annually, the Fraud, Corruption & Bribery (Prevention and Awareness) Policy
- Review and recommend to the Board for approval, at least annually, the Securities Trading (including Inside Information) Policy and Whistleblower Policy
- Review on an ongoing basis, Dexus's risk culture
- Review findings of relevant internal audits where the audit relates to a Board Risk Committee key risk or a Risk Appetite Statement

Compliance

- Review, at least annually, the Dexus Compliance Management Framework and recommend to the Board for approval
- Oversee compliance with key obligations identified in management agreements between Dexus and its third-party capital partners



- Oversee compliance with key legislation including Corporations Act, ASX Listing Rules, Privacy Act and Dexus policies and procedures supporting those key obligations
- Oversee adherence to the compliance plans of all registered Managed Investment Schemes
- Review, at least annually, whether the compliance plans are appropriate and recommend to the relevant Board for approval
- Oversee adherence to Dexus's policies including those addressing ethical conduct and behaviour
- Review, at least quarterly, the AFSL Financial Requirements and recommend to the relevant Board for approval
- Oversee remediation plans to address significant compliance breaches (including those that have been reported to ASIC)
- Review, at least annually, whether the Anti-money Laundering & Counter Terrorism Finance Programs are appropriate and recommend to the relevant Board for approval
- Review treatment of significant conflicts of interest

Governance

- Review, at least annually, the adequacy of the Committee's Terms of Reference

Members

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

By Invitation

- General Counsel and Company Secretary
- Chief Financial Officer
- Chief Operating Officer
- Head of Risk
- Head of Compliance
- External Consultant
- External Audit (PwC)
- Internal Audit (KPMG)

Secretary

Company Secretaries

Meetings

Not less than four times per year

Quorum

Any two members

Decisions

Simple majority

Minutes Circulation

- Committee Members
- DXFM Board
- DWFL Board
- DIML Board

Standing Reports

- Quarterly Risk Report (Head of Risk)
- Quarterly Compliance Report (Head of Compliance)
- Corporate Executive Committee Minutes (Committee Secretary)

Procedure

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

Version

Approved by the Committee on 23 November 2020

Approved by the Board on 11 December 2020