

Selection & Appointment of External Auditor



Corporate Policy

1. Purpose

This policy sets out Dexus's procedure for:

- engaging an External Auditor to conduct annual statutory audits for companies and trusts which form part of Dexus, and
- dealing with the External Auditor in the course of the provision of those services

2. Selection

The Board Audit Committee is responsible for making a recommendation to the Board regarding the appointment and removal of the External Auditor. To inform this recommendation, the Board Audit Committee conducts periodic reviews of the incumbent External Auditor. The Board Audit Committee will also conduct a tender to assist in the selection of a future External Auditor to recommend to the Board.

When the Board Audit Committee elects to undertake a tender, the Chief Financial Officer will ensure a Request for Submission is prepared (which will be reviewed by the Committee). The request will include at least the following criteria:

- details of the tenderer's approach to the audit
- a description of the tenderer's independence and the processes in place to maintain that independence
- an outline of the tenderer's procedures to address issues of material significance or matters of disagreement with Dexus
- a fixed fee quotation for services, including assumptions
- expertise and experience, and whether the tenderer acts for a competitor, and
- ability to satisfy employee monitoring requirements

3. Engagement of auditor

The External Auditor may not be engaged to undertake any non-audit related services for Dexus other than those outlined in the Charter of Auditor Independence. Where fees for non-audit related services exceed \$100,000 per engagement, the engagement must be approved by the Board Audit Committee.

Each half year the Chief Financial Officer will provide a report to the Board Audit Committee on the amount of fees for audit and non-audit related services paid by Dexus to the External Auditor.

The External Auditor must provide a written declaration to the Board regarding their independence each reporting period.

4. Rotation of auditor

The terms of engagement of the External Auditor provide that, at least every 5 years, the External Auditor must rotate their lead audit partner.

In limited circumstances the Board may grant approval to extend the term of the lead audit partner for a further two years after the five year period if deemed appropriate. The Board may only approve an extension where the requirements in Sections 324DAA, 324DAB and 324DAC of the Corporations Act 2001 are satisfied. The extension of the term, must be approved by the Board prior to the end of the initial 5 financial year term, with details of the approval and the relevant reasons being provided in the Financial Statements. A copy of the relevant resolution must be lodged with ASIC and a copy provided to the Auditor within 14 days of Board approval.

5. Employees of Dexus

The Chief Financial Officer ensure appropriate monitoring is undertaken of Dexus employees who are required to deal with the External Auditor to ensure that no employee has a relationship with the auditor or its employees which may impair the independence of the External Auditor or the employee's ability to deal with the External Auditor professionally and in the best interests of Dexus. When employing any new employee for a role which involves dealing with the External Auditor, the Chief Financial Officer ascertains and takes into consideration any relationship which the new employee has or has had with the External Auditor.

6. Employees of the auditor

Each year the External Auditor must provide written confirmation that:

- the External Auditor has monitored its employees who provide services to Dexus to ensure that no employee has a relationship which may impair the independence of the External Auditor or the employee's ability to deal with Dexus professionally and in the best interests of Dexus
- the External Auditor has a policy in place that employees of the External Auditor who provide services to Dexus are not permitted to deal in securities issued by Dexus and that the policy is monitored and enforced.

Document Control Log

<i>Version</i>	<i>Document Owner</i>	<i>Author</i>	<i>Approving Authority</i>	<i>Approved Date</i>
2	Group Finance	Paul Wilson	Board Audit Committee	19 Jun 2018