

# 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.

### Terms of Reference Risk Management

- Review the Dexus Risk Management Framework (including Risk Appetite Statements) at least annually and recommend to the relevant Board for approval
- Review the annual evaluation of the adequacy of the Group's risk management processes including the design and implementation of risk management and internal control systems (including adequacy of risk management resources)
- Review the identification and management of key risks including the adequacy of controls to mitigate those risks
- Review the adequacy of Management's approach to the identification and management of emerging risks
- Review compliance with (and exceptions to) the Dexus Risk Appetite Statement
- Review the Financial Lines insurance program and recommend to the Board for approval
- Review the Work, Health & Safety ("WHS") and Environmental risk management programmes and recommend to the Board for approval
- Review material WHS issues and the appropriateness of response
- Review all incidents of fraud and Management's remediation plans
- Review and approve the Fraud, Corruption & Bribery (Prevention and Awareness) Policy at least annually
- Review and recommend to the Board for approval the Securities Trading (including Inside Information) Policy and Whistleblower Policy at least annually
- Review on an ongoing basis, Dexus's risk culture

### Compliance

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

**Members**

- At least three Independent Directors (the Chair of the Audit Committee should not be the Chair of the Risk Committee)
- Members of the Committee have the ability to engage the services of external advisers, independent of Management

**By Invitation**

- General Counsel and Company Secretary
- Chief Financial Officer
- EGM Office
- EGM Retail and Industrial
- Head of Risk
- Head of Compliance
- Head of Governance
- 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)
- Group Risk Committee Minutes (Committee Secretary)

**Procedure**

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

**Version**

Approved by the Committee on 7 August 2019  
Approved by the Board on 18 September 2019