

# Board Audit Committee

## Terms of Reference



**Authority** The Committee is accountable to and acts primarily as an advisory body 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 (including Dexus’s capital partners) financial statements and disclosures including auditing, accounting and financial reporting processes.

### **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
- 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
- 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 Property Group 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

### **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, independent of Management

### **By Invitation**

- External Auditor (PwC)
- Chief Executive Officer
- Chief Financial Officer
- Head of Group Finance

### **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 three business days prior to meeting.

### **Version**

Approved by the Committee on 19 June 2018  
Approved by the Board on 30 July 2018