

Dexus Board

Terms of Reference



Authority

The Directors derive their power from the Corporations Act and the constitution of Dexus Funds Management Limited ("DXFM") and are accountable to the mandate clients and unitholders of DXFM's managed trusts ("Investors").

Objectives

The DXFM Board ("the Board") is responsible for ensuring that the fiduciary and statutory obligations to its Investors (either as shareholders of DXFM or unitholders of the Managed Investment Schemes for which DXFM acts as Responsible Entity, or mandate clients) are met, and that such duties have priority over all other duties.

Terms of Reference

The Board directs and supervises the management of the business and affairs of DXFM and each of its managed investment schemes, capital partners and client mandates ("Trusts") including:

Financial

- Ensuring that each Trust's and DXFM's goals are clearly established, and that strategies are in place for their achievement
- Ensuring that DXFM and Trust budgets are in place, and monitoring performance against those budgets
- Approving the annual business plan
- Approving new business initiatives and the property acquisitions, divestments and developments of DXS. Approval of property acquisitions, divestments and development less than \$50 million are delegated to the Chief Executive Officer ("CEO"), the Group Management Committee ("GMC") or the Investment Committee where appropriate
- Approving funding strategy and Group borrowing limits
- Approving periodic market guidance
- Approving distribution payout ratio
- Approving new financial instrument types
- Approving the Dexus Group Treasury Policy on an annual basis
- Approving significant changes to accounting policies and practices
- Receiving the declarations made by the CEO and Chief Financial Officer in relation to financial statements, financial records and systems
- Approving DXS Compliance Certificates on a six-monthly basis
- Approving AFS Financial Requirements at least quarterly
- Reviewing DXS forecast financial covenants at least quarterly
- Approving the financial statements and disclosures of each of the Trusts and DXFM
- Approving the appointment or removal of external auditors
- Approving engagements of the Auditor for all audit services and for non-audit services of greater than \$100,000
- Approving the appointment or removal of out-sourced service provider in relation to internal audit

Terms of Reference (cont'd)

Risk

- Ensuring that appropriate risk and compliance management policies and processes are in place and adhered to (including the identification and management of conflicts of interests and related party transactions)
- Approving the Compliance Management Framework and Risk Management Framework (including Risk Appetite Statement)
- Approving amendments to managed investment scheme compliance plans for which DXFM acts as responsible entity
- Approving the Work, Health & Safety and Environmental risk management programs
- Approving the Derivative Risk Statement
- Reviewing Defence Monitor as required
- Approving regulatory reporting in relation to Sustainability (where required)
- Approving the Directors & Officers insurance program

People and Remuneration

- Approving the annual Remuneration Report
- Appointing or removing the CEO and the Company Secretaries
- Ratifying the appointment of GMC members (including terms of appointment)
- Reviewing performance of CEO and GMC members against business objectives and strategies
- Approving CEO and GMC members' remuneration and incentive payments
- Approving CEO, GMC members' and other Senior Executives' remuneration policies
- Approving Non-executive Directors' remuneration, including the Directors' fee cap
- Approving the identification of Key Management Personnel
- Approving the Diversity Principles including identification of measurable objectives for achieving gender diversity

Nomination

- Approving the size, composition, diversity and desired competencies of the Board and its Committees at least annually
- Approving the method to determine director independence at least annually
- Approving the nomination, appointment, re-election and removal of Directors (including Executive Directors)
- Approving the appointment of the Chair
- Approving succession plans for Non-executive Directors (including the Chair), CEO and other Executive Directors

Governance

- Approving the Terms of Reference for the Board and Board delegated Committees at least annually
- Reviewing the membership and effectiveness of all Board delegated Committees at least annually
- Reviewing the findings of the Board Performance Evaluation
- Ensuring that high standards of ethics and corporate governance are adhered to
- Ensuring that Dexus makes timely and balanced disclosure to the market of all material information
- Approving the Codes of Conduct and other key policies



Members

- Seven Independent Directors
- Chief Executive Officer

The Board will always have a majority of Independent Directors.

Independent Directors have the ability to engage the services of external advisers, independent of management.

By Invitation

As required

Secretary

Company Secretaries

Meetings

Not less than eight times per year

Quorum

Any four members

Decisions

Simple majority vote, where the majority of Directors voting are Independent Directors.

The Chair does not have a casting vote.

Minutes Circulation

- Board Members

Standing Reports

- Minutes of all Board Committees (Committee Secretaries)
- CEO Report (CEO)

Procedure

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

Version

Approved by the Board on 26 June 2019