

# Dexus (ASX: DXS)

## ASX release



25 September 2019

### 2019 Notice of Annual General Meeting

Dexus today released its 2019 Notice of Annual General Meeting.

The 2019 Annual General Meeting (AGM) will be held on Wednesday 30 October 2019, commencing at 2.00pm. The AGM will be held at Dexus Place, Level 15, Governor Macquarie Tower, 1 Farrer Place, Sydney.

A letter to Security holders, the Notice of Annual General Meeting and sample Proxy and Q&A Forms are attached and will be mailed to Dexus Security holders today.

### For further information please contact:

Investor Relations  
David Yates  
+61 2 9017 1424  
+61 418 861 047  
david.yates@dexus.com

Media Relations  
Louise Murray  
+61 2 9017 1446  
+61 403 260 754  
louise.murray@dexus.com

### About Dexus

Dexus is one of Australia's leading real estate groups, proudly managing a high quality Australian property portfolio valued at \$31.8 billion. We believe that the strength and quality of our relationships is central to our success, and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$15.6 billion of office and industrial properties. We manage a further \$16.2 billion of office, retail, industrial and healthcare properties for third party clients. The group's circa \$9.3 billion development and concept pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.7 million square metres of office workspace across 53 properties, we are Australia's preferred office partner. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by 26,000 investors from 19 countries. With 35 years of expertise in property investment, development and asset management, we have a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors. [www.dexus.com](http://www.dexus.com)

### Download the Dexus IR app

Download the Dexus IR app to your preferred mobile device to gain instant access to the latest stock price, ASX Announcements, presentations, reports, webcasts and more.

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)

Dexus Funds Management Limited  
ABN: 24 060 920 783  
AFSL: 238163

Level 25, Australia Square  
264-278 George Street  
Sydney NSW 2000

[dexus.com](http://dexus.com)



25 September 2019

Dear Security holder,

You are invited to attend Dexus's 2019 Annual General Meeting (AGM). The AGM will be held at Dexus Place, Level 15, Governor Macquarie Tower, 1 Farrer Place, Sydney at 2.00pm on Wednesday, 30 October 2019.

Please refer to the map on page 2 of this letter for further information on the location of the meeting and transport options.

At the AGM we will cover all the formal aspects relating to the resolutions and invite you to have a conversation with Directors and members of our Group Management Committee over refreshments at the end of the meeting.

Please find enclosed the Notice of Annual General Meeting and personalised Proxy Form.

If you are attending the AGM, please bring along your personalised Proxy Form and arrive at 1.30pm to register for the event. The meeting will commence at 2.00pm.

To confirm your attendance, please RSVP to [rsvp@dexus.com](mailto:rsvp@dexus.com) or call Renee O'Connor on 02 9017 1134. We look forward to seeing you on Wednesday, 30 October 2019.

Kind regards

A handwritten signature in black ink, appearing to read "Richard Sheppard".

Richard Sheppard  
Chair  
Dexus Funds Management Limited



## Dexus's 2019 Annual General Meeting

**Date:** Wednesday 30 October 2019

**Time:** 1.30pm for 2.00pm start

**Venue:** Dexus Place, Level 15, Governor Macquarie Tower, 1 Farrer Place, Sydney

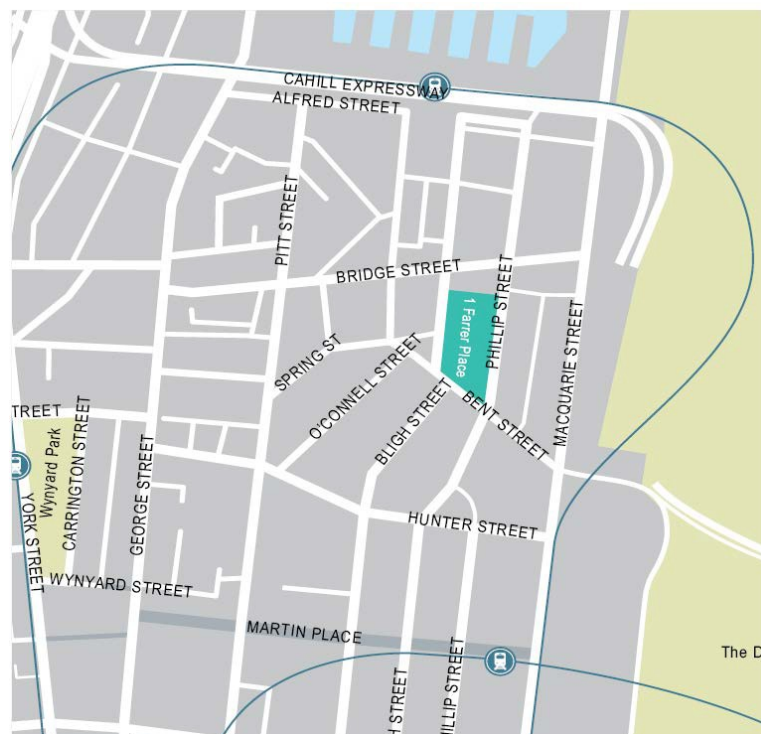
### How to get to the meeting

**By train:** the closest train station is Circular Quay. Exit Circular Quay Station onto Alfred Street. Walk east on Alfred Street and turn right onto Young Street. Cross Bridge Street and continue to Governor Macquarie Tower at 1 Farrer Place, Sydney - view map below

**By bus:** for information about bus routes and timetables, please call 131 500 or visit [www.131500.com.au](http://www.131500.com.au)

**Parking:** car parks available nearby include; Wilson Parking, 43 Phillip Street, Sydney or Secure Parking, 131 Macquarie Street, Sydney

**Accessibility:** a ramp is available near the corner of Bent and Bligh Streets for disabled access. Accessible doors are on either side of the revolving doors.



# Notice of Annual General Meeting

dexus

2019

Notice is hereby given by  
Dexus Funds Management  
Limited, as responsible  
entity of each of the  
four trusts that comprise  
Dexus, that the 2019  
Annual General Meeting  
of Security holders will  
be held at:

## Where

Dexus Place  
Governor Macquarie Tower  
Level 15, 1 Farrer Place  
Sydney NSW 2000

## Date

Wednesday, 30 October 2019

## Time

Registration – 1.30pm  
Commencing – 2.00pm

In accordance with section 252S(1)  
of the *Corporations Act 2001* (Cth),  
Dexus Funds Management Limited  
appoints Richard Sheppard to  
act as Chair.

# Business of the Meeting

## To present the Financial Report:

To present the Directors' Report, Financial Statements and Independent Auditor's Report for the financial year ended 30 June 2019.

## Resolutions:

### 1. Adoption of the Remuneration Report

To consider and if thought fit pass the following Resolution as an ordinary resolution:

"That the Remuneration Report for the financial year ended 30 June 2019 be adopted."

### 2. Grant 2019 long-term incentive performance rights to the Chief Executive Officer

To consider and if thought fit pass the following Resolution as an ordinary resolution:

"That approval is given for all purposes for:

- (a) the granting of 178,094 performance rights to Darren Steinberg under the Long-Term Incentive Rights Plan; and
- (b) the transfer or allocation of Securities to Darren Steinberg upon vesting of the performance rights.

for the year commencing 1 July 2019 as described in the Explanatory Memorandum to the 2019 Notice of Annual General Meeting."

### 3. Approval of Independent Directors

#### 3.1 Approval of an Independent Director – Mark Ford

To consider and if thought fit pass the following Resolution as an ordinary resolution:

"That the continuing appointment of Mark Ford as a Director of Dexus Funds Management Limited be approved (by ratification)."

#### 3.2 Approval of an Independent Director – The Hon. Nicola Roxon

To consider and if thought fit pass the following Resolution as an ordinary resolution:

"That the continuing appointment of The Hon. Nicola Roxon as a Director of Dexus Funds Management Limited be approved (by ratification)."

## 4. Ratification of Institutional Placement and Note Issue

### 4.1 Ratification of Institutional Placement

To consider and if thought fit pass the following Resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rules 7.1 and 7.4, the issue of 74,380,166 Securities in Dexus, to certain institutional and sophisticated investors at \$12.10 per Security on 3 May 2019 (Institutional Placement), as described in the Explanatory Memorandum to the 2019 Notice of Annual General Meeting, is hereby ratified for all purposes."

### 4.2 Ratification of Note Issue

To consider and if thought fit pass the following Resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rules 7.1 and 7.4, the issue of exchangeable notes to the value of \$425 million, each exchangeable into Securities in Dexus, to professional and sophisticated investors at an initial exchangeable price of A\$15.05 per security on 19 March 2019 (Note Issue), as described in the Explanatory Memorandum to the 2019 Notice of Annual General Meeting, is hereby ratified for all purposes."

Information on each of the Resolutions is set out in the accompanying Explanatory Memorandum. You should also read the Procedural Notes which form part of this 2019 Notice of Annual General Meeting.

By Order of the Board



**Brett Cameron**

Company Secretary

Dexus Funds Management Limited

25 September 2019

# Procedural Notes

Dexus is the collective name of the four Trusts, and one unit in each of the Trusts together comprises one Security. As each Trust is a separate entity, each is required to conduct a separate meeting.

Richard Sheppard, as Chair of the meetings, has determined that because the Resolutions to be proposed at each of the four meetings and the persons eligible to vote on the Resolutions are the same, each of the four meetings will be conducted concurrently so that, from an administrative and attendee point of view, the conduct of the meetings will be as if they were one single meeting.

## Quorum

The quorum necessary for this Meeting is 10 Security holders present in person or by proxy. If a quorum is not present within 30 minutes after the scheduled time for the Meeting, the Meeting will be adjourned as the Chair directs.

## Voting in person

If you wish to vote in person, you should attend the Meeting on Wednesday, 30 October 2019. Registration commences at 1.30pm with the Meeting to commence at 2.00pm at

Dexus Place  
Governor Macquarie Tower  
Level 15, 1 Farrer Place  
Sydney NSW 2000

A corporation that is a Security holder may appoint a person to act as its representative and vote at the Meeting. The appointment must comply with section 253B of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment including any authority under which it is signed and a "Certificate of Appointment of Corporate Representative". A form of the certification may be obtained from the Group's Security Registry.

If your Securities are jointly held, only one of the joint holders is entitled to vote. If both joint holders are present at the Meeting, only the vote of the person named first in the register counts. In the case of joint holders, the Proxy Form may be signed by any one holder.

## Voting by proxy

If you are unable to attend the Meeting in person you may appoint a proxy to attend the Meeting in your place. The proxy does not need to be a Security holder. If you are entitled to cast two or more votes, then you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified each proxy may exercise half of your votes.

To appoint a proxy please complete the accompanying Proxy Form and return it to the Security Registry, Link Market Services Limited or alternatively you can lodge your Proxy vote online at [linkmarketservices.com.au](http://linkmarketservices.com.au) following the instructions provided on the website.

You will need your Holder Identification Number (HIN) or Security Reference Number (SRN) to lodge your Proxy vote online. Proxy Forms and online Proxy votes should be received by 2.00pm Monday, 28 October 2019 in accordance with the instructions set out on the Proxy Form. Return your Proxy Form or vote by:

- Lodging it online at [linkmarketservices.com.au](http://linkmarketservices.com.au) in accordance with the instructions provided on the website; or

- Posting it in the reply-paid envelope provided to  
Dexus C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235; or
- Hand delivering it to  
Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12, 680 George Street  
Sydney NSW 2000; or
- Faxing it to +61 2 9287 0309.

## Voting entitlement

Subject to the following, all Security holders appearing on the register of Securities of Dexus as at 7.00pm (AEDST) on Monday, 28 October 2019 will be entitled to attend and vote at the Meeting.

## Majority required

All Resolutions are ordinary resolutions. Each of those Resolutions will be passed if at least 50% of the votes cast by Security holders entitled to vote on the Resolution are cast in favour of the Resolution.

## Poll

All Resolutions will be decided on a poll. On a poll, each Security holder has one vote for each whole \$1.00 of Security value (Security value is measured by reference to the last sale price for Securities on the ASX on the last day of trading immediately prior to the Meeting being Tuesday, 29 October 2019).

## Voting exclusion statement

In accordance with section 253E of the Corporations Act, the Responsible Entity and its associates are not entitled to vote their interest on any Resolution if they have an interest in the Resolution other than as a member. The Responsible Entity and its associates may still vote as proxies, if their appointments specify the way they are to vote, and they vote that way.

Certain persons are not entitled to vote on Resolutions 1, 2, 4.1 or 4.2.

Refer to Sections 1, 2 and 4 of the Explanatory Memorandum for further information.

## How the Chair will vote undirected proxies

In accordance with the instructions on your Proxy Form, if the Chair is your proxy and you do not direct the Chair how to vote, you will be taken to have directed the Chair to vote as the Chair sees fit on all Resolutions including Resolutions 1 and 2 notwithstanding that these Resolutions are connected with the remuneration of members of Dexus's Key Management Personnel (KMP), details of whose remuneration are included in the Remuneration Report. The Chair intends to vote undirected proxies in favour of all Resolutions. Dexus asks all Security holders who submit proxies to direct their proxy on how to vote on each Resolution.

## Enquiries

If you have any questions about the Resolutions, attending the Meeting, how to vote on the Resolutions or completing the Proxy Form, please contact the Dexus Infoline on 1800 819 675 Monday to Friday between 8.30am and 5.30pm (AEDST) or consult your financial or other professional advisor.

# Explanatory Memorandum

## Introduction

This Explanatory Memorandum is intended to provide Security holders with information to assess the merits of the Resolutions contained in the accompanying 2019 Notice of Annual General Meeting. Defined terms have the meaning attributed to them in the glossary. All monetary amounts (unless otherwise stated) are expressed in Australian dollars.

### 1. Adoption of the Remuneration Report

The purpose of Resolution 1 is to adopt the Remuneration Report for the financial year ended 30 June 2019. The Remuneration Report is in Dexus's 2019 Annual Report starting on page 68.

Under the Corporations Act, a listed company is required at its Annual General Meeting to put to its shareholders a resolution to approve its Remuneration Report. Consistent with its corporate governance framework, the Board of DXFM has determined that Dexus will be subject to this obligation even though it is a listed stapled group comprising real estate investment trusts. The vote on Resolution 1 is advisory only and does not bind the Directors or DXFM. However, if at least 25% of the votes cast on Resolution 1 are voted against the adoption of the 2019 Remuneration Report at the Meeting (first negative vote) then:

- If comments are made on the Remuneration Report at the Meeting, then Dexus's 2020 Remuneration Report will include an explanation of the Board's proposed action in response to those comments or, if no action is proposed, the Board's reasons for this; and
- If, at the 2020 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the 2020 Remuneration Report are voted against the adoption of the 2020 Remuneration Report (second negative vote), Dexus will put to Security holders at the 2020 Annual General Meeting a resolution proposing that an Extraordinary General Meeting (EGM) be called to consider the election of Directors of DXFM (Spill Resolution). If the Spill Resolution is passed (i.e. more than 50% of the votes cast are in favour of it), Dexus will call an EGM within 90 days of the 2020 Annual General Meeting and all of the DXFM Directors (other than the Chief Executive Officer) will cease to hold office following that EGM, unless they are re-elected at the EGM.

During the Meeting, there will be an opportunity for Security holders to comment upon and ask questions about the Remuneration Report.

## Voting Exclusions

Consistent with Dexus's corporate governance framework and Section 250R of the Corporations Act, a vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of Dexus's KMP and their closely related parties.

However, a vote may be cast on Resolution 1 by a KMP or its closely related parties as a proxy if the vote is not cast on behalf of a KMP or a closely related party of a KMP, and either:

- The voter is appointed as a proxy in writing, and that appointment specifies how the proxy is to vote on Resolution 1; or
- The voter is the Chair of the Meeting, and the proxy appointment does not specify the way the proxy is to vote, and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

Resolution 1 will be decided by poll. Resolution 1 must be decided by at least 50% of votes cast at the Meeting by Security holders entitled to vote on the Resolution.

## Recommendation

The Board unanimously recommends that Security holders vote in favour of Resolution 1 to adopt the Remuneration Report.

### 2. Grant 2019 long-term incentive performance rights to the Chief Executive Officer

Under his employment agreement, Darren Steinberg's remuneration consists of:

- Fixed remuneration; and
- At risk remuneration comprising of:
  - Short-term incentive (STI), 25% of which is deferred remuneration and delivered in security rights which vest after 1 and 2 years; and
  - Long-term incentive (LTI), all of which is deferred remuneration and delivered in performance rights which vest in two tranches at the end of year 3 and year 4 subject to achieving performance hurdles.

A performance right is the right, for no payment, to receive Securities on the vesting of that performance right.

It is proposed that Darren Steinberg be awarded performance rights under the Group's LTI Rights Plan (Plan) in respect of his 2019 LTI. This proposal is consistent with the Group's remuneration framework and Darren Steinberg's remuneration structure since his appointment as CEO and as previously disclosed to Security holders.

### Why is Security holder approval being sought?

Dexus is not required to seek Security holder approval for the grant of performance rights to Darren Steinberg as Dexus acquires Securities on-market to satisfy these rights. However, for the purposes of transparency and good governance the Board has determined to seek Security holder approval for the grant of performance rights to be satisfied by the transfer of Securities to Darren Steinberg.

If approved by Security holders, Darren Steinberg's vested performance rights will continue to be settled by Dexus acquiring the Securities on-market and transferring the Securities to Darren Steinberg.

### What is the LTI?

The at risk LTI is delivered as performance rights which vest in two tranches at the end of year 3 and year 4 if performance hurdles are achieved. The performance hurdles for the 2019 grant are Adjusted Funds From Operations per security growth (AFFO hurdle) (50%) and average Return on Contributed Equity (ROCE hurdle) (50%).

The two absolute measures provide greater focus on the fundamentals of Dexus's business and on the performance of the Executive team in meeting the targets which the Board sets than would general relative measures. AFFO per security growth and ROCE remove the potential favourable or unfavourable impact of macro-economic variables impacting asset valuations, as well as the composition vagaries of listed and unlisted peer groups.

Each year, the Board reviews existing performance measures and their hurdles to ensure they align with Security holder expectations and the current Dexus Strategy. In FY19 the Board reviewed the measures and resolved to retain AFFO per security growth and ROCE as these are the critical business metrics which will drive market performance and Security holder returns.

### What is the AFFO hurdle?

AFFO is a key measure of growth and is calculated in line with the Property Council of Australia (PCA) definition. AFFO is Funds From Operations (FFO) as per the PCA's definition adjusted for maintenance capex, incentives (including rent free incentives) given to tenants during the period and other one-off items.

AFFO growth is measured as the implied compound annual growth rate of the aggregate AFFO earnings per Security over both the three and four-year vesting periods.

### What is the ROCE hurdle?

ROCE represents the annualised average rate of return to Security holders, calculated as a percentage, comprising AFFO together with the net tangible asset impact from completed developments, divided by the average contributed equity during the period. The ROCE calculation excludes the impact of asset revaluations.

ROCE is measured as the per annum average at the respective conclusion of the three and four-year vesting periods.

### What is the range of vesting?

Vesting under both the AFFO per security growth and average ROCE measures are on a sliding scale against performance conditions set by the Board.		
AFFO and ROCE Performance	Vesting Outcome	Hurdle setting
Below Target performance	Nil	Below target set by Board
Target performance	50%	Target set between the 'through the cycle' ranges of: – AFFO per security growth 3% to 5% – ROCE 7% to 10%
Between Target and Outperformance	Straight line vesting	
Outperformance	100%	Within or above the 'through the cycle' range

The Board sets the performance range for both LTI hurdles over three and four-year periods. The Board does not reset or change the ranges during the performance period. The Board aligns the target setting with the Group's key operational metrics of maintaining a through the cycle AFFO per security growth range of 3% to 5% and ROCE of 7% to 10%. Actual AFFO per security growth and average ROCE performance achieved relative to the targets are disclosed retrospectively at the end of the performance period.

Dexus does not publish details of the hurdles prior to the testing of the first tranche at the end of the first performance period (year 3) as this would result in the disclosure of commercially sensitive information in connection with the Group's forecasts.

The Group aims to continually deliver AFFO per security growth and ROCE performance year on year, but fluctuations are to be expected. Factors that may cause fluctuation in AFFO are built into business forecasting and include the development pipeline, leasing assumptions, economic forecasts, management's actions in applying rent-free periods, incentives and maintenance expenditure.

### Can the hurdles be adjusted?

The Board reserves the right to adjust performance hurdles under the Plan to reflect the impact of any capital transaction occurring during the performance period (for example: a significant equity issue or the sale or joint venture of a material part of the portfolio).

### How is the number of performance rights calculated?

The LTI grant value is based on 150% of the fixed remuneration as at 1 July and the number of performance rights granted is calculated on a 'face value' basis.

The 2019 LTI grant value is \$2,400,000 which is divided by the volume weighted average price of Securities over ten trading days either side of the first trading day of the new financial year (\$13.4759). The proposed number of rights to be granted to Darren Steinberg is 178,094.

The minimum value of the grant is nil if the performance conditions are not met. The actual value cannot be determined until the end of the vesting periods, and will depend on the extent of vesting and the actual Security price at those times.



# Explanatory Memorandum

## When will the performance rights be granted?

The proposed grant of performance rights to Darren Steinberg will be made as soon as practicable after Security holder approval is obtained. The grant will have an effective date of 1 July 2019.

## What happens if Darren Steinberg leaves Dexus?

Forfeiture of the performance rights will occur should Darren Steinberg's employment terminate within 12 months of the issue of performance rights for any reason, or if he voluntarily resigns or is terminated for cause prior to the vesting date.

Notwithstanding the above, if Darren Steinberg's employment is terminated for reasons such as retirement, redundancy, reorganisation, change in control or other unforeseen circumstances, the Board People & Remuneration Committee will recommend whether the participant should remain in the plan as a "good leaver", for decision by the Board.

## What happens if there is a change of control?

Performance rights do not vest automatically as a consequence of a control transaction or a corporate restructuring. In relation to control transactions, the Board retains the discretion to accelerate the vesting date for performance rights issued under the Plan in such circumstances.

## Do forfeiture or cancellation provisions apply to the LTI?

Yes. Performance rights may be reduced or cancelled at the Board's discretion including in circumstances such as a participant committing an act of fraud, wilful misconduct, reputational damage to Dexus, serious or wilful negligence or incompetence, being convicted of a criminal offence or if there has been a material misstatement of the Group's financial accounts as a consequence of a deliberate misrepresentation or fraud.

## What is the hedging policy?

Participants in the Plan are prohibited from entering into hedging arrangements in respect of unvested performance rights.

## Voting Exclusions

Dexus will disregard any votes cast in favour of Resolution 2 by the Chief Executive Officer and any of his associates. However, Dexus need not disregard a vote on Resolution 2 if it is cast by the Chief Executive Officer or any associate of the Chief Executive Officer as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form.

In addition, consistent with Dexus's corporate governance framework, a vote must not be cast on Resolution 2 by a member of Dexus's KMP or their closely related parties, acting as proxy for a person entitled to vote, if their appointment does not specify the way the proxy is to vote on Resolution 2.

These restrictions on voting undirected proxies do not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Resolution 2, because the Proxy Form expressly authorises the Chair of the Meeting to exercise undirected proxies.

Resolution 2 will be decided by poll. Resolution 2 must be decided by at least 50% of the votes cast at the Meeting by Security holders entitled to vote on the Resolution.

## Recommendation

The Board, excluding Darren Steinberg, recommends that Security holders vote in favour of Resolution 2 to award Darren Steinberg performance rights under the Group's LTI Plan in respect of his 2019 LTI. Given his personal interest in the outcome of Resolution 2, Darren Steinberg has refrained from providing a recommendation in connection with this Resolution.

## 3. Approval of Independent Directors

At 30 June 2019, the Board of DXFM comprised eight members. All Directors are independent except for Dexus's Chief Executive Officer, Darren Steinberg.

In accordance with the corporate governance framework adopted by Dexus, the Directors have determined that the continuing appointment of each Director other than the CEO will be approved (by ratification) by Security holders at the Annual General Meeting immediately succeeding their initial appointment, and thereafter at least every three years, with at least one Director seeking approval at each Annual General Meeting. If an individual Director's appointment or continued appointment as a Director fails to be approved by a majority vote of Security holders at the required Annual General Meeting, then that Director will thereafter cease to hold the office of Director of DXFM.

### 3.1 Approval of an Independent Director – Mark Ford

Mark Ford is an Independent Director of Dexus Funds Management Limited and a member of the Board Audit Committee and Board Risk Committee. Mark was appointed to the Board on 1 November 2016.

Mark is Chair of Kiwi Property Group and Non-executive Director of the manager for China Commercial Trust. He is a Director of Prime Property Fund Asia. Mark has extensive property industry experience and has been involved in Real Estate Funds Management for over 25 years. He was previously Managing Director, Head of DB Real Estate Australia, where he managed more than \$10 billion in property funds and sat on the Global Executive Committee for Deutsche Bank Real Estate and RREEF.

Mark was also a Director in the Property Investment Banking division of Macquarie and was involved in listing the previous Macquarie Office Fund. His previous directorships include Comrealty Limited, Property Council of Australia, Deutsche Asset Management Australia and he was also Founding Chair of Cbus Property Pty Limited and South East Asia Property Company. Mark previously held senior roles with Price Waterhouse and Macquarie Bank.

### 3.2 Approval of an Independent Director – The Hon. Nicola Roxon

Nicola Roxon is an Independent Director of Dexus Funds Management Limited and a member of the Board People & Remuneration Committee and Board Risk Committee. Nicola was appointed to the Board on 1 September 2017.

Nicola is an Independent Chair of HESTA and Non-executive director of Lifestyle Communities Limited. She is a Patron for the BreastWest Foundation. Nicola was previously Chair of Cancer Council Australia, Bupa Australia Holdings Pty Limited and the Accounting Professional and Ethical Standards Board.

Nicola has more than 20 years' experience with a background in the public sector and significant expertise in highly regulated consumer industries, professional services and the not-for-profit sector. She has deep industry knowledge of the health, government and professional service sector in positions including Federal Attorney General, Federal Minister for Health and Ageing, Member for Gellibrand and Industrial lawyer and advocate at Maurice Blackburn and the National Union of Workers.

Resolutions 3.1 and 3.2 will be decided by poll. The Resolutions must be decided by at least 50% of the votes cast at the Meeting by Security holders entitled to vote on each Resolution.

#### **Recommendation**

The Board (other than the Directors abstaining) recommends that Security holders vote in favour of Resolutions 3.1 and 3.2 to approve the continued appointment (by ratification) of Mark Ford and The Hon. Nicola Roxon as Independent Directors of DXFM.

Each Director whose continued appointment is being voted upon has abstained from making a recommendation on their continued appointment.

## **4. Ratification of Institutional Placement and Note Issue**

On 12 March 2019, Dexus announced the Note Issue comprising the issue of exchangeable notes to the value of \$425 million, with each note exchangeable into Securities in Dexus. The terms of these exchangeable notes are set out in the Enhanced Cleansing Notice dated 18 March 2019 issued by Dexus and Dexus Finance Pty Limited (ACN 110 473 786), the issuer of the notes. The proceeds from this Note Issue allowed Dexus to acquire, jointly with Dexus Wholesale Property Fund, the remaining 50% interest in the MLC Centre, 19 Martin Place, Sydney.

Under the Note Issue, settled on 19 March 2019, notes to the aggregate value of \$425 million were issued to professional and sophisticated investors at an initial exchange price of A\$15.05. It should be noted that, pursuant to the terms of the notes, the exchange price of the notes can be adjusted by certain events, and since the issue of the notes has been adjusted to \$15.00 as a result of the Institutional Placement described below. Exchange of the notes at the current exchange price would result in the issue of 28,333,333 Securities.

On 2 May 2019, Dexus announced an equity raising that comprised the Institutional Placement and a Security Purchase Plan (SPP), together raising \$963.9 million. The proceeds from this Institutional Placement and SPP allowed Dexus to partly fund the acquisition of a 75% ownership interest in 80 Collins Street, Melbourne.

Under the Institutional Placement, completed on 3 May 2019, 74,380,166 Securities were issued to certain institutional and sophisticated investors at \$12.10 per Security raising approximately \$900 million. Participants in this raising comprised a mix of new and existing wholesale institutional investors in Dexus. The new Securities were issued on the same terms as the existing Securities on issue.

Under ASX Listing Rule 7.1, Dexus is not permitted to issue more than 15% of its issued capital in any 12-month period unless the issue is approved by Security holders or an exemption applies to the issue. Dexus advises that an exemption applies for the SPP but does not apply to the Institutional Placement or Note Issue.

Under ASX Listing Rule 7.4 issues of Securities made without Security holder approval may be treated as having been made with Security holder approval if the issue did not breach the ASX Listing Rules and is subsequently approved by Security holders. An issue so approved is then not counted towards the calculation of the use of the 15% limit under ASX Listing Rule 7.1.

The Institutional Placement and Note Issue reduced Dexus's capacity to issue Securities without Security holder approval or an exemption from ASX Listing Rule applying. Accordingly, Security holders are being requested to ratify the issue of Securities for both the Institutional Placement and Note Issue as described above under ASX Listing Rules 7.1 and 7.4. This will ensure that Dexus has the maximum flexibility to raise capital going forward. Dexus has no current plan to raise capital (although it may do so in the future).

Resolution 4.1 is in relation to the Institutional Placement, and Resolution 4.2 is in relation to the Note Issue.

#### **Voting Exclusions**

Dexus will disregard any votes in favour of Resolution 4.1 cast by any person who participated in the Institutional Placement, or who holds Securities for the benefit of a person who obtained those Securities by way of the Institutional Placement, or by an associate of such a person.

Dexus will disregard any votes in favour of Resolution 4.2 cast by any person who participated in the Note Issue, or who holds Securities for the benefit of a person who obtained those Securities by way of the Note Issue, or by an associate of such a person.

However, Dexus need not disregard a vote on the above Resolutions if:

- It is cast by a person referred to above as proxy for a person who is entitled to vote on that Resolution, in accordance with the directions on the Proxy Form; or
- It is cast by the Chair of the Meeting as proxy for a person who is entitled to vote on that Resolution, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolutions 4.1 and 4.2 will be decided by a poll. Each Resolution must be decided by at least 50% of the votes cast at the Meeting by Security holders entitled to vote on that Resolution.

#### **Recommendation**

The Board unanimously recommends that Security holders vote in favour of Resolutions 4.1 and 4.2 to ratify the issue of Securities by way of the Institutional Placement and Note Issue.

# Glossary

ASX	means ASX Limited or the market operated by ASX Limited, as applicable
Board	means the Board of Directors of DXFM being the responsible entity of the Trusts
Corporations Act	means the <i>Corporations Act 2001</i> (Cth)
Dexus or the Trusts or the Group	means DDF, DIT, DOT and DXO and their controlled entities
DDF	means Dexus Diversified Trust (ARSN 089 324 541)
DIT	means Dexus Industrial Trust (ARSN 090 879 137)
DOT	means Dexus Office Trust (ARSN 090 768 531)
DXFM	means Dexus Funds Management Limited (ABN 24 060 920 783)
DXO	means Dexus Operations Trust (ARSN 110 521 223)
KMP	means Key Management Personnel as described in Section 1 of the 2019 Remuneration Report available in the 2019 Dexus Annual Report
Meeting	means the meetings of the Security holders of the units in each of the four trusts to be held concurrently and in conjunction with each other on the date set out in the Notice of Annual General Meeting
Notice of Annual General Meeting	means the Notice of Annual General Meeting dated 25 September 2019
Responsible Entity	means Dexus Funds Management Limited (ABN 24 060 920 783) as the responsible entity of each of the four Trusts
Resolution	means a resolution contained in the Notice of Annual General Meeting 2019
Security or Securities	means a stapled Security of Dexus each consisting of one unit in each of the four trusts that comprise Dexus (ASX: DXS)
Security holders	means the holders of Securities

## Directory

Dexus Diversified Trust ARSN 089 324 541  
 Dexus Industrial Trust ARSN 090 879 137  
 Dexus Office Trust ARSN 090 768 531  
 Dexus Operations Trust ARSN 110 521 223

### Responsible Entity

Dexus Funds Management Limited  
 ABN 24 060 920 783  
 AFSL 238163

### Registered office of Responsible Entity

Level 25, Australia Square  
 264 George Street  
 Sydney NSW 2000  
 PO Box R1822  
 Royal Exchange Sydney NSW 1225  
 Phone: +61 2 9017 1100  
 Fax: +61 2 9017 1101  
 Email: [ir@dexus.com](mailto:ir@dexus.com)  
 Website: [www.dexus.com](http://www.dexus.com)

### Directors of the Responsible Entity

W Richard Sheppard, Chair  
 Penny Bingham-Hall  
 John C Conde AO  
 Toniaanne Dwyer  
 Mark H Ford  
 The Hon. Nicola L Roxon  
 Darren J Steinberg, CEO  
 Peter B St George

### Secretaries of the Responsible Entity

Brett Cameron  
 Scott Mahony

### Auditors PricewaterhouseCoopers

Chartered Accountants  
 201 Sussex Street  
 Sydney NSW 2000

### Security Registry

Link Market Services Limited  
 Level 12, 680 George Street  
 Sydney NSW 2000

Locked Bag A14  
 Sydney South NSW 1235

Infoline: +61 1800 819 675  
 Fax: +61 2 9287 0309

Email: [dexus@linkmarketservices.com.au](mailto:dexus@linkmarketservices.com.au)

Website: [linkmarketservices.com.au](http://linkmarketservices.com.au)

Monday to Friday between 8.30am  
 and 5.30pm (Sydney time).

### Investor enquiries

Infoline: +61 1800 819 675  
 Email: [dexus@linkmarketservices.com.au](mailto:dexus@linkmarketservices.com.au)  
 Website: [www.dexus.com](http://www.dexus.com)

For enquiries regarding your holding please contact the Security Registry, or access your Security holding at [www.dexus.com/update](http://www.dexus.com/update)

### Australian Securities Exchange

ASX code: DXS

### LinkedIn, Twitter, Facebook


Dexus now engages with its followers via LinkedIn, Twitter and Facebook

### IR App


Download the Dexus IR App to gain instant access to the latest Dexus stock price, ASX announcements, presentations, reports, webcasts and more.


## LODGE YOUR VOTE

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
Dexus  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1800 819 675 (free call within Australia)



**X99999999999**

## PROXY FORM

I/We being a member(s) of Dexus and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chair of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of Dexus to be held at **2:00pm on Wednesday, 30 October 2019 at Dexus Place, Level 15, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1 and 2:** If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair of the Meeting to exercise the proxy in respect of Resolutions 1 and 2, even though these Resolutions are connected with the remuneration of a member of Dexus's Key Management Personnel (KMP).

**The Chair of the Meeting intends to vote all undirected proxies in favour of each item of business.**


### VOTING DIRECTIONS

Proxies will only be valid and accepted by Dexus if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4.1 Ratification of Institutional Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Grant 2019 long-term incentive performance rights to the Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4.2 Ratification of Note Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.1 Approval of an Independent Director – Mark Ford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3.2 Approval of an Independent Director – The Hon. Nicola Roxon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 \* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SECURITY HOLDERS – THIS MUST BE COMPLETED

Security holder 1 (Individual)

Joint Security holder 2 (Individual)

Joint Security holder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the Security holder. If a joint holding, either Security holder may sign. If signed by the Security holder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with Dexus's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS SECURITY HOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on Dexus's Security register. If this information is incorrect, please make the correction on the form. Security holders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your Securities using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a Security holder of Dexus.

### DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form, including where these Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your Securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of Securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Dexus's Security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of Securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either Security holder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director, who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from Dexus's Security registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm on Monday, 28 October 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, Security holders will need their "Holder Identifier" - Security holder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your Security holding.

#### QR Code



To scan the code, you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Dexus  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

## LODGE YOUR QUESTIONS



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Dexus  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000



### ALL ENQUIRIES TO

Telephone: +61 1800 819 675 (free call within Australia)



**X99999999999**

Please use this form to submit any questions about Dexus that you would like us to respond to at Dexus's 2019 Annual General Meeting (AGM). Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for Dexus's auditor it should be relevant to the content of the auditor's report, or the conduct of the audit of the financial report.

This form must be received by the Dexus's security registrar, Link Market Services Limited, by **23 October 2019**.

Questions will be collated. During the course of the AGM, the Chairman of the Meeting will endeavour to address as many of the more frequently raised Security holder topics as possible and, where appropriate, will give a representative of Dexus's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to Security holders.

### My question relates to *(please mark the most appropriate box)*

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report              | <input type="checkbox"/> Sustainability/Environment        | <input type="checkbox"/> Other              |
| <input type="checkbox"/> My question is for the auditor   | <input type="checkbox"/> Future direction                  |   |

---

---

---

---

---

---

---

---

---

---

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report              | <input type="checkbox"/> Sustainability/Environment        | <input type="checkbox"/> Other              |
| <input type="checkbox"/> My question is for the auditor   | <input type="checkbox"/> Future direction                  |   |

---

---

---

---

---

---

---

---

---

---