

Dexus Real Estate Valuation Policy

Part A



Contents

1. Purpose	3
2. Who does this policy affect?	3
3. What happens if this policy is breached?	3
4. Reporting	3
5. Review.....	3
6. Scope and application	3
7. Roles and responsibilities	4
8. Policy Framework.....	4
9. Applicable Valuation Standards	5
10. Applicable Accounting Standards	5
10.1. Valuation of Investment Property	5
10.2. Valuation of Inventories	6
10.3. Valuation of Leased Assets	6
10.4. Valuation of Investments in Associates	6
10.5. Valuation of Unit Trusts	7
10.6. Valuation of Exchange Traded Assets	7
11. Frequency.....	7
12. External Valuations	7
13. Internal Valuation Process.....	7
14. Valuation Review	8
15. Annual Financial Reporting & Accounting Treatment.....	8
16. Valuation Panel.....	8
17. Rotation	8
18. Dexus Valuation Standards	8
19. Exceptions to this Policy.....	8
20. Approval	8
21. Additional information.....	9
Appendix 1 – Terms and Definitions	10
Part B – Application of Policy Framework	11
Entity List.....	11



1. Purpose

This purpose of the Dexus Real Estate Valuation Policy (the '**Policy**') is to document the valuation requirements of real estate properties (including freehold, strata and leasehold interests) owned or managed by Dexus or their controlled entities ('**Dexus Group Entities**'), in accordance with their constitution or mandate requirements for annual, half yearly, quarterly unit pricing or special purpose reporting.

2. Who does this policy affect?

This policy affects:

- All entities where Dexus acts as Responsible Entity, Trustee and/or Investment Manager ('**Dexus Governing Entity**') for real estate properties; and
- All Dexus employees, directors, authorised representatives and any other person acting on behalf of the Responsible Entities (including contractors, consultants and temporary employees).

3. What happens if this policy is breached?

A breach of this policy may constitute a breach of law and must be reported to Compliance.

Further, a breach of the requirements of this policy may result in:

- for the Dexus Group Entity involved, regulatory action, loss or liability, or reputational damage; and
- for individuals, coaching or disciplinary action, negative impact on remuneration, or termination of employment.

4. Reporting

Incidents and breaches are recorded in the Incident Register and managed in accordance with the Incident Management & Breach Reporting Policy.

If you are concerned that making a report about another person's actions may unfairly affect you, please consult our Whistleblower Policy.

5. Review

This Policy is subject to review at least once every three years. Changes to Part A and the format of Part B of the Policy are to be initiated by the Head of Valuations, with review and approval by the CFO.

Changes to the valuation panel may be approved by the CFO, without requiring a full review of the Policy.¹

For each Dexus Group Entity:

- the relevant Fund Manager; and
- where required by the constituent documents² - the relevant entity set out in Part B of the Policy,

is responsible for endorsing the adoption of the Policy (including Part A – Policy Framework) and approving any specific Policy parameters (detailed within Part B – Application of Policy Framework), as it relates to the relevant Dexus Group Entity.

6. Scope and application

The Policy has been structured in two parts, with the Policy for each Dexus Group Entity, comprising both Part A and the relevant Part B:

- **Part A – Policy Framework:** The purpose of Part A is to provide the overarching guiding principles and parameters applicable to all entities across the Dexus Group Entities, and to ensure a consistent group-wide approach in valuing assets;
- **Part B – Application of Policy Framework:** The purpose of Part B is to document each relevant Dexus Group Entity's specific valuation parameters.

¹ Please refer to the "Additional Valuer Panel Considerations" section of Part B of this Policy for any additional approvals that may be required.

² Please refer to the "Required Endorsement & Approval" section of Part B of this Policy.



7. Roles and responsibilities

The general key roles and responsibilities of Dexus employees and officers in relation to this Policy are summarised below. Refer to the “Required Endorsement & Approval” section of Part B of this Policy for further details for each Dexus Group Entity.

Categorisation	Responsibility
Dexus Group Entity Board, Responsible Entity, JV Committee and/or Co-Owner Committee (as applicable)	<ul style="list-style-type: none"> Endorse the adoption of the Policy (for Part A) Where applicable, review and approve adoption of the Policy (applicable Part B) and any specific exceptions, as they relate to the relevant Dexus Group Entity Review significant Policy compliance incidents and approve exemptions (if any)
Dexus Board Risk Committee	<ul style="list-style-type: none"> Review significant Policy compliance incidents together with rectification plans as part of Dexus Compliance Management Framework and overseeing adherence to Dexus’s policies.
Chief Financial Officer	<ul style="list-style-type: none"> Review and approve the Policy Oversight of Valuations with overall responsibility for compliance with Policy Review material Policy compliance incidents and supervision of subsequent rectification
Dexus Entity Fund Manager	<ul style="list-style-type: none"> Review and endorse the adoption of the Policy (for Part A) Review and where applicable, either approve or endorse to the relevant Dexus Group Entity Board, Responsible Entity, JV Committee and/or Co-Owner Committee, adoption of applicable Part B and any specific exceptions, as they relate to the relevant Dexus Group Entity Where applicable for each Dexus Group Entity, approve a detailed list of property values and valuation metrics compiled comprising both external and internal valuations
Head of Valuations	<ul style="list-style-type: none"> Recommend Policy changes and updates to Dexus Group Entity Boards (as applicable) Day to day management of compliance with Policy Overall responsibility for the proactive communication, awareness and education of relevant Dexus employees of the Policy and its requirements Report Policy compliance incidents to Compliance (through ReadNow)
Valuations Employees	<ul style="list-style-type: none"> Day to day compliance with Policy Proactive communication, awareness and education of relevant Dexus employees of the Policy and its requirements
Treasury Employees	<ul style="list-style-type: none"> Awareness of the Policy and advising Head of Valuations and Valuations Employees of properties which are secured
All employees	<ul style="list-style-type: none"> Awareness of the Policy and know when to refer matters to Valuations Follow the requirements of this policy working with Valuations as appropriate

8. Policy Framework

This policy document should be read in conjunction with the following documents:

- External Valuation of Real Estate (Compliance Policy)
- Dexus Valuation Standards (full and short form)

The Dexus Valuation Standards apply the minimum reporting requirements for all external valuations commissioned on behalf of Dexus. Copies of the Dexus Valuation Standards can be provided upon request.

Additional Notes for Registered Schemes

For a registered managed investment scheme³ the fiduciary obligations of the respective Responsible Entity include to:

- act in the best interest of the members, and if there is a conflict between the members’ interests and its own interests, give priority to the members’ interests;
- ensure that the Fund’s compliance plan and constitution meets the requirements of the Corporations Act and;
- ensure that the scheme property is valued at regular intervals appropriate to the nature of the property.

The Dexus Conflicts of Interest and Related Party Transactions Policy outlines how Dexus manages potential and actual conflicts of interest and related party transactions.

The Dexus Compliance Policy ‘External Valuation of Real Estate’ details how the Responsible Entity acts in accordance with this obligation, whilst the Fund’s constitution sets out general provisions in relation to the Responsible Entity’s ability to value the assets at any time and its obligations to comply with the Corporations Act.

³ Please see the “Registered Scheme?” section of Part B of this Policy.



The Fund's Compliance Plan provides that the Fund's assets must be valued with appropriate frequency and in accordance with the Constitution and any offer documents. It also sets out who is responsible for the implementation of procedures.

The Dexus External Valuation of Real Estate Compliance Policy also sets out details of the external (independent) valuation process adopted by Dexus.

9. Applicable Valuation Standards

Valuations shall be carried out in accordance with the following

- Dexus Valuation Standards,
- Australian Property Institute's ('API') Valuation and Property Standards or the Property Institute of New Zealand's ('PINZ') Valuation and Property Standards,
- the current International Valuation Standards and Guidance Notes of the International Valuations Standards Council ('IVSC'),
- Royal Institution of Chartered Surveyors ('RICS') Valuation – Red Book Global Standards, and
- any applicable legal and regulatory requirements (including under the Dexus Group Entity's governing documents, any relevant financing arrangements and, if applicable, the Corporations Act 2001 (Cth) – Australia or Companies Act 1993 – New Zealand).⁴

10. Applicable Accounting Standards

This policy is designed to comply with the following Australian Accounting Standards (or the New Zealand equivalent where applicable);

Australian Accounting Standards

- AASB 13 – Fair value measurements ("AASB13") and AASB 140 – Investment Property ("AASB140"), the primary accounting standards applicable to investment property,
- AASB 102 – Inventories ("AASB102"), the accounting standard applicable to inventories,
- AASB 16 – Leases ("AASB16"), the accounting standard applicable to leases,
- AASB 128 – Investments in Associates ("AASB128"), the accounting standard applicable to investments in associates and
- AASB 9 – Financial Instruments ("AASB9") the accounting standard applicable to investments in unit trusts and global listed real estate equities and unit trusts.

New Zealand Accounting Standards

- NZ IFRS 13 – Fair value measurements ("NZIFRS13") and NZ IAS 140 – Investment Property ("NZIAS40"), the primary accounting standards applicable to investment property,
- NZ IAS 2 – Inventories ("NZIAS2"), the accounting standard applicable to inventories, and
- NZ IFRS 16 – Leases ("NZIFRS16"), the accounting standard applicable to leases.

Compliance with Australian Accounting Standards will ensure simultaneous compliance with International Financial Reporting Standards (IFRS).

10.1. Valuation of Investment Property

The valuation policy is designed to comply with Australian Accounting Standard AASB 13 – Fair value measurements ("AASB13") and AASB 140 – Investment Property ("AASB140").

AASB13 defines fair value as the price that would be received to sell an asset in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date. Fair value measurement of an asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

AASB140 defines Investment Property as property (land or a building - or part of a building - or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- a) use in the production or supply of goods or services or for administrative purposes; or
- b) sale in the ordinary course of business.

⁴ For registered schemes: (a) the ASIC/APRA *Unit pricing: Guide to good practice* (ASIC RG94) also applies; and (b) ASIC RG46 *Unlisted property schemes: Improving disclosure for retail investors* may also apply.



Investment Property under construction is to be recognised at its fair value in accordance with AASB 140 – Investment Property and therefore comply in full with the requirements of this policy, unless it is not possible to reliably determine its fair value. If it is not possible to reliably determine its fair value, the Investment Property under construction is to be carried at its cost of construction until the earlier of the completion of construction or its fair value is able to be reliably determined in accordance with this policy.

10.2. Valuation of Inventories

The valuation policy is designed to comply with Australian Accounting Standard AASB 102 - Inventories (“AASB102”).

In accordance with AASB102, Inventories comprising land and developments are currently carried at the lower of cost and net realisable value.

Cost includes the cost of acquisition and development. Borrowing costs are capitalised for developments in accordance with AASB 123 – Borrowing Costs (“AASB123”) up to completion at which point they are expensed as incurred.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (which are not limited to those that are only incremental).

Industry practice is not to obtain external valuations, rather net realisable value is generally determined using evidence from either the existing project or surrounding market projects.

In the event that a property treated as inventory has a net realisable value below cost the asset will be held at the lower value and an impairment recorded.

10.3. Valuation of Leased Assets

Under AASB 16 Leases (“AASB16”), from 1 July 2019 for leases where a Dexus Group Entity or associated entity is a tenant, the entity is required to recognise a Right of Use Asset and Lease Liability.

There are two types of Right of Use assets recognised by Dexus or associated entities under AASB16:

- Right of Use assets in relation to property leases where a Dexus Group Entity or associated entity leases space within buildings e.g. head office locations
- Right of Use assets in relation to ground leases where properties owned by a Dexus Group Entity or associated entity are located on leased land i.e. a ground lease

This policy only applies to ground leases which meet the definition of Investment Property under AASB 140 Investment Property. These leases are referred to as “Leased Assets” and are measured with reference to the value of the lease liability at each reporting period.

The Lease Liability is internally valued using the discounted cashflow method (DCF) that includes lease data i.e. start / end dates, rental amounts, escalations and other assumptions.

No external valuation is required for the lease liability. This approach is adopted to ensure the net of the investment property (including leased assets) and lease liability balances equals the fair value of the investment property located on the leased land.

Our approach to not obtain external valuations for Leased Assets⁵ is in line with industry practice.

10.4. Valuation of Investments in Associates

Particular Dexus Group Entities may invest in associates which are defined under AASB 128 - Investments in Associates (“AASB128”) as entities over which it exerts significant influence or joint control. Investments in associates are generally required to be accounted for using the equity method.

If the associate uses accounting policies or valuation policies, including those described in sections 10.1, 10.2 and 10.3 above, which are inconsistent with the entity, then adjustments shall be made to conform those policies with those of the entity.

⁵ Refer to Part B for specific requirements where applicable.



10.5. Valuation of Unit Trusts

Particular Dexus Group Entities may invest in assets which are defined under AASB 9 - Financial Instruments ("AASB9") as "Financial Assets at Fair Value through Profit or Loss". Such assets, which are not investments in associates (section 10.4 above), may include units in another Dexus Group Entity or an externally managed fund/investment vehicle, and these investments will be valued using the latest available redemption or net asset value (NAV) price as provided by the Fund Manager or their appointed agents, third parties or counterparties.

Valuation adjustments may be required to either internally or externally calculated net asset values when a redemption or NAV price:

- is not available (for example when there is a stale NAV price; and/or a known delay in NAV reporting);
- is thought to be an unreliable representation of fair value (for example NAV of infrequently traded funds; the fund is known to trade at a significant premium or discount to its NAV; and/or there has been significant changes in the investment environment since the NAV of the Fund was last reported) and;
- does not reflect cash contributions, distributions and other transactions since the date of the NAV of the fund was last reported.

In these cases, to ensure fair value of each asset is appropriately determined, Dexus (in agreement with the Dexus Group Entity, where applicable) will consider the use of indexing to the relevant market indices or applying an adjustment to the redemption or NAV price based on:

- observable market transactions; and/or
- premiums or dilutions with respect to capital or distributions (for example dilutive equity changes, changes in retained earnings, etc); and/or
- unobservable valuation inputs, when appropriate (for example external and internal market research; and/or secondary market offers that are considered highly probable of being satisfied).

10.6. Valuation of Exchange Traded Assets

Refer to Part B of this Policy for specific requirements (if applicable) to the valuation of exchange traded assets.

11. Frequency

All investment property assets (including the valuation of land and property developments) are required to be valued on the principle of fair value in accordance with the specific valuation cycle requirements set out for each Dexus Group Entity in Part B.

12. External Valuations

External valuations will be conducted in accordance with each Dexus Group Entity's requirements outlined in Part B.

In addition to this requirement, an external valuation may be commissioned,

- in the case of acquisitions or other special circumstances as determined by the relevant Fund Manager; or
- if an internal assessment reveals a material movement in an individual property asset's value as set out in Part B.

13. Internal Valuation Process

An internal valuation of a property must be undertaken at each reporting date when an independent external valuation does not occur.

Where an internal valuation is adopted, the process applied to determine the asset value must be robust and similar to the process applied by an external valuer.

The Dexus process is as follows:

- the Valuations team create a valuation model for each property asset utilising accepted methods of valuation including capitalisation of income, discounted cash flow, direct comparison and/or hypothetical development.
- models are kept up to date with current tenancy data, leasing and capital expenditure assumptions as reviewed by the business monthly.
- information utilised by the Valuations team is identical in all material respects to information that would otherwise be provided to an external valuer.



- assumptions that the Valuations team are required to make as part of the normal valuation process (including capitalisation rates, discount rates, rental growth rates, leasing voids, incentives and capital expenditure) are supported by comparable market sales and leasing evidence obtained through the external valuation cycle.
- external valuations are taken into account in the internal valuation process.
- with the benefit of regular, proactive liaison with industry sources, to assist in monitoring current market conditions (e.g. agency, research presentations, external valuers and continuing professional development (API, FINSIA, PCA)).

14. Valuation Review

All valuation outcomes are reviewed by the relevant business executives, in conjunction with the Head of Valuations and Valuation Managers prior to finalisation. Refer to the External Valuation of Real Estate (Compliance Policy) for further details.

15. Annual Financial Reporting & Accounting Treatment

The financial reporting and accounting treatment requirements for applicable Dexus Group Entities are detailed in Part B.

16. Valuation Panel

A panel of suitably qualified valuers will be proposed annually by the Head of Valuations on the basis of expertise and experience and approved by the CFO.

The current approved valuation panel for all Dexus Group Entities is comprised of

- CBRE Valuations Pty Limited (CBRE)
- Colliers International Valuation & Advisory Services (CIVAS)
- Cushman & Wakefield (C&W)
- Jones Lang LaSalle (JLL)
- Knight Frank Valuations (KF)
- Savills Valuations Pty Limited (Savills)
- m3property Pty Limited (m3)
- Urbis Pty Limited (Urbis)

Independent external valuations must be conducted by firms listed on this panel, unless an exception is approved by the relevant Fund Manager and Head of Valuations. Any additional panel considerations are noted in Part B.

17. Rotation

A valuation firm is appointed on the basis that the term they are engaged to perform the valuation of the property asset for does not exceed the term outlined in Part B for each Dexus Group Entity except in the following circumstances:

- a property under development where it may be appropriate to appoint a valuer through the development period up to practical completion or stabilisation;
- a co-owned property where it may be appropriate to accommodate co-owner valuation requirements; or
- as directed by the CFO, Fund Manager, or resolution of the JV / Co-owner Committee (where applicable).

18. Dexus Valuation Standards

Valuation firms will be provided with the Dexus Valuation Standards as part of their instruction. The Standards detail the requirements which must be adhered to by the valuer when providing their valuation report.

19. Exceptions to this Policy

Any exceptions to this policy must be approved by the Head of Valuations and CFO except where the proposed amendment is minor or inconsequential in nature and will have no adverse effect.

Policy exceptions must be notified to Compliance through Readinow.

20. Approval

This Policy was approved by the CFO on 3 November 2025.



21. Additional information

If you have any questions arising from this Policy, please contact:

Rachel Caralis
Head of Compliance
Phone: 02 9017 1144
Email: compliance@dexus.com

Approving Authority

Version	Document Owner	Author	Approving Authority	Approved Date
1	Valuations	Head of Valuations	CFO	3 November 2025



Appendix 1 – Terms and Definitions

Term	Definition
Board	The responsible entity or Trustee board corresponding to the relevant Dexus Group Entity as listed in Part B of this Policy
Dexus Governing Entity	All entities where Dexus acts as Responsible Entity, or Trustee and/or Investment Manager
CFO	Dexus Chief Financial Officer
Dexus Group Entity	Those entities listed in Part B of this Policy
Fund Manager	Fund Manager or for Dexus, CFO
Investment Manager	Dexus or any member of the Dexus Group responsible for managing the investment.
Valuations Team	The Valuation team that includes the Head of Valuations and all staff with a direct reporting line through to the Head of Valuations



Part B – Application of Policy Framework

Entity List

The table below lists the Dexus Group Entities which are governed by the Policy (Part A) and the Policy parameters set out in Part B.

To maintain appropriate confidentiality arrangements, each Dexus Group Entity's Part B Policy Parameters will be maintained in separate documents.

Entity	Entity Abbreviation
Listed	
Dexus	DXS
Dexus Convenience Retail REIT	DXC
Dexus Industria REIT	DXI
Joint Ventures & Partnerships	
Dexus Australian Commercial Trust	DACT
Dexus Australian Logistics Trust	DALT
Dexus Industrial Trust Australia	DITA
Dexus Jandakot Airport Fund	DJAF
Dexus Kemps Creek Trust	DCKT
Dexus Office Trust Australia	DOTA
Mercatus Dexus Australia Partnership	MDAP
Pooled Funds	
Dexus Healthcare Property Fund	DHPF
Dexus Real Estate Partnership 1	DREP1
Dexus Real Estate Partnership 2	DREP2
Dexus Wholesale Australian Property Fund	DWAPF
Dexus Wholesale Property Fund	DWPF
Dexus Wholesale Shopping Centre Fund	DWSF
Mandates	
Hong Kong Monetary Authority	HKMA
Parangool	-
PSPiB/CPPIB Waiheke Inc	-