

# Dexus (ASX: DXS)

## ASX release



23 March 2021

### Explanatory Memorandum and Notice of Extraordinary General Meeting

Dexus today provides the attached Explanatory Memorandum and Notice of Extraordinary General Meeting (the 'EM') relating to the proposal to simplify the Dexus corporate structure (the 'Simplification').

This follows the announcement that Dexus was considering making changes to simplify the Dexus corporate structure in the HY21 Results release announced on 9 February 2021.

Dexus Funds Management Limited as the Responsible Entity of each of the four trusts that comprise Dexus has now considered these proposed changes and believes they are in the best long-term interests of Security holders. The Simplification therefore is being brought to Security holders for approval.

The EM explains the Simplification, being a proposed internal reorganisation from a complex quadruple stapled trust structure to a group comprising two stapled trusts, and outlines the advantages, disadvantages, and risks of the Simplification. There will be no change to Dexus's underlying business and operations, or Security holders' interests in them, as a result of the Simplification<sup>1</sup>.

Dexus will hold an **Extraordinary General Meeting on Thursday, 22 April 2021 at 3.30pm (AEST)** to vote on the Simplification, as set out in the Notice of Extraordinary General Meeting in Annexure A of the EM.

The letter to Security holders, EM and sample Proxy Form are attached and will be despatched to Security holders on Monday, 29 March 2021.

*Authorised by the Board of Dexus Funds Management Limited*

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### About Dexus

Dexus is one of Australia's leading real estate groups, proudly managing a high-quality Australian property portfolio valued at \$32.1 billion. We believe that the strength and quality of our relationships will always be 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 \$16.5 billion of office and industrial properties. We manage a further \$15.6 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$11.4 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.6 million square metres of office workspace across 51 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 more than 29,000 investors from 24 countries. With 36 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)

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)  
Level 25, 264 George Street, Sydney NSW 2000

<sup>1</sup> Other than for a small number of Ineligible Foreign Security holders. See Section 8.5 of the EM.

Dexus Funds Management Limited  
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29 March 2021

Dear Security holder,

On 9 February 2021, Dexus announced that it was considering making changes to simplify the Dexus corporate structure (the '**Simplification**').

Dexus Funds Management Limited (ACN 060 920 783) as the responsible entity of each of the four trusts that comprise Dexus ('**Responsible Entity**') has now considered these proposed changes and believes they are in the best long-term interests of Security holders.

The Simplification therefore is being brought to you for approval.

The enclosed Explanatory Memorandum and Notice of Extraordinary General Meeting (the '**EM**') is an important document and explains the Simplification, being a proposed internal reorganisation from a complex quadruple stapled trust structure to a group comprising two stapled trusts. The EM also explains the advantages, disadvantages, and risks of the Simplification.

There will be no change to Dexus's underlying business and operations, or Security holders' interests in them, as a result of the Simplification<sup>1</sup>.

We will hold an **Extraordinary General Meeting on Thursday, 22 April 2021 ('Meeting')** to vote on the Simplification, as set out in the Notice of Extraordinary General Meeting in Annexure A of the EM.

The Meeting will be held at Dexus Place, Level 5, 1 Margaret Street, Sydney, with registration opening at 3.00pm and the Meeting commencing at 3.30pm. Recognising the continued fluidity of the COVID-19 pandemic, Dexus will closely monitor developments and will notify Security holders if there are any changes to the ability to physically attend the Meeting.

If you are unable to attend the Meeting but wish to vote on the Resolutions, you should return the Proxy Form in accordance with the instructions provided or lodge your proxy vote online at [linkmarketservices.com.au](http://linkmarketservices.com.au).

Proxy Forms must be received by the Registry by 3.30pm on Tuesday, 20 April 2021.

If you would like to attend the Meeting in person, please RSVP to [InvestorRelations@dexus.com](mailto:InvestorRelations@dexus.com). Due to current COVID-19 related restrictions, there are limited spaces available and refreshments will not be provided.

If you have any questions, please contact the Information Line on +61 1800 819 675 between 8.30am and 5.30pm (Sydney time) Monday to Friday (excluding public holidays).

Yours sincerely,

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

Richard Sheppard  
Chair  
Dexus Funds Management Limited

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<sup>1</sup> Other than for a small number of Ineligible Foreign Security holders. See section 8.5 of the EM.





dexus

# Explanatory Memorandum and Notice of Extraordinary General Meeting

Issued by Dexus Funds Management Limited  
(ABN 24 060 920 783) as Responsible Entity for each  
of the four trusts that comprise Dexus (ASX: DXS)

Meeting date and place: Thursday, 22 April 2021  
to be held at Dexus Place, Level 5, 1 Margaret Street,  
Sydney NSW 2000

Registration: 3.00pm  
Commencing: 3.30pm

Date of issue: 23 March 2021

**THE DIRECTORS UNANIMOUSLY  
RECOMMEND THAT SECURITY HOLDERS  
VOTE IN FAVOUR OF THE RESOLUTIONS.**

This Document contains important information and  
documents and requires your immediate attention.  
Please read all the information contained in this  
Document in full.

If you have any queries, you should consult an  
independent and appropriately licensed and  
authorised professional adviser.



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# Important information and disclaimer

## Background

Dexus is comprised of four stapled trusts as follows:

- Dexus Diversified Trust (ARSN 089 324 541) ("**DDF**")
- Dexus Industrial Trust (ARSN 090 879 137) ("**DIT**")
- Dexus Office Trust (ARSN 090 768 531) ("**DOT**")
- Dexus Operations Trust (ARSN 110 521 223) ("**DXO**")

(together, the "**Dexus Trusts**")

Dexus Funds Management Limited (ACN 060 920 783) is the responsible entity of each of the trusts ("**Responsible Entity**").

On 9 February 2021, Dexus announced that it was considering making changes to simplify the Dexus corporate structure. The Board of the Responsible Entity has considered these proposed changes and believes they are in the best long-term interests of Security holders. The Simplification therefore is being brought to Security holders for approval. The Simplification (as described in this Document) proposes to "top-hat" each of DDF, DIT and DOT with Dexus Property Trust (ARSN 648 526 470) ("**DPT**"), so as to form a dual stapled group comprising DXO and DPT. Specifically, the Simplification involves:

- The unstapling of the units in DXO from the units in DDF, DIT and DOT
- The issue of units in DPT to Security holders (excluding Ineligible Foreign Security holders) equivalent to the number of Dexus Stapled Securities they hold
- The acquisition by DPT (or its nominee) of all the units in DDF, DIT and DOT from Security holders
- The stapling of each unit in DPT to each existing unit in DXO to form a new stapled security ("**New Stapled Security**")
- The unstapling of all of the units in DDF, DIT and DOT
- The listing of DPT on the ASX and the delisting (and expected deregistration) of DDF, DIT and DOT

No payment is required from Security holders in relation to the Simplification.

## What is this Document?

This Document is an Explanatory Memorandum and Notice of Extraordinary General Meeting dated 23 March 2021 issued by the Responsible Entity as responsible entity of each of the Dexus Trusts. It provides information for Security holders to consider and vote on three resolutions required to implement the Simplification ("**Resolutions**") at the Meeting on Thursday, 22 April 2021, commencing at 3.30pm and to be held at Dexus Place, Level 5, 1 Margaret Street, Sydney NSW 2000. Security holders as at the Voting Record Date will have the right to vote on the Resolutions as set out in the Notice of Extraordinary General Meeting in Annexure A of this Document.

## Lodgement and listing of DPT on the ASX

This Document is dated 23 March 2021 and a copy was lodged with the Australian Securities and Investments Commission ("**ASIC**") on that day ("**Lodgement**").

If the Simplification is implemented, DPT will be listed on the ASX and the New Stapled Securities will trade on the ASX under the same code as the Dexus Stapled Securities trade currently (ASX: DXS). None of ASIC, ASX or their respective officers take any responsibility for the content of this Document or for the merits of the investment to which this Document relates. The Responsible Entity disclaims all liability, whether in negligence or otherwise, to persons who trade New Stapled Securities, including before receiving their holding statement.

## Not investment advice

The information contained in this Document is general information only, is not financial product advice and does not take into account your investment objectives, financial situation or particular needs.

It is important that you read this Document carefully and in its entirety before voting on the Resolutions.

In particular, you should consider the risk factors that could affect the performance of Dexus. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before voting on the Resolutions. Some of the material risks that should be considered by Security holders are set out in Sections 2.7 and 5 of this Document. There may be risks in addition to these that should be considered in light of your personal circumstances.

No person is authorised to give any information or to make any representation in connection with the Simplification which is not contained in this Document. Any information not so contained may not be relied upon as having been authorised by the Responsible Entity or any other person in connection with the Simplification. You should rely only on the information in this Document.

## Financial information presentation

The pro forma historical consolidated statement of financial position of the Simplified Group as at 31 December 2020 (as if the transactions and events outlined in Section 4.6 of this Document occurred on that date) ("**Pro Forma Historical Financial Information**") included in this Document has been prepared and presented in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards ("**AAS**"), as well as in accordance with the International Financial Reporting Standards ("**IFRS**") except where otherwise stated.

## Forward-looking statements

This Document contains forward-looking statements which are identified by words such as "may", "could", "should", "believes", "estimates", "expects", "intends", "anticipate", "forecast", "likely", "predict", "guidance", "plan" and other similar words that involve risks and uncertainties. In addition, consistent with customary market practice in offerings in Australia, indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

The Responsible Entity has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Document, except where required by law.

## Important information and disclaimer

Any forward-looking statements are subject to various risks that could cause Dexus's actual results to differ materially from the results expressed, implied or anticipated in these statements. The forward-looking statements should be read in conjunction with, and are qualified by reference to, the risks set out in Sections 2.7 and 5 of this Document, the general and specific assumptions set out in Section 4 of this Document, and other information in this Document.

The forward-looking statements in this Document reflect the views held only immediately before the date of this Document, unless otherwise stated. Subject to the Corporations Act and any other applicable law, the Responsible Entity and its Directors, officers, employees and advisors disclaim any duty to disseminate after the date of this Document any updates or revisions to any such statements to reflect any change in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

### Restrictions on distribution

This Document does not constitute an offer of, or an invitation to buy, securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation, and Foreign Security holders should be aware that the distribution of this Document (including an electronic copy) in jurisdictions outside Australia may be restricted by law. If you come into possession of this Document in jurisdictions outside Australia, then you should seek advice on, and observe any such restrictions. If you fail to comply with such restrictions, that failure may constitute a violation of applicable securities laws. Dexus disclaims all liabilities to such persons.

### Obtaining a copy of this Document

This Document is available in English only. A paper copy of this Document is available free of charge from the registered offices of the Responsible Entity and the Registry, at the addresses set out in the Corporate Directory from 8.30am until 5.30pm Monday to Friday (excluding public holidays). It is also available free of charge to any person in Australia who holds Dexus Stapled Securities on the Register by calling the Information Line on +61 1800 819 675 from 8.30am until 5.30pm (Sydney time) Monday to Friday (excluding public holidays).

### No cooling off rights

Cooling off rights do not apply to the issuance of DPT Units under the terms of the Simplification.

### Defined terms and abbreviations

Defined terms and abbreviations used in this Document are explained in the Glossary in Section 9 of this Document. Unless otherwise stated or implied, references to times in this Document are to Sydney time and references to dates or years are calendar year references. All financial amounts contained in this Document are expressed in Australian dollars ("**AUD**") unless otherwise stated. Any discrepancies between totals and sums and components in tables contained in this Document are due to rounding.

### Photographs and diagrams

Photographs and diagrams in this Document do not necessarily depict properties owned or used by Dexus and are for illustration only and should not be interpreted to mean that any person shown in them endorses this Document or its contents. Diagrams used in this Document are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Document.

### Supplementary disclosure

In accordance with its obligations under the Listing Rules and the general law, the Responsible Entity may issue a supplementary Explanatory Memorandum to supplement any relevant information not disclosed in this Document if it becomes aware of any of the following between the date of this Document and the date the New Stapled Securities are quoted:

- A material statement in this Document is misleading or deceptive
- There is a material omission from this Document
- There has been a significant change affecting a matter included in this Document
- A significant new circumstance has arisen and it would have been required to be included in this Document

You should read any supplementary disclosures made in conjunction with this Document before voting on the Resolutions.

### Disclaimer

This Document is important and should be read in its entirety.

No person is authorised to give any information, or to make any representation, in connection with the Simplification that is not contained in this Document.

Any information or representation that is not in this Document may not be relied on as having been authorised by the Responsible Entity in connection with the Simplification. Except as required by law, and only to the extent so required, neither the Responsible Entity, nor any other person, warrants or guarantees the future performance of Dexus or DPT, the repayment of capital, or any return on any investment made pursuant to this information. An investment in Dexus should be considered a medium-term to long-term investment. The value of Dexus Stapled Securities and New Stapled Securities may go down as well as up, and therefore the Responsible Entity makes no guarantees with respect to the protection of capital or returns. Past performance is not necessarily an indication of future performance.

### Responsibility statement

This Document has been prepared by the Responsible Entity and its Directors and is the responsibility of Dexus.

The Directors, whose names are given in Section 3.3(c) of this Document collectively and individually accept full responsibility for the accuracy of the information given in this Document and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made.

# Key dates

Key dates	Sydney time (unless otherwise specified)
Lodgement date	Tuesday, 23 March 2021
Despatch of this Document to Security holders	Monday, 29 March 2021
Proxy vote return time and date	3:30pm on Tuesday, 20 April 2021
Voting Record Date	7:00pm on Tuesday, 20 April 2021
Meeting Date	3:30pm on Thursday, 22 April 2021

The below dates for the implementation of the Simplification are not known at the time of the issuance of this Document. A pro forma timetable for implementation is set out below, with the key dates tied, and defined by reference, to the date the Board of the Responsible Entity determines to implement the Simplification. Dexu will notify Security holders as soon as possible as to the precise dates for the steps below.

This timetable also assumes that the Resolutions are approved by Security holders.

<b>A date determined by the Board of the Responsible Entity as the last day of trading in Dexu Stapled Securities on the ASX</b>	<b>Day T</b>
<b>Admission of DPT Units to official list of ASX (to trade as part of the New Stapled Securities)</b>	<b>Day T + 1 (Business Days)</b>
<b>New Stapled Securities commence trading on the ASX (on a deferred settlement basis)</b>	
<b>Stapling Record Date</b> – Last day for registration of transfers of Dexu Stapled Securities	<b>Day T + 2 (Business Days)</b>
<b>Dexu Stapled Securities held by Ineligible Foreign Security holders transferred to the Sale Nominee</b>	<b>Day T + 3 (Business Days)</b>
<b>Implementation Date</b> – DPT Units received by Security holders – Units in DDF, DIT and DOT transferred to DPT – Stapling of DXO Units and DPT Units to form New Stapled Securities – Despatch of holding statements of New Stapled Securities	<b>Day T + 4 (Business Days)</b>
<b>New Stapled Securities commence trading on the ASX (on a normal settlement basis (T+2))</b>	<b>Day T + 5 (Business Days)</b>

The timetable above is indicative only and may change without notice. The Responsible Entity reserves the right to amend any or all of these dates and times subject to the Listings Requirements, the Corporations Act and other applicable laws, or to withdraw the Simplification, without prior notice. Any amendment to the Simplification timetable will be announced to the market through the ASX and posted on Dexu's website at [www.dexu.com](http://www.dexu.com). The quotation and commencement of trading of the New Stapled Securities is subject to confirmation from the ASX. Normal settlement of securities traded on the ASX is on a T+2 basis.

# Actions required by Security holders

## This is an important document.

You should read this Document in full before making any decision on how to vote on the Resolutions required to implement the Simplification. There are answers to some questions you may have in the "Questions and answers" Section of this Document. If necessary, you should seek your own independent advice on any aspect about which you are not certain.

## Why did I receive this document?

- You are a Security holder in Dexus
- The Simplification is subject to Security holder approval
- This Document provides information to consider, including the recommendation of the Board and reasons to vote for or against the Resolutions
- You may vote on the Resolutions by attending the Meeting in person or by completing a Proxy Form as detailed in the Notice of Extraordinary General Meeting. Your vote is important and you are encouraged to vote.

## What do I need to do?

### 1

**Read this Explanatory Memorandum and Notice of Extraordinary General Meeting.**

### 2

**Consider consulting your financial adviser, stockbroker or other professional advisers before deciding how to vote. If you have any questions about your holding or the Resolutions, contact us on +61 1800 819 675.**

### 3

**Vote by proxy or at the Meeting. Refer to the Notice of Extraordinary General Meeting for further details of the Meeting and how to vote.**

## What is being proposed?

- The simplification of Dexus from a complex quadruple stapled security structure to a simplified dual stapled security structure
- Key advantages of the Simplification include an improved ability and flexibility to execute on one of its key strategic initiatives; expanding and diversifying its funds management business. In addition, the Simplification will deliver reporting and administrative efficiencies for both Security holders and Dexus
- Key disadvantages include Dexus incurring certain transaction costs (including costs if the Simplification is not implemented), the exclusion of Ineligible Foreign Security holders from being able to participate in the Simplification and there being certain trading restrictions during the implementation of the Simplification
- If the Simplification is not implemented, Dexus will continue to operate as a quadruple stapled security structure, and the advantages in connection with the Simplification may not be realised



## How do I vote?

### Vote in person

If you wish to vote in person, you should attend the Meeting on Thursday, 22 April 2021.

Registration commences at 3:00pm with the Meeting to commence at 3:30pm at:

Dexus Place  
Level 5, 1 Margaret Street  
Sydney NSW 2000

**Due to current COVID-19 related restrictions, there are limited spaces available and refreshments will not be provided.**

If you plan on attending the meeting in person, please RSVP to [InvestorRelations@dexus.com](mailto:InvestorRelations@dexus.com) by 5.00pm on Tuesday, 20 April 2021.

### Vote by proxy

If you are unable to attend the Meeting in person you may appoint a proxy to attend the Meeting in your place. To appoint a proxy please complete the Proxy Form and return it to the Registry or 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 votes should be received by 3:30pm on Tuesday, 20 April 2021 in accordance with the instructions set out in the Proxy Form. Return your Proxy Form or vote by:

- Lodging it online at [linkmarketservices.com.au](http://linkmarketservices.com.au) in accordance with instructions provided on the website
- Posting it in the reply-paid envelope provided to  
Dexus  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235
- Hand delivering it to:  
Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138
- or
- Level 12, 680 George Street  
Sydney NSW 2000
- Faxing it to +61 2 9287 0309

Recognising the continued fluidity of the COVID-19 pandemic, Dexus will closely monitor developments and will notify Security holders if there are any changes to the ability to physically attend the Meeting.

### Ineligible Foreign Security holders

Ineligible Foreign Security holders will not receive New Stapled Securities but will instead receive the proceeds from the sale of the New Stapled Securities which they would have otherwise received. Ineligible Foreign Security holders should see Section 8.4 of this Document for further information.

# Chair's letter

Dear Security holders

On 9 February 2021, Dexus announced that it was considering making changes to simplify the Dexus corporate structure. Dexus Funds Management Limited (ACN 060 920 783) as the responsible entity of each of the Dexus Trusts ("**Responsible Entity**") has now considered these proposed changes and believes they are in the best long-term interests of Security holders. The Simplification therefore is being brought to Security holders for approval.

This Document explains the simplification of Dexus from a complex quadruple stapled trust structure (being comprised of DXO, DDF, DIT and DOT) to a group comprising two stapled trusts, referred to as "the Simplification" throughout this Document. This is achieved by "top-hatting" three of the existing trusts (DDF, DIT and DOT) with a newly established trust (DPT) to form the Simplified Group.

The Simplified Group will comprise a unit in each of DXO and DPT. There will be no change to Dexus's underlying business and operations, or Security holders' interests in them (other than for Ineligible Foreign Security holders), after the Simplification is implemented.

Further detail on the key steps for Dexus to undertake the Simplification are set out in Section 2 of this Document.

## Advantages and disadvantages of the Simplification

The key advantages to the Simplification include an improved ability and flexibility for Dexus to execute on one of its key strategic initiatives; expanding and diversifying its funds management business. For example, the Simplification may allow equity interests in the Target Dexus Trusts to be issued directly to potential third party capital partners, providing Dexus with greater flexibility in meeting investment demand from investors for real estate assets, while also expanding its funds management business. It may also give Dexus added flexibility to efficiently recycle assets currently held by the head trusts directly into trust structures and other funds.

In addition, the Simplification will deliver reporting and administrative efficiencies for both Security holders and Dexus. Direct savings for Dexus are estimated to equate to approximately \$0.5 million per annum. Reporting benefits are also expected to be realised by Security holders given that the existing Dexus quadruple stapled structure requires investors to track the tax position of each individual trust. Under the Simplification this administrative burden will be decreased via the reduction in the number of trusts that comprise the Simplified Group.

While the Board considers the benefits of the Simplification to be clear, potential disadvantages and risks of the Simplification include Dexus incurring Transaction Costs of approximately \$35 million (the majority of which relate to stamp duty costs, but which also include approximately \$2.6 million of costs associated with anticipated advisor costs up to the date of the Meeting, filing fees, and Meeting costs that are expected to be incurred even if the Simplification is not implemented), the exclusion of Ineligible Foreign Security holders from participation in the Simplification and there being certain trading restrictions during the implementation of the Simplification.

On balance the Board believes that the advantages of the Simplification outweigh the disadvantages and risks of the Simplification. The advantages and disadvantages of the Simplification are set out in more detail in Sections 2.5 and 2.6 respectively of this Document.

**Accordingly, the Directors unanimously recommend that you vote in favour of all Resolutions to approve the Simplification for the reasons outlined. We intend to vote our own holdings in favour of the Simplification.**

## Security holder vote

The Simplification requires Security holder approval in order to proceed and for Security holders to benefit from the advantages of the Simplification. The following Resolutions are required to be voted on by Security holders to implement the Simplification:

- Resolution to approve the unstapling of all the units in DXO, DDF, DIT and DOT must be passed by a special majority (75%) of votes cast
- Resolution to approve the amendments required to the constitutions of DXO, DDF, DIT and DOT to give effect to the Simplification must be passed by a special majority (75%) of votes cast
- Resolution to approve the Simplification, including the acquisition by DPT (or its nominee) of all the units in DDF, DIT and DOT (under item 7 of section 611 of the Corporations Act) must be passed by a simple majority (50%) of votes cast

Security holders will be entitled to vote on each Resolution at the Meeting scheduled for Thursday, 22 April 2021.

All of the Resolutions must be passed by the required majority for the Simplification to be implemented and no Resolution will be passed unless the other Resolutions are also approved by Security holders and the Responsible Entity determines to implement the Simplification.

If you are unable to attend the Meeting but wish to vote on the Resolutions, you should return the Proxy Form in accordance with the instructions provided or vote online at [linkmarketservices.com.au](http://linkmarketservices.com.au). Proxy votes must be received by the Registry by 3:30pm on Tuesday, 20 April 2021.

## Recommendation and implementation timing

Implementation of the Simplification is subject to the Responsible Entity continuing to consider that the Simplification is in the best interests of Security holders. Security holders should note that the Responsible Entity has sought certain determinations in respect of stamp duty payable under the Simplification and that these determinations will not be received prior to the Security holder vote.

The Responsible Entity is unlikely to determine to implement the Simplification unless each of these determinations are obtained. It is expected that these determinations will be obtained in the second or third quarter of calendar year 2021.

If you hold Dexus Stapled Securities on the Register and have any questions, please contact the Information Line on +61 1800 819 675 between 8.30am and 5.30pm (Sydney time) Monday to Friday (excluding public holidays). Alternatively, you may also contact your financial, legal, taxation or other professional adviser.

On behalf of the Board, I would like to take this opportunity to thank you for your support and encourage you to vote in favour of the Simplification.

Yours faithfully



**Richard Sheppard**

Chair

Dexus Funds Management Limited  
23 March 2021

# 1. Questions and answers

Topic	Summary	Reference
<b>a. What is the Simplification?</b>	<p>Dexus is currently comprised of a complex four stapled trust structure. The Simplification involves “top-hatting” three of the existing stapled trusts (DDF, DIT and DOT) with DPT, such that Dexus will become a simplified dual stapled structure comprising DPT and DXO (the Simplified Group).</p> <p>Dexus’s existing business and operations will not change as a result of the implementation of the Simplification.</p>	Section 2.2
<b>b. What is the background to the Simplification?</b>	<p>Dexus is currently comprised of a complex four stapled trust structure. The Board unanimously considers the simplification of Dexus’s current quadruple structure to be in the best interests of Security holders.</p> <p>Accordingly, on 9 February 2021, Dexus announced that it was considering making changes to simplify the Dexus corporate structure, which has resulted in the Simplification being brought to Security holders for approval. If approved, this will result in it being comprised of two stapled trusts.</p>	Section 2.1
<b>c. What is the Simplified Group?</b>	<p>The Simplified Group will comprise DXO (an existing Dexus Trust) and DPT.</p> <p>DXO is one of the four existing Dexus Trusts and is managed by the Responsible Entity. It owns Dexus’s management business, the third-party funds management business and select assets that form part of Dexus’s trading business. If the Simplification is implemented, it will be unstapled from DDF, DIT and DOT and the units to be issued to Security holders in DPT will be stapled to each DXO Unit.</p> <p>DPT is a new registered Managed Investment Scheme within Dexus which has not traded and will not trade prior to implementation of the Simplification. A summary of the terms of the DPT Constitution is set out in Section 7.1 of this Document. DPT is also operated by the Responsible Entity. If the Simplification is implemented, Security holders will, through their holding of New Stapled Securities, own 100% of DPT. DPT will in turn own 100% of DDF, DIT and DOT.</p> <p>Consistent with other listed stapled property groups in the Australian market, the dual stapled structure facilitates the segregation of DXO’s operational or ‘active’ assets from DPT’s passive assets.</p> <p>The Simplified Group will continue to trade on the ASX under the code “DXS”.</p> <p>A diagram of the Simplified Group is contained in Section 2.1 of this Document.</p>	Sections 2.1 and 3.3
<b>d. What are the key steps required to implement the Simplification?</b>	<p>The key steps involved in the Simplification are:</p> <ul style="list-style-type: none"> <li>– The unstapling of the units in DXO from the units in DDF, DIT and DOT</li> <li>– The issuing of units in DPT to Security holders (other than Ineligible Foreign Security holders), on a one-to-one basis with the number of Dexus Stapled Securities held on the Stapling Record Date</li> <li>– In consideration of the issue of DPT Units to Security holders (other than Ineligible Foreign Security holders), the acquisition by DPT (or its nominee) of all the units in DDF, DIT and DOT from Security holders</li> <li>– The stapling of each DPT Unit to each existing DXO Unit to form a New Stapled Security</li> <li>– The unstapling of all the units in DDF, DIT and DOT</li> <li>– The listing of DPT on the ASX and the delisting (and expected deregistration) of DDF, DIT and DOT</li> </ul>	Section 2.2
<b>e. Are there any key conditions to the Simplification?</b>	<p>The Simplification will not be implemented unless Security holders approve each Resolution by the requisite majority at the Meeting.</p> <p>In addition, implementation of the Simplification is subject to the Responsible Entity continuing to consider that the Simplification is in the best interest of Security holders. In this regard, Security holders should note that the Responsible Entity has sought certain determinations in respect of stamp duty payable under the Simplification (as described in Section 6 of this Document). The Responsible Entity is unlikely to determine to implement the Simplification unless each of these determinations are obtained.</p> <p>It is expected that these determinations will be obtained in the second or third quarter of the calendar year 2021.</p>	Section 2.10



Topic	Summary	Reference
f. What is the recommendation of the Directors and their reasons?	<p>The Directors unanimously recommend that Security holders vote in favour of the Simplification.</p> <p>The reasons for this recommendation are set out in Section 2.5 of this Document and having regard to the implications if the Simplification is not approved in Section 2.8 of this Document.</p>	Section 2.4
g. Why should you vote in favour of the Simplification?	<p>The Board considers that there are a number of advantages to the Simplification, including that it will result in:</p> <ul style="list-style-type: none"> <li>– An improved ability and flexibility for Dexu to execute on one of its key strategic initiatives; expanding and diversifying its funds management business</li> <li>– A simplified structure leading to increased reporting and administrative efficiencies for both Security holders and Dexu as a result of Dexu only being required to prepare and arrange for the independent review or audit of two (instead of four) sets of financial statements for ASX reporting purposes bi-annually</li> <li>– Potentially broader eligibility for CGT rollover relief for persons who receive New Stapled Securities as a result of any merger and acquisition activity that Dexu subsequently engages in. Previously in any merger that Dexu has considered or executed, CGT rollover relief could only be provided in relation to one of the trusts in the structure</li> </ul>	Section 2.5
h. Why might you vote against the Simplification?	<p>While the Board considers the benefits of the Simplification to be clear, potential disadvantages include the following:</p> <ul style="list-style-type: none"> <li>– Dexu will incur Transaction Costs of approximately \$35 million (inclusive of non-recoverable GST, if applicable) in connection with the Simplification if implemented (compared to approximately \$2.6 million, inclusive of non-recoverable GST, if applicable, in costs if the Simplification does not proceed)</li> <li>– Certain Ineligible Foreign Security holders will not be able to participate in the Simplification and will instead have their Dexu Stapled Securities sold (however such Security holders are estimated to constitute less than 0.005% of the Register)</li> <li>– There will be a short period during implementation of the Simplification where trading in New Stapled Securities will be conducted on a deferred settlement basis, meaning that Security holders will not receive the New Stapled Securities until two trading days after the end of the deferred settlement trading period. The deferred settlement period is only expected to run for a total of 4 ASX trading days</li> </ul> <p>There are also tax risks associated with the Simplification. See Sections 2.7 and 6 of this Document for further information.</p>	Section 2.6 and Section 6
i. What are the financial consequences if the Simplification is approved?	<p>From a financial perspective, if the Simplification is implemented, Dexu will incur approximately \$35 million (inclusive of non-recoverable GST, if applicable) of Transaction Costs. Most of these costs relate to stamp duty (anticipated to be approximately \$30.3 million), with the remaining costs relating to anticipated advisor costs up to the date of the Meeting, filing fees and Meeting costs, and costs associated with the implementation of the Simplification (tax, accounting, legal, systems and miscellaneous implementation).</p> <p>See Section 2.3 of this Document for further details about the Simplification's financial impact.</p>	Section 2.3

## 1. Questions and answers

Topic	Summary	Reference
j. What are the taxation implications of the Simplification?	<p>In summary, the key expected tax implications of the Simplification for Security holders who hold their units on capital account are as follows:</p> <ul style="list-style-type: none"> <li>– For Australian resident Security holders, any capital gain that may be realised upon the disposal of their units in DDF, DIT and DOT in exchange for DPT Units, should be able to be disregarded, as Security holders should be eligible to elect for CGT scrip for scrip rollover under Subdivision 124-M of the Australian Tax Act</li> <li>– For Foreign Security holders who hold less than a 10% associate inclusive interest in the Dexus Trusts, any capital gain or loss realised in the case of an: <ul style="list-style-type: none"> <li>• Eligible Foreign Security holder upon the disposal of their units in DDF, DIT and DOT in exchange for DPT Units or</li> <li>• Ineligible Foreign Security holders, upon the disposal of their Dexus Stapled Securities, should be disregarded</li> </ul> </li> <li>– There should be no material change in the tax components of distributions received by Security holders as a result of the Simplification</li> <li>– No ad valorem stamp duty should be payable by Security holders on their disposal of units in DDF, DIT and DOT or the acquisition of DPT Units</li> </ul> <p>The taxation implications of the Simplification as set out above and which are addressed in further detail in Section 6 of this Document, are subject to confirmation by way of a Class Ruling from the Australian Taxation Office.<sup>1</sup></p>	Section 6
k. What are the implications if the Simplification is not approved?	<p>If the Simplification does not proceed for any reason:</p> <ul style="list-style-type: none"> <li>– Dexus will remain as a quadruple stapled trust structure</li> <li>– The Dexus Stapled Securities will continue to trade on ASX</li> <li>– Dexus's capacity to execute on strategic growth initiatives in a timely manner may be impacted</li> <li>– Dexus will incur Transaction Costs of approximately \$2.6 million (inclusive of non-recoverable GST, if applicable, and which relate primarily to anticipated advisor costs up to the date of the Meeting, filing fees and Meeting costs) without realising any of the benefits garnered by successful execution of the Simplification</li> <li>– Dexus will fail to realise approximately \$0.5 million of anticipated annual cost and administrative time savings<sup>2</sup></li> <li>– Dexus will continue to prepare and arrange for the independent review or audit of four sets of financial statements for ASX reporting purposes bi-annually</li> <li>– Security holders may not realise potential benefits associated with simplified financial and tax reporting benefits</li> </ul>	Section 2.8
l. What significant interests and benefits are payable to the Directors in connection with the Simplification?	<p>No benefit has been paid or agreed to be paid to a Director in connection with the Simplification and its implementation.</p> <p>The number of New Stapled Securities which are expected to be held by each Director on implementation of the Simplification, and their existing holdings of Dexus Stapled Securities, is set out in Section 8.3 of this Document.</p>	Section 8.3
m. What will Security holders receive if the Simplification is implemented?	<p>Under the Simplification, eligible Security holders will receive DPT Units on a one-to-one basis with the number of Dexus Stapled Securities they hold.</p> <p>Each DPT Unit issued will be stapled with each DXO Unit held to form a New Stapled Security.</p> <p>The New Stapled Securities will trade together as one on the ASX. Accordingly, Security holders will not be able to deal in a DPT Unit without a corresponding dealing in a DXO Unit (and vice versa).</p> <p>The structure of Dexus after Stapling is illustrated in Section 2.1 of this Document.</p>	Section 2.2

1. It is noted that the Class Ruling is not in respect of the ongoing distributions or the stamp duty implications.

2. This amount has also been calculated on the assumption that each of DDF, DIT and DOT are deregistered as Managed Investment Schemes (for which the waiver under the hedging arrangements in Section 7.6 of this Document is being sought).

Topic	Summary	Reference
n. Who is eligible to receive DPT Units under the Simplification?	<p>Subject to Sections 8.4 to 8.6 of this Document, the following persons are eligible to receive DPT Units under the Simplification:</p> <ul style="list-style-type: none"> <li>– Security holders on the Register on the Stapling Record Date, whose address on the Register is in Australia</li> <li>– Foreign Security holders on the Register on the Stapling Record Date, whose address on the Register is in the following jurisdictions: British Virgin Islands, Canada, Chile, China (subject to certain conditions set out in Section 8.4), France, Germany, Ireland, Italy, the Netherlands, Hong Kong, Indonesia, Israel, Japan, Malaysia, New Zealand, Qatar, Singapore, South Africa, Switzerland, Thailand, United Arab Emirates, United Kingdom and United States of America.</li> </ul> <p>Unless the Responsible Entity determines otherwise, all other Foreign Security holders will be Ineligible Foreign Security holders. The Sale Nominee will receive the Dexus Stapled Securities held by Ineligible Foreign Security holders on the Stapling Record Date.</p>	Sections 8.4, 8.5, 8.6 and Annexure A
o. When will I receive New Stapled Securities?	If the Resolutions are approved and the Board of the Responsible Entity determines to implement the Simplification, Dexus will advise eligible Security holders as to the date when deferred settlement trading will commence in the New Stapled Securities and DPT will be admitted to the ASX.	Key dates and Section 2.10
p. What are the implications of holding the New Stapled Securities?	Other than as set out in the advantages and disadvantages of the Simplification in Sections 2.5 and 2.6 of this Document, from a Security holder perspective, there are no material differences between holding the New Stapled Securities (being comprised of units in DXO and DPT) and the Dexus Stapled Securities. In particular, the Simplification will not involve a change to Dexus's existing business or operations.	Section 2.2(f)
q. What happens if I am an Ineligible Foreign Security holder?	<p>Ineligible Foreign Security holders will not receive DPT Units under the Simplification. Instead, their full holding of Dexus Stapled Securities will be compulsorily transferred to the Sale Nominee through the Sale Facility. The Sale Nominee will be issued DPT Units in respect of those ineligible Dexus Stapled Securities in the same way as other Security holders, and on implementation of the Simplification, the Sale Nominee will hold the New Stapled Securities that would otherwise have been held by Ineligible Foreign Security holders.</p> <p>Following implementation of the Simplification, the Sale Nominee will sell or procure the sale of the New Stapled Securities the Sale Nominee holds in the ordinary course of trading on the ASX. The sale proceeds (less certain expenses, including applicable taxes) will subsequently be paid to Ineligible Foreign Security holders.</p>	Section 8.5
r. What Resolutions are required to implement the Simplification?	<p>There are three Resolutions that must be passed by Security holders for the Simplification to be implemented:</p> <ul style="list-style-type: none"> <li>– That the Responsible Entity unstaple all of the units in DXO, DDF, DIT and DOT in accordance with the Constitutions of each Dexus Trust ("<b>Unstapling Resolution</b>")</li> <li>– That the Constitutions of each Dexus Trust be amended in accordance with the provisions of supplemental deed polls to facilitate the implementation of the Simplification ("<b>Amendment Resolution</b>")</li> <li>– That the Simplification be approved, including the acquisition by DPT (or its nominee) of a relevant interest in all of the units in DDF, DIT and DOT for the purposes of item 7 of section 611 of the Corporations Act ("<b>Acquisition Resolution</b>")</li> </ul> <p>The approval thresholds for each of the Resolutions are as follows:</p> <ul style="list-style-type: none"> <li>– The Amendment Resolution and the Unstapling Resolution must be passed by at least 75% of votes cast by Security holders entitled to vote on the Resolutions</li> <li>– The Acquisition Resolution must be passed by at least 50% of votes cast by Security holders entitled to vote on the Resolution</li> </ul> <p>Each Resolution is conditional on the other Resolutions being passed by the requisite majority and the Responsible Entity determining to implement the Simplification.</p>	Section 2.9

## 1. Questions and answers

Topic	Summary	Reference
<b>s. Can I vote differently on each Resolution?</b>	<p>Yes, however in order for the Simplification to be implemented, all Resolutions must be passed by the requisite majority.</p> <p>This means that if any of the Resolutions are not approved by the Security holders, the Simplification will not be implemented.</p>	Section 2.9
<b>t. When and where is the Meeting?</b>	<p>The Meeting is scheduled for Thursday, 22 April 2021 at 3:30pm, and will be held at Dexus Place, Level 5, 1 Margaret Street, Sydney.</p> <p>Recognising the continued fluidity of the COVID-19 pandemic, Dexus will closely monitor developments and will notify Security holders if there are any changes to their ability to physically attend the Meeting.</p> <p>If you plan on attending the meeting in person, please RSVP to <a href="mailto:InvestorRelations@dexus.com">InvestorRelations@dexus.com</a> by 5.00pm on Tuesday, 20 April 2021.</p> <p>Further information is set out in the Notice of Extraordinary General Meeting in Annexure A of this Document.</p>	Annexure A
<b>u. Am I entitled to vote?</b>	<p>If you hold Dexus Stapled Securities on the Register on the Voting Record Date (7:00pm on Tuesday, 20 April 2021), then you will be entitled to vote at the Meeting.</p>	Annexure A
<b>v. How do I vote at the Meeting?</b>	<p>Security holders wishing to vote on the Resolutions must either participate in the Meeting in person or submit their Proxy Form by 3:30pm on Tuesday, 20 April 2021.</p> <p>Further information is set out in the Notice of Extraordinary General Meeting in Annexure A of this Document.</p>	Annexure A
<b>w. Where and when do I send my Proxy Form?</b>	<p>To appoint a proxy, complete the Proxy Form and return it to the Registry or lodge your Proxy vote online at <a href="http://linkmarketservices.com.au">linkmarketservices.com.au</a> 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 votes should be received by 3:30pm on Tuesday, 20 April 2021 in accordance with the instructions provided.</p> <p>Return your Proxy Form or vote by:</p> <p>Online:</p> <ul style="list-style-type: none"> <li>– Lodging it online at <a href="http://linkmarketservices.com.au">linkmarketservices.com.au</a> in accordance with the instructions provided on the website</li> </ul> <p>By mail:</p> <ul style="list-style-type: none"> <li>– Posting it in the reply-paid envelope provided to:           <p>Dexus c/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235.</p> </li> </ul> <p>By hand:</p> <ul style="list-style-type: none"> <li>– Hand delivering to:           <p>Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138</p> <p>or</p> <p>Level 12, 680 George Street Sydney NSW 2000</p> </li> </ul> <p>By fax:</p> <ul style="list-style-type: none"> <li>– Faxing it to +61 2 9287 0309</li> </ul>	Annexure A



Topic	Summary	Reference
x. Can I sell Dexu Stapled Securities before the Meeting?	The date until which the Dexu Stapled Securities are expected to continue trading on the ASX, in the normal course (subject to the Listings Requirements), is currently uncertain. The Responsible Entity will advise Security holders as soon as possible as to the precise date on which the Dexu Stapled Securities are expected to stop trading.	Key dates
y. When will the New Stapled Securities commence trading on the ASX?	New Stapled Securities are expected to commence trading on the ASX initially on a deferred settlement basis. New Stapled Securities are expected to commence trading on the ASX on a normal settlement (T+2) basis the day after the Implementation Date. The precise dates on which this will occur are currently uncertain. It is the responsibility of each Security holder who trades in New Stapled Securities to confirm their holding before trading in New Stapled Securities. If Security holders seek to sell their New Stapled Securities before receiving a holding statement, they do so at their own risk.	Key dates and Actions required by Security holders
z. Is there a cooling-off period in relation to the issue of DPT Units?	There is no cooling-off period for Security holders in relation to the issuance of DPT Units.  If the Simplification is approved and implemented, all Security holders (other than Ineligible Foreign Security holders) will receive DPT Units regardless of: – Whether they voted on the Simplification – If they did vote, regardless of whether they voted for or against the Simplification	Important information and disclaimer
aa. What are the material risks facing Dexu?	There are a number of risks associated with an investment in Dexu (including in respect of the impact of changes in property values of general economic and market conditions and more recently COVID-19). Section 5 of this Document summarises the material risks facing Dexu. Security holders should also have regard to the risks disclosed in the Dexu 2020 Annual Report.  It should be noted that Security holders are already exposed to these risks through their current interests in the Dexu Trusts. The underlying business and operations of Dexu will not change as a result of the Simplification, and Security holders will continue to be exposed to these risks through their holding of New Stapled Securities.	Section 5
bb. What if I have other questions?	If you hold Dexu Stapled Securities on the Register and have any questions, please contact the Information Line on +61 1800 819 675 between 8.30am and 5.30pm (Sydney time) Monday to Friday (excluding public holidays).  Alternatively, you may also contact your financial, legal, taxation or other professional adviser.	Chair's letter and Section 8.8

## 2. Details of the Simplification

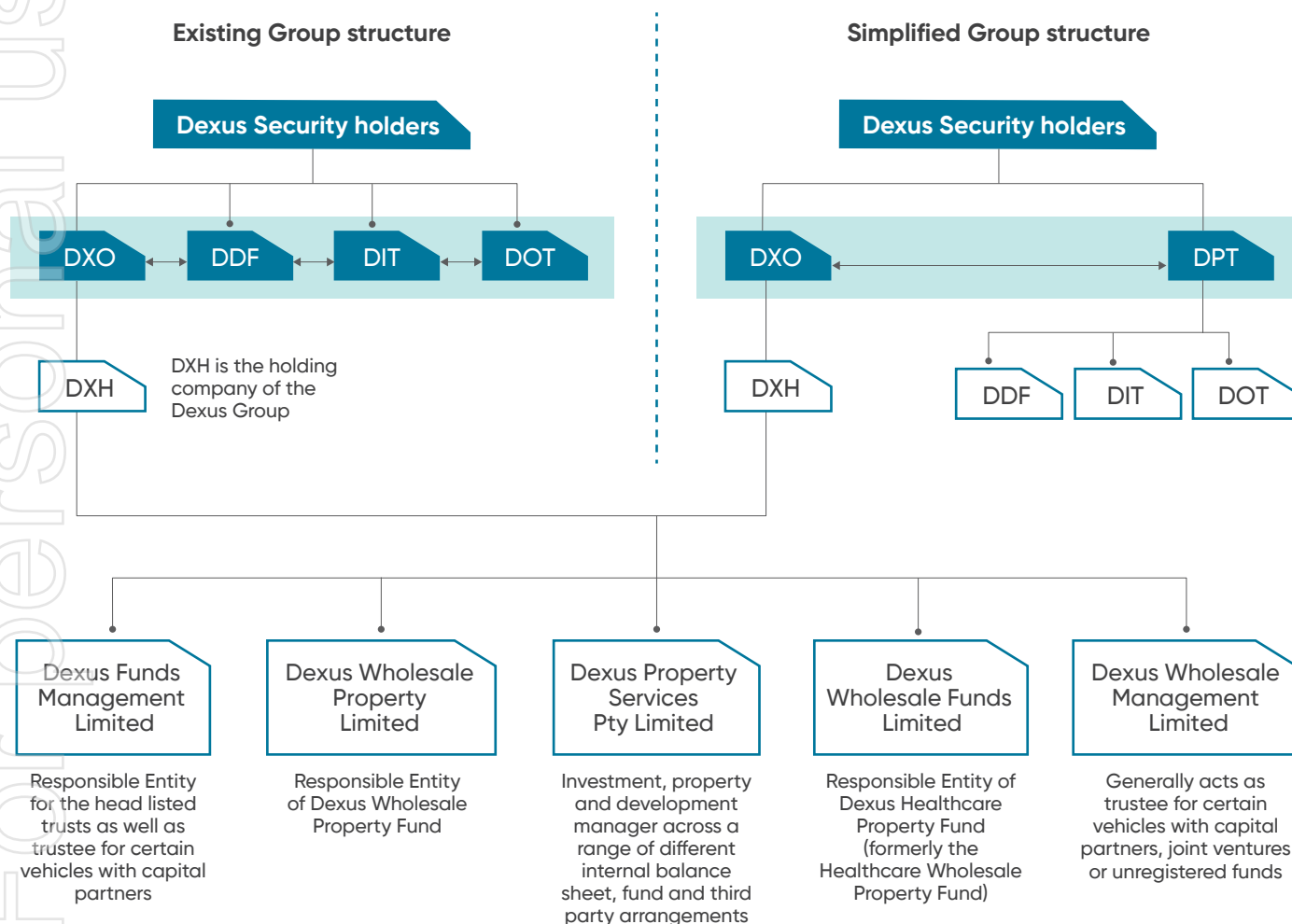
### 2.1 Background to the Simplification

Dexus is a stapled group consisting of DDF, DIT, DOT and DXO and their respective subsidiaries. The group is ASX listed (ASX: DXS), and a Dexus stapled security comprises one unit in each of DDF, DIT, DOT and DXO. The Dexus Stapled Securities cannot be traded or dealt with separately. The Responsible Entity of each of DDF, DIT, DOT and DXO is Dexus Funds Management Limited, which is indirectly owned by DXO. Each of DDF, DIT, DOT and DXO is run by a common board and senior management team.

On 9 February 2021, Dexus announced that it was considering making changes to simplify the Dexus corporate structure, which has resulted in the Simplification being brought to Security holders for approval. Implementation of the Simplification is also subject to the Responsible Entity continuing to consider that the Simplification is in the best interests of Security holders.

Security holders should note that the Responsible Entity has sought certain determinations in respect of stamp duty payable under the Simplification (as described in Section 6 of this Document). The Responsible Entity is unlikely to determine to implement the Simplification unless each of these determinations are obtained. It is expected that these determinations will be obtained in the second or third quarter of calendar year 2021.

A simplified diagram of Dexus's corporate structure before and after the implementation of the Simplification is set out below<sup>3,4</sup>:



3. Each of DDF, DIT and DOT is a registered management investment scheme under the Corporations Act. The responsible entity of each of DDF, DIT and DOT is Dexus Funds Management Limited, which was incorporated in Western Australia and has a principal place of business in New South Wales. In respect of the other Material Subsidiaries (which are either directly or indirectly 100% owned by DXO): DXH, DWPL, DWFL and DWML were incorporated in Victoria, and DXPS was incorporated in New South Wales, and each has a principal place of business in New South Wales.

4. Under the Simplified Group structure, DPT may hold units in DDF, DIT and DOT through a nominee.

The effect of the Simplification is that Dexus will become a dual stapled group, with DXO continuing to own Dexus's management business, third-party funds management platform and select assets that form part of Dexus's trading business, and DPT (through DDF, DIT and DOT) holding the passive assets of the Group.

As reflected in the structure, each of the Material Subsidiaries of DXO as set out in the Existing Group structure will continue to be 100% wholly owned, indirectly or directly, by DXO following implementation. The business activities of each of the Material Subsidiaries will also not change following implementation of the Simplification.

## 2.2 Description of the Simplification

### Overview

The Simplification involves creating a new trust DPT and "top-hatting" each of DDF, DIT and DOT with DPT as shown in the structure in Section 2.1. This will result in the structure of Dexus changing from a complex quadruple stapled trust structure to a dual stapled trust structure, comprising DPT and DXO.

Importantly, there is no separate stapling deed or agreement between each of the Dexus Trusts and DPT that governs the unstapling of the units in the Dexus Trusts, the acquisition by DPT (or its nominee) of units in DDF, DIT and DOT or the stapling of DXO Units to DPT Units. These processes will be effected and governed by certain provisions in the Constitutions of DPT and each of the Dexus Trusts (including provisions in the Constitutions of the Dexus Trusts as amended in the manner described in Section 7 of this Document).

As set out in the Key dates section of this Document, the precise timing of the implementation of the Simplification is currently uncertain. The Responsible Entity will notify Security holders as soon as possible as to the precise dates for the implementation of the Simplification.

### Simplification steps

The steps required to implement the Simplification are provided as follows. All Security holders will participate in the Simplification (other than Ineligible Foreign Security holders whose Dexus Stapled Securities will be compulsorily transferred to the Sale Nominee).

#### a. Unstapling of DXO Units

Units in the Dexus Trusts are currently stapled to each other to form Dexus Stapled Securities. This means that units in one Dexus Trust cannot be dealt with separately from the corresponding units in the other Dexus Trusts.

In order to implement the Simplification, the DXO Units must be unstapled from the units in DDF, DIT and DOT. Following the unstapling, the units in DDF, DIT and DOT will be able to be dealt with separately to facilitate the transfer of DDF, DIT and DOT to DPT (or its nominee), as described in step (c).

In accordance with clause 19.5 of the Constitution of each Dexus Trust, the Responsible Entity may determine that, subject to approval of the Unstapling Resolution (described in further detail in Section 2.9 of this Document), the stapling provisions of the Constitutions will cease to apply. If the Unstapling Resolution is passed and the Simplification is implemented, the Responsible Entity will determine that:

- The DXO Units will be unstapled from the units in DDF, DIT and DOT at this step (a)
- All of the units in DDF, DIT and DOT will be unstapled from each other as described in step (d)

#### b. Issue of DPT Units

DPT will issue units to Security holders (excluding Ineligible Foreign Security holders) equivalent to the number of Dexus Stapled Securities they hold at the Stapling Record Date.

#### c. Transfer of Target Dexus Trusts and Stapling

The following two steps will occur concurrently:

- **Transfer of Target Dexus Trusts:** In consideration for the issue of DPT Units described in step (b), DPT (or its nominee) will acquire all of the units in DDF, DIT and DOT from Security holders

Each of the Target Dexus Trusts will participate in this process in reliance on amendments made to their Constitutions and described in this Document. In particular, subject to Security holder approval, the Responsible Entity will be empowered under these Constitutions to transfer all of the units in DDF, DIT and DOT as attorney for all Security holders by signing a master transfer form in respect of those units in favour of DPT (or its nominee).

On completion of these transfers, Security holders participating in the Simplification will have transferred 100% of the units in DDF, DIT and DOT to DPT (or its nominee) and in turn will, in aggregate, own 100% of DPT.

- **Stapling of DPT and DXO:** Each DPT Unit will be stapled to a DXO Unit on a one-to-one basis to form a New Stapled Security. Following the stapling, DPT Units cannot be dealt with separately from the corresponding DXO Units. These units may be subsequently unstapled from each other by special resolution from Security holders in accordance with their respective Constitutions (see Section 7 of this Document), however this is not contemplated as part of this Simplification

#### d. Unstapling of units in DDF, DIT and DOT

The units in DDF, DIT and DOT will be unstapled from each other such that they will be able to be dealt with separately. As described in step (a), the Responsible Entity will determine to unstaple these units pursuant to the Unstapling Resolution.

#### e. Listing of DPT

DPT will be listed on the ASX. The New Stapled Securities will trade on the ASX under the same code as the Dexus Stapled Securities trade currently (ASX: DXS).

It is noted that the fact that ASX may admit DPT to the official list of the ASX should not be taken as an endorsement by ASX of the merits of DPT or an investment in the New Stapled Securities.

## 2. Details of the Simplification

### f. Post-implementation

Following implementation of the Simplification, it is anticipated that the Target Dexus Trusts will be delisted from the ASX and deregistered as Managed Investment Schemes with ASIC.

The Simplification will not result in any change to Dexus's underlying business and operations, or Security holders' interests in them. In particular, the Simplification will not:

- Result in a 25% or more increase in Dexus's consolidated total assets, consolidated total equity interests, consolidated annual revenue, consolidated EBITDA or consolidated annual profit before tax
- Involve a significant change to the nature or scale of Dexus's activities or its main undertaking

### 2.3 Transaction Costs and funding of the Simplification

Dexus will incur Transaction Costs (including legal, accounting, tax, treasury, filing, registration and stamp duty) of approximately \$35 million (inclusive of non-recoverable GST, if applicable) in connection with the Simplification if implemented (and approximately \$2.6 million, inclusive of non-recoverable GST, if applicable, of Transaction Costs if the Simplification does not proceed). The \$2.6 million of costs predominantly reflect anticipated advisor costs to the date of the meeting (legal, tax and accounting), filing fees (ASIC, ASX and other regulatory) and Meeting costs (typesetting, printing, despatch and venue hire). Most of the remaining costs relate to stamp duty (anticipated to be approximately \$30.3 million) and implementation costs (tax, accounting, legal, systems related and miscellaneous implementation).

The Transaction Costs will be funded utilising available funds under existing debt facilities.

Following implementation of the Simplification, Dexus's principal sources of funds will continue to be cash flow from investments and other operations and its debt facilities. There will be no change to Dexus's funding sources as a result of the Simplification.

In addition, in accordance with the Listing Rules, Dexus confirms that it has not raised equity capital for the three months before the date of issue of this Document and will not need to raise any equity capital for three months after the date of issue of this Document (except in connection with the issue of the New Stapled Securities in accordance with the Simplification). Dexus is well positioned from a capital perspective to continue to operate with flexibility during this period, with access to a diverse range of debt funding sources, with \$1.7 billion of cash and undrawn bank facilities as at 31 December 2020.

### 2.4 Board recommendation and voting intentions

The Board has concluded that the Simplification is in the best interests of Security holders and unanimously recommends Security holders vote in favour of the Simplification.

The Simplification will not result in any change in Security holders' proportionate ownership in Dexus, the strategy of Dexus or the underlying assets held by Dexus but will provide investors the benefits described in Section 2.5.

The Directors will vote the Dexus Stapled Securities they own or control in favour of the Simplification.

### 2.5 Rationale for and advantages of the Simplification

This Section is not intended to set out all the relevant issues for Security holders in relation to the Simplification. It should be read in conjunction with information contained in other sections of this Document.

#### a. Improved ability to execute strategic initiatives

Dexus's current strategy is to deliver superior risk-adjusted returns for investors from high-quality real estate in Australia's major cities. Dexus is focused on delivering this strategy through its focus on various strategic initiatives. Presently these initiatives include:

- Increasing the resilience of investment portfolio income streams
- Expanding and diversifying the funds management business
- Progressing the Group development pipeline

The Simplification will provide Dexus with an improved ability and flexibility to execute on its strategic initiative of expanding and diversifying the funds management business. For example, the Simplification may allow equity interests in the Target Dexus Trusts to be issued directly to potential third party capital partners, providing Dexus with greater flexibility in meeting investment demand from investors for real estate assets, while also expanding its funds management business. It may also give Dexus added flexibility to efficiently recycle assets currently held by the head trusts directly into trust structures and other funds.

#### b. Simplified structure leading to increased reporting and administrative efficiencies

Dexus's current quadruple stapled trust structure is complex and requires the preparation and independent review or audit of four sets of financial statements for ASX reporting purposes bi-annually. The Simplification will reduce the number of external financial statements produced from four sets of financial statements to only two, saving administrative time spent by the finance, tax, treasury, legal, compliance, governance, and investor relations teams when conducting mandatory reporting and compliance activities. These savings are estimated to equate to approximately \$0.5 million per annum<sup>5</sup>.

#### c. Potential efficiencies for Security holders

Dexus's current quadruple stapled trust structure requires Security holders to track the tax cost base of the individual trusts for reporting purposes. Under a simplified dual stapled trust structure, there will be a decreased administrative burden on Security holders with respect to their reporting requirements and, consequently, potential for increased investor demand for securities. In addition, Dexus will potentially be able to provide broader CGT rollover relief to persons who receive or become Dexus Security holders as a result of any merger and acquisition activity that Dexus subsequently engages in. Previously in any merger that Dexus has considered or executed, CGT rollover relief could only be provided in relation to one of the trusts in the structure.

The Board believes that the Simplified Group will have sufficient working capital to carry out these objectives.

5. This amount has also been calculated on the assumption that each of DDF, DIT and DOT are deregistered as Managed Investment Schemes (for which the waiver under the hedging arrangements in Section 7.6 of this Document is being sought).



## 2.6 Disadvantages of the Simplification

This Section is not intended to set out all the relevant issues for Security holders in relation to the Simplification. It should be read in conjunction with information contained in other sections of this Document.

### a. Transaction Costs

Dexus will incur one-off Transaction Costs of approximately \$35 million (inclusive of non-recoverable GST, if applicable) associated with legal, accounting, tax, treasury, filing, registration and stamp duty if the Simplification is implemented (compared to approximately \$2.6 million, inclusive of non-recoverable GST, if applicable, of Transaction Costs if the Simplification does not proceed). See Section 2.3 of this Document for further details on the Transaction Costs expected to be incurred in connection with the Simplification. Transaction Costs will be excluded from AFFO.

The Board has considered the benefits of implementing the Simplification against the one-off incurrence of transaction costs and believes that the improved ability to execute on existing strategic initiatives, simplified structure leading to increased reporting and administrative efficiencies for Dexus and potential efficiencies for Security holders will place Dexus in a better position over the long-term.

### b. Sale of Dexus Stapled Securities held by Ineligible Foreign Security holders

Dexus Stapled Securities that are directly held by Security holders who are resident in certain foreign jurisdictions are not eligible to participate in the Simplification, and will be transferred to the Sale Nominee for disposal under the Sale Facility. However, Ineligible Foreign Security holders are estimated to constitute less than 0.005% of the Register.

### c. Trading restrictions

There will be a short period during implementation of the Simplification where trading in New Stapled Securities will be conducted on a deferred settlement basis, meaning that Security holders will not receive the New Stapled Securities until two trading days after the end of the deferred settlement trading period. The deferred settlement period is only expected to run for a total of 4 ASX trading days.

## 2.7 Risks

If the Simplification is implemented, Security holders will continue to be exposed to the existing risks associated with their current investment in Dexus. The underlying business and operations of Dexus will not change as a result of the Simplification, and the extent to which Security holders are exposed to these risks will not change as a result of, or following, the implementation of the Simplification and through their holding of New Stapled Securities. These risks are described in Section 5 of this Document.

In addition, there are tax specific risks associated with the Simplification. If scrip for scrip rollover under Subdivision 124-M of the Australian Tax Act is not available in respect of the Simplification, Australian resident Security holders would be required to include any capital gain realised on the disposal of their Units in the Target Dexus Trusts in exchange for DPT Units in their Australian assessable income. The Responsible Entity is applying for a Class Ruling from the ATO to confirm that CGT scrip for scrip rollover relief is available to Australian resident Security holders who would otherwise realise a capital gain in respect of the Simplification. It is possible that the Class Ruling will not be obtained, may be issued on a basis different from the discussion set out in Section 6, or there may be delays to approval which are not anticipated as at the date of this Document. For further information on the tax risks associated with the Simplification, including consequences for Foreign Security holders, see Section 6 of this Document.

Where a Class Ruling is obtained from the ATO confirming the availability of scrip for scrip rollover relief, Australian resident Security holders must make a choice for rollover relief to apply to them. This choice can be evidenced in the way a Security holder prepares their tax return for the financial year in which the Simplification occurs.

## 2.8 Implications if the Simplification is not approved

If the Simplification does not proceed for any reason:

- Dexus will remain as a quadruple stapled trust structure
- The Dexus Stapled Securities will continue to trade on the ASX
- Dexus's capacity to execute on strategic growth initiatives in a timely manner may be impacted
- Dexus will incur Transaction Costs of approximately \$2.6 million (inclusive of non-recoverable GST, if applicable and relating primarily to anticipated advisor costs to the date of the Meeting, filings fees and Meeting costs) without realising any of the benefits garnered by successful execution of the Simplification
- Dexus will fail to realise approximately \$0.5 million of anticipated annual cost and administrative time savings<sup>6</sup>
- Dexus will continue to prepare and arrange for the independent review or audit of four sets of financial statements for ASX reporting purposes bi-annually
- Security holders may not realise potential benefits associated with simplified financial and tax reporting

6. This amount has also been calculated on the assumption that each of DDF, DIT and DOT are deregistered as Managed Investment Schemes (for which the waiver under the hedging arrangements in Section 7.6 of this Document is being sought).

## 2. Details of the Simplification

### 2.9 Resolutions

In order to implement the Simplification, the Resolutions will need to be passed by Security holders. The Resolutions are set out in the Notice of Extraordinary General Meeting in Annexure A.

Security holders will consider:

- **Unstapling Resolution:** a resolution to approve (subject to the passing of the Amendment Resolution and Acquisition Resolution, and the Responsible Entity determining to implement the Simplification) the unstapling of all of the units in DXO, DDF, DIT and DOT pursuant to each of their Constitutions
- **Amendment Resolution:** a resolution to approve (subject to the passing of the Acquisition Resolution and Unstapling Resolution, and the Responsible Entity determining to implement the Simplification) the amendments to the Constitutions of each Dexus Trust to enable the Simplification to be implemented, including, in respect of the Target Dexus Trusts, the appointment of the Responsible Entity as attorney to apply for DPT Units and execute a transfer of units in DDF, DIT and DOT and to implement the Sale Facility (described in further detail in Section 8.5 of this Document). The proposed amendments to the Constitutions are set out on Dexus's website at [www.dexus.com/EGM](http://www.dexus.com/EGM)
- **Acquisition Resolution:** a resolution to approve (subject to the passing of the Amendment Resolution and Unstapling Resolution, and the Responsible Entity determining to implement the Simplification) the Simplification, including the acquisition by DPT (or its nominee) of a relevant interest in all the units in DDF, DIT and DOT (under item 7 of section 611 of the Corporations Act)

The Resolutions will be decided by a poll. The approval thresholds for each of the Resolutions are as follows:

- The Amendment Resolution and the Unstapling Resolution must be passed by at least 75% of votes cast by Security holders entitled to vote on the Resolutions
- The Acquisition Resolution must be passed by at least 50% of votes cast by Security holders entitled to vote on the Resolution

Each Security holder who holds Dexus Stapled Securities on the Register on the Voting Record Date (7:00pm on Tuesday, 20 April 2021) will be entitled to vote on the Resolutions.

All of the Resolutions must be passed by the required majority in order for the Simplification to be implemented. This means that if one or more of the Resolutions are not approved, the Simplification will not proceed.

If the Simplification is approved and implemented, all Security holders (other than Ineligible Foreign Security holders) will receive DPT Units regardless of:

- Whether they voted on any of the Resolutions
- If they did vote, regardless of whether they voted for or against any of the Resolutions

### 2.10 Conditions of the Simplification

The Simplification will not be implemented unless Security holders approve each Resolution by the requisite majority at the Meeting.

In addition, implementation of the Simplification is subject to the Responsible Entity continuing to consider that the Simplification is in the best interest of Security holders. The Responsible Entity may resolve not to implement the Simplification should market conditions or other factors cause the Directors to believe that proceeding would not be in the best interests of Security holders. In this regard, Security holders should note that the Responsible Entity has sought certain determinations in respect of stamp duty payable under the Simplification (as described in Section 6 of this Document). The Responsible Entity is unlikely to determine to implement the Simplification unless each of these determinations are obtained. It is expected that these determinations will be obtained in the second or third quarter of calendar year 2021.

## 3. Dexus and the Simplified Group

### 3.1 Overview

This Section sets out the history of the Dexus Group and its current operations (prior to implementation of the Simplification).

This Section also summarises the key operations of the Simplified Group (comprised of DXO and DPT) to be formed on implementation of the Simplification and the management arrangements that will apply in respect of the Group.

It is important to note that the Simplified Group following implementation of the Simplification will continue to manage and operate the Dexus business in the same way as it is currently conducted as at the date of this Document. As noted in Section 2.2(f) of this Document, there will not be any change to Dexus's underlying business and operations, or to Security holders' interests in them, as a result of the Simplification being implemented.

### 3.2 Dexus Group

#### a. Current corporate structure and history

As noted in Section 2.1 of this Document, Dexus is currently comprised of four stapled trusts – DDF, DIT, DOT and DXO – which are listed on the ASX. DXFM is the responsible entity of each of the Dexus Trusts.

Dexus has been embedded in the Australian property market for more than 35 years, with its history tracing back to Deutsche Bank, which externally managed several property trusts from 1984 to 2004.

In 2004, the listed trusts that comprised the Group at the time (being Deutsche Diversified Trust (now DDF), Deutsche Industrial Trust (now DIT) and Deutsche Office Trust (now DOT)) were stapled to form DB RREEF Trust. In 2008, DB RREEF Trust was rebranded to Dexus, and acquired the full management rights to the vehicle from Deutsche Bank (part of which it had acquired prior to this time).

#### b. Key operations

Dexus's current operations comprise four key business activities of investing, managing, developing and transacting/trading high-quality properties located in Australia's major cities – each of which seeks to maximise cash flow and unlock value over the investment lifecycle.

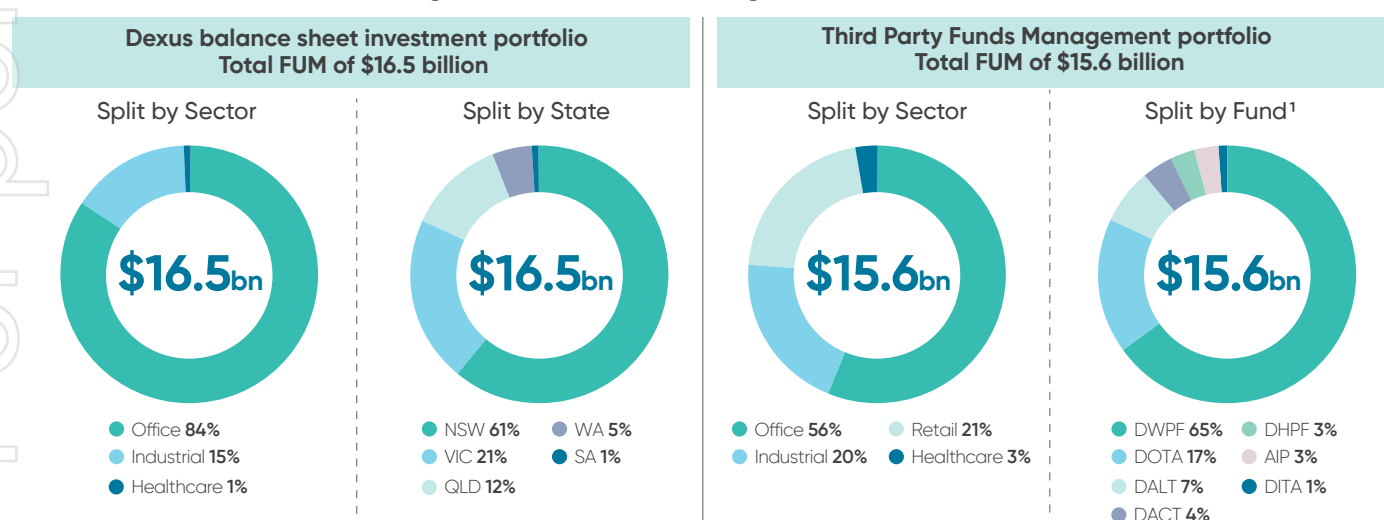
A summary of the key aspects of each of these operations provided as follows:

#### Investing

Dexus invests in a directly held property portfolio, which is the largest driver of financial value (84% of Funds From Operations ("FFO") for the financial period ended 31 December 2020<sup>7</sup>), containing the Dexus owned office, industrial and healthcare portfolios.

At 31 December 2020, Dexus directly owned a portfolio of 126 properties valued at \$16.5 billion and managed a further \$15.6 billion portfolio on behalf of its third-party capital partners.

#### Dexus group: Funds under management ("FUM") = \$32.1bn



**Note:**

Figures as at 31 December 2020.

1. DWPF – Dexus Wholesale Property Fund, DOTA – Dexus Office Partnership, DALT – Dexus Australian Logistics Trust, DACT – Dexus Australian Commercial Trust, DHPF – Dexus Healthcare Property Fund (formerly the Healthcare Wholesale Property Fund or HWPF), AIP – Australian Industrial Partnership, DITA – Dexus Industrial Partnership.

7. FFO contribution is calculated before finance costs, group corporate costs and other costs (including non-trading related tax expenses).

### 3. Dexus and the Simplified Group

A further breakdown of the nature of the properties held by Dexus as at 31 December 2020 is set out below:

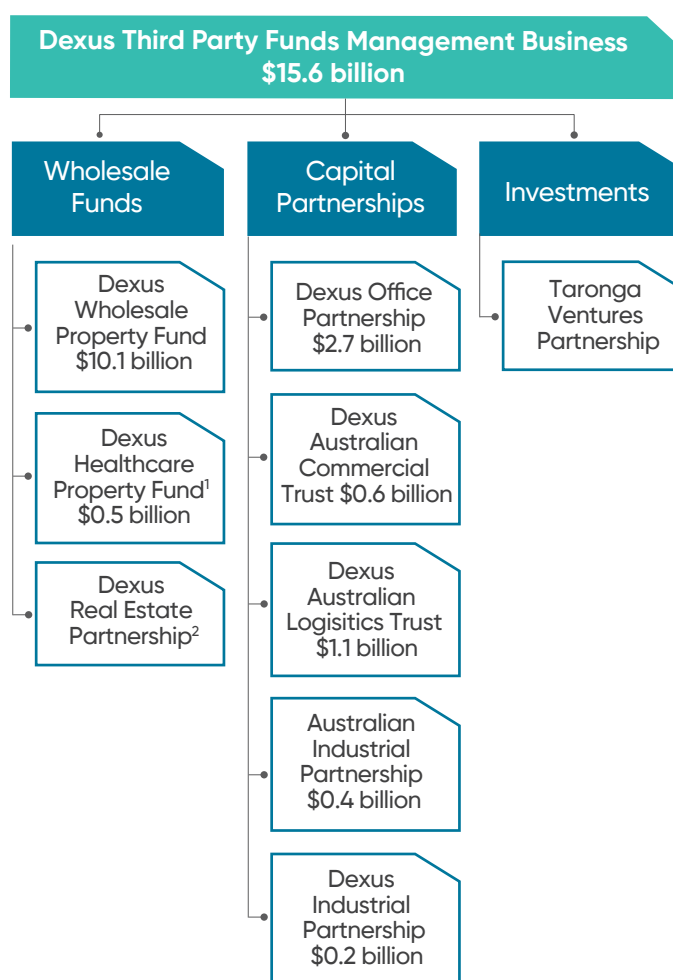
Sector	No. of properties	Valuation \$ billion	Occupancy <sup>8</sup> %	WALE <sup>9</sup> years
Office	47	13.8	96.0	4.2
Industrial	74	2.4	95.5	4.3
Healthcare <sup>9</sup>	5	0.3	100.0	25.1

#### Managing

Dexus manages property portfolios spread across the Australian office, retail, industrial and healthcare sectors on behalf of third-party capital partners, including some of the world's leading pension and sovereign wealth funds. Dexus's ability to attract key strategic capital partners is testament to its experience and leading market position.

Dexus seeks to be identified as the wholesale partner of choice in Australian property and has a strong track record of driving investment performance. Management believes this track record positions Dexus well to continue to attract like-minded partners and investors into Dexus's third party funds management business.

Dexus's third party funds management business as at 31 December 2020 includes:



**Notes:**

- Formerly the Healthcare Wholesale Property Fund.
- Capital raising under way targeting \$300 million in equity commitments.

8. By income.

9. Dexus holds its healthcare assets through a direct investment in the Australian Bragg Centre and an interest in the Dexus Healthcare Property Fund (formerly the Healthcare Wholesale Property Fund).



## Developing

Dexus focuses on development opportunities that will enhance future returns and improve portfolio quality and diversification through leveraging its integrated real estate platform.

Dexus has an \$11.4 billion group development pipeline as at 31 December 2020. The pipeline includes committed and uncommitted projects across major Australian cities that will support long-term growth for Dexus and its capital partners. Development also delivers on third party capital partners' strategies and provides organic growth in assets under management, and therefore revenue potential to Dexus.

Dexus's direct share of the development pipeline is \$5.8 billion with the remaining \$5.6 billion spread across its third-party funds management portfolio.

## Transacting/Trading

Dexus utilises its multi-disciplinary expertise to identify, evaluate, and execute acquisition and divestment opportunities across a range of sectors and asset types. Dexus invests alongside its third-party capital partners to access real estate with the objectives of improving portfolio quality and performance and achieving scale in our core markets.

Dexus has a strong track record of investing capital at the right time in the property cycle, acting quickly and evolving its approach to secure opportunities while adhering to strict investment criteria.

Dexus's in-house trading capabilities support the identification, origination, evaluation and execution of opportunities across the office, industrial, healthcare and retail sectors and leverages Dexus's capabilities to achieve trading profits. Trading activities are undertaken with the intention of realising profits from the direct repositioning of assets in the short to medium term.

These assets can either be acquired specifically for trading or identified within Dexus's existing portfolio as having a higher and better use through undertaking repositioning activities. Dexus has delivered \$436 million in trading profits (pre-tax) since FY12, achieving an average unlevered internal rate of return (pre-tax) of circa 28% per annum from its trading activities.

## 3.3 The Simplified Group – DXO and DPT

### a. DXO and DPT

If the Simplification is implemented, Dexus will be comprised of two stapled trusts – DXO and DPT – which will continue to be listed on the main board of the ASX under the security code "DXS". See Section 2.1 of this Document for a structure chart of the Simplified Group.

In respect of DPT, and in accordance with its Constitution dated 8 March 2021, DPT will formally come into existence at the time it issues DPT Units to Security holders in accordance with the Simplification<sup>10</sup>. It will not operate prior to this time and does not currently have any units on issue. If the Simplification is implemented, the number of DPT Units on issue will be the same number of Dexus Stapled Securities that are on issue (as at the Last Practicable Date, there are 1,075,565,246 Dexus Stapled Securities on issue<sup>11</sup>), with each DPT Unit stapled to each existing DXO Unit to form a New Stapled Security.

In respect of the specific operations and businesses of the Dexus Trusts following implementation of the Simplification:

- DXO will continue to own Dexus's management business, the third-party funds management business, and select assets that form part of Dexus's trading business
- Each of the Target Dexus Trusts will continue to manage and make passive investments in real estate assets in Australia

There will be no change to these operations or business activities as a result of DPT forming part of the Simplified Group and owning 100% of the Target Dexus Trusts.

### b. Overview of the management of the Simplified Group

If the Simplification is implemented, the Responsible Entity will remain as responsible entity of DXO and the nature and content of the services it provides to DXO will not change.

The Responsible Entity is also the responsible entity of DPT.

There will also be no changes to the Key Management Personnel of the Dexus Group following implementation.

### c. Board of the Responsible Entity

The Board is comprised of:

- Richard Sheppard (Chair and independent director)
- Darren Steinberg (CEO)
- Patrick Allaway (independent director)
- Penelope Bingham-Hall (independent director)
- Tonianne Dwyer (independent director)
- Mark Ford (independent director)
- Warwick Negus (independent director)
- The Hon. Nicola Roxon (independent director)
- Peter St George (independent director)

The Directors are experienced directors who have a broad range of skills and expertise covering property, funds management, investment banking, mergers and acquisitions, public policy, legal and compliance. The composition of the Board will not change following implementation of the Simplification.

Information on each of the Directors (other than Warwick Negus, who was appointed to the Board on 1 February 2021), including their qualifications and relevant experiences, are summarised on pages 58 to 61 of the Dexus 2020 Annual Report. Dexus disclosed equivalent information on Mr Negus to the ASX on 18 January 2021 (and a copy of this announcement is available on Dexus's website at [www.dexus.com](http://www.dexus.com)).

The interests of the Directors are set out in Section 8.3 of this Document.

The terms of the remuneration of each of the non-executive Directors is summarised in the Remuneration Report on pages 82 to 83 of the Dexus 2020 Annual Report<sup>12</sup>.

10. Note that DPT was registered as a Managed Investment Scheme with ASIC on 19 March 2021 with Dexus Funds Management Limited as its Responsible Entity.

11. The market price of the Dexus Stapled Securities as at the Last Practicable Date is \$962. The Target Dexus Trusts comprise 94% of the asset value of Dexus as at 31 December 2020. Consequently, it is expected that the value of the New Stapled Securities will be at least 20 cents.

12. Warwick Negus will be remunerated on substantially the same terms as the other non-executive Directors.

### 3. Dexus and the Simplified Group

#### d. Dexus management team

The management team has extensive experience in the property industry, including experience in the management, acquisition, leasing, development, financing and valuation of real estate assets.

The management team comprises Key Management Personnel ("KMP") and other Executives, as follows:

- Darren Steinberg (Chief Executive Officer) (KMP)
- Melanie Bourke (Chief Operating Officer)
- Brett Cameron (General Counsel and Company Secretary)
- Deborah Coakley (Executive General Manager, Funds Management) (KMP)
- Ross Du Vernet (Chief Investment Officer) (KMP)
- Kevin George (Executive General Manager, Office) (KMP)
- Alison Harrop (Chief Financial Officer) (KMP)
- Jonathan Hedger (Executive General Manager, Group Strategy)
- Stewart Hutcheon (Executive General Manager, Industrial, Retail and Healthcare)
- David Yates (Executive General Manager, Investor Relations, Communications and Sustainability)

The management team will not change following implementation of the Simplification.

Key Management Personnel and other Executives are entitled to participate in the LTI and STI plans maintained by the Group, and may hold, or be issued, securities in Dexus pursuant to those plans (which are summarised in Section 7.7 of this Document).

The terms of the Key Management Personnel employment agreements entered into by Dexus and each of Darren Steinberg, Deborah Coakley, Ross Du Vernet, Kevin George and Alison Harrop are summarised in the Remuneration Report on page 81 of the Dexus 2020 Annual Report.

Melanie Bourke, Brett Cameron, Jonathan Hedger, Stewart Hutcheon and David Yates are employed on broadly the same terms as each of the above Key Management Personnel.

#### e. Corporate governance

The Responsible Entity has implemented a corporate governance framework that extends to all Dexus funds and joint ventures which:

- Satisfies the highest standards and procedural requirements of a publicly listed company, including the conduct of an annual general meeting, the appointment of independent directors by Security holders and corporate disclosure, such as the remuneration report
- Supports the strategic objectives of Dexus
- Defines accountability
- Sets out a process for managing the risks inherent in its day-to-day operations

The corporate governance framework satisfies the requirements relevant to unit trusts, meets the requirements of the ASX Guidelines and addresses additional aspects of governance that the Board considers appropriate.

The key elements of Dexus's governance framework will not change as a result of the Simplification. In particular, the current Committees established by the Board, which include the Audit Committee, the Nomination Committee, the People & Remuneration Committee, the Risk Committee and the Environmental, Social and Governance Committee, will continue to operate in respect of the Simplified Group, and:

- The composition and operation of the Board Audit Committee will continue to comply with the ASX Guidelines
- The People & Remuneration Committee will continue to be comprised of non-executive directors.

Information on each of the Board Committees, including a copy of their terms of reference, is available on Dexus's website at [www.dexus.com](http://www.dexus.com).

#### f. Continuous disclosure

As an ASX-listed entity, Dexus is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. The Simplified Group will continue to be subject to these obligations and requirements on quotation of the New Stapled Securities on the ASX. Dexus confirms, for the purpose of the ASX Listing Rules, that DPT will be in compliance with Listing Rule 3.1 at the time DPT is admitted to the Official List.

## 4. Financial information

### 4.1 Overview of Financial Information

This Financial Information set out in this Section 4 has been prepared by the Directors of the Responsible Entity for Dexus and comprises:

- The historical consolidated statement of financial position ("Historical Financial Information") as at 31 December 2020
- The pro forma consolidated statement of financial position ("Pro Forma Historical Financial Information") as at 31 December 2020 (see Section 4.4 of this Document)
- Pro forma capital structure of Dexus as at 31 December 2020 (see Section 4.5 of this Document)
- Directors' material adjustments used in the preparation of the Pro Forma Historical Financial Information (see Section 4.6 of this Document)
- Significant accounting policies of Dexus impacted by the Simplification (see Section 4.7 of this Document)

The annual and interim financial reports available to Security holders in accordance with the Corporations Act and ASX Listing Rules are available on Dexus's website at [www.dexus.com](http://www.dexus.com).

The information in this Section 4 should also be read in conjunction with the Risks set out in Section 5 and other information contained in this Document. The Directors do not consider that the Simplification will result in any change to Dexus's underlying business and operations, or Security holders' interests in them, before and after the Simplification is implemented.

Unless otherwise noted, all amounts disclosed in this Section 4 are presented in Australian dollars and are rounded to the nearest \$0.1 million. Rounding in the Financial Information may result in some discrepancies between the sum of the components and the totals outlined within the tables and percentage calculations.

### 4.2 Basis of preparation

The Directors are responsible for the preparation of the Financial Information. The Financial Information set out in this Section 4 is intended to present Security holders with information to assist them in understanding the likely pro forma impact on the financial position of Dexus arising from the implementation of the Simplification.

The Financial Information has been prepared in accordance with the recognition and measurement principles contained in the AAS and interpretations and other authoritative pronouncements of the AASB and the Corporations Act.

AAS sets out an accounting framework that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AAS ensures that the Financial Information and notes also comply with the recognition and measurement requirements of the IFRS.

The Financial Information presented in this Document is presented in an abbreviated form and does not contain all of the presentation and disclosures that are usually provided in an annual report or interim report prepared in accordance with AAS. This includes the presentation of total equity in Section 4.4. The Pro Forma Historical Financial Information has been prepared on the basis of the assumptions outlined in Section 4.6.

### 4.3 Accounting considerations of the Simplification

Dexus is considering a restructure whereby a new holding trust, DPT, will be interposed between its Security holders and each of the Target Dexus Trusts and will acquire 100% of the units in the Target Dexus Trusts in exchange for issuing units in DPT to Security holders for each unit in the Target Dexus Trusts held. The units in DPT will be stapled to the existing units in DXO and comprise the Simplified Group listed on the ASX.

The key steps involved in the Simplification are:

- Unstapling the units in DXO from the units in DDF, DIT and DOT
- Issuing units in DPT to Security holders (other than Ineligible Foreign Security holders), on a one-to-one basis with the number of Dexus Stapled Securities held
- DPT (or its nominee) acquiring, in consideration of the issue of DPT Units to Security holders, all the units in DDF, DIT and DOT from Security holders
- Stapling each DPT Unit to each existing DXO Unit to form a New Dexus stapled security
- Unstapling all of the units in DDF, DIT and DOT
- Listing DPT on the ASX and the delisting (and expected deregistration) of DDF, DIT and DOT

The change in the stapled structure, from four stapled trusts to two, requires the Directors to reassess which trust is the deemed parent for the purpose of preparing consolidated financial statements for Dexus post Simplification. As DDF (the existing parent) will be de-stapled and become a subsidiary of DPT, the Directors need to consider whether DPT or DXO is the deemed parent.

Dexus has determined that DPT will be the deemed parent of Dexus post Simplification, on the basis that:

- DPT, although being a newly established trust, will be the legal parent and vehicle for owning the interests in DDF, DIT and DOT
- DPT and its Subsidiaries will represent 97% of the equity and 94% of total assets of Dexus at 31 December 2020, and is larger in relative size than DXO

A change in deemed parent is not expected to have any significant impact on Dexus's consolidated financial statements, other than parent entity disclosures and the measure of earnings per unit attributable to the parent. The proposed Simplification will be viewed as a capital reorganisation as it is merely a change in the legal structure of the Group. There will be no change to the assets and liabilities of the Group on implementation of the Simplification, excluding the impact of Transaction Costs.

As the Simplification will be accounted for as a capital reorganisation this will result in the following:

- The consolidated financial statements will be presented as a continuation of the existing group under a new legal structure
- DPT will replace DDF as the accounting parent for the purpose of preparing Dexus's consolidated financial statements
- The stapled units in DPT and DXO will be classified as equity
- The equity attributable to DPT will be presented separately from the interests in DXO

## 4. Financial information

The Directors do not expect there to be any material changes to the debt platform as a result of the Simplification:

- The external USD denominated debt facilities and cross currency interest rate swaps will continue to sit within DDF and interest rate swaps will continue to sit within DOT
- There is no intention to change material terms, terminate or dispose of any financial instrument, debt or derivatives within the Group
- The Simplification is not expected to trigger any modification or cancellation clauses under existing agreements with debt providers that would substantially affect the cash flows from these arrangements

The Directors expect that the existing terms of the securities-based payment arrangements will remain in place with changes limited to reflect the change in the Dexus Stapled Securities in line with the proposed Simplification. As set out in Section 7.7, no other changes are expected to be made to the terms of the arrangements, such as changes to service requirements, performance hurdles, number of securities to be awarded or exercise prices.

### 4.4 Historical and Pro Forma Historical Financial Information

The following sets out the Historical Financial Information, the pro forma adjustments that have been made to it (further described in Section 4.6 of this Document) and the Pro Forma Historical Financial Information as at 31 December 2020.

The Historical Financial Information has been extracted from Dexus's interim consolidated financial statements for the half year ended 31 December 2020 ("**Interim Report**"), which were reviewed by PricewaterhouseCoopers in accordance with AAS. PricewaterhouseCoopers issued an unmodified review conclusion on the Interim Report.

The Pro Forma Historical Financial Information is intended to be illustrative only and will not reflect the actual position and balances of Dexus as at the date of this Document or post-implementation of the Simplification. The Financial Information has been prepared in accordance with the principles and significant accounting policies set out in Section 4.7 of this Document.

31 December 2020	Pro Forma			Pro Forma Historical Financial Information (\$ millions)
	Historical Financial Information (\$ millions)	Subsequent events arising from ordinary activities <sup>1</sup> (\$ millions)	Implementation and execution of the Simplification (\$ millions)	
<b>Current assets</b>				
Cash and cash equivalents	47.3	–	–	47.3
Receivables	165.4	–	0.3 <sup>7</sup>	165.7
Non-current assets classified as held for sale	285.9	–	–	285.9
Inventories	126.6	–	–	126.6
Derivative financial instruments	39.2	(24.2) <sup>2</sup>	–	15.0
Current tax receivable	28.1	–	–	28.1
Other	41.4	–	–	41.4
<b>Total current assets</b>	<b>733.9</b>	<b>(24.2)</b>	<b>0.3</b>	<b>710.0</b>
<b>Non-current assets</b>				
Investment properties	8,165.2	–	–	8,165.2
Plant and equipment	12.1	–	–	12.1
Right-of-use assets	11.6	–	–	11.6
Inventories	36.7	–	–	36.7
Investments accounted for using the equity method	7,749.2	43.4 <sup>3</sup>	–	7,792.6
Derivative financial instruments	339.2	–	–	339.2
Intangible assets	334.3	–	–	334.3
Other financial assets at fair value through profit or loss	0.4	–	–	0.4
Loans to related parties	29.8	–	–	29.8
<b>Total non-current assets</b>	<b>16,678.5</b>	<b>43.4</b>	<b>–</b>	<b>16,721.9</b>
<b>Total assets</b>	<b>17,412.4</b>	<b>19.2</b>	<b>0.3</b>	<b>17,431.9</b>

	Pro Forma			
	Historical Financial Information (\$ millions)	Subsequent events arising from ordinary activities <sup>1</sup> (\$ millions)	Implementation and execution of the Simplification (\$ millions)	Pro Forma Historical Financial Information (\$ millions)
<b>31 December 2020</b>				
<b>Current liabilities</b>				
Payables	175.4	–	–	175.4
Interest bearing liabilities	324.6	(324.6) <sup>4</sup>	–	–
Lease liabilities	4.6	–	–	4.6
Derivative financial instruments	11.1	–	–	11.1
Provisions	335.5	(313.6) <sup>5</sup>	–	21.9
Other	5.6	–	–	5.6
<b>Total current liabilities</b>	<b>856.8</b>	<b>(638.2)</b>	<b>–</b>	<b>218.6</b>
<b>Non-current liabilities</b>				
Interest bearing liabilities	4,175.7	780.9 <sup>6</sup>	35.3 <sup>7</sup>	4,991.9
Lease liabilities	17.7	–	–	17.7
Derivative financial instruments	50.5	–	–	50.5
Deferred tax liabilities	109.5	–	–	109.5
Provisions	2.5	–	–	2.5
Other	7.4	–	–	7.4
<b>Total non-current liabilities</b>	<b>4,363.3</b>	<b>780.9</b>	<b>35.3</b>	<b>5,179.5</b>
<b>Total liabilities</b>	<b>5,220.1</b>	<b>142.6</b>	<b>35.3</b>	<b>5,398.1</b>
<b>Net assets</b>	<b>12,192.3</b>	<b>(123.5)</b>	<b>(35.0)</b>	<b>12,033.8</b>
<b>Equity</b>				
Contributed equity	7,272.1	(117.0) <sup>8</sup>	–	7,155.1
Reserves	22.1	–	–	22.1
Retained profits	4,898.1	(6.5) <sup>9</sup>	(35.0) <sup>10</sup>	4,856.6
<b>Total equity</b>	<b>12,192.3</b>	<b>(123.5)</b>	<b>(35.0)</b>	<b>12,033.8</b>

**Notes**

- Except as disclosed in Section 4.6 of this Document, other transactions and events arising from Dexu's ordinary activities for the period from 1 January 2021 to the date of this Document are not reflected in the presentation of the Pro Forma Historical Financial Information.
- Fair value of derivative financial instruments closed out upon settlement of the USD Senior Notes (144A) facility referred to in Section 4.6(d) of this Document.
- Investment in Dexu Australian Logistics Trust No.3 to complete the transaction referred to in Section 4.6(c). Excludes the impact of the contracted divestments of Grosvenor Place, Sydney and 60 Miller Street, North Sydney and the contracted acquisitions of 84 Lahrs Road, Ormeau, 18 Motorway Circuit, Ormeau, 47 Acanthus Street, Darra and an additional interest in 1 Bligh Street, Sydney which had not settled as at the date of this Document.
- Repayment of the USD Senior Notes (144A) facility referred to in Section 4.6(d) of this Document.
- Distribution paid to Security holders on 26 February 2021 referred to in Section 4.6(a) of this Document.
- Transactions and events referred to in Section 4.6(a), Section 4.6(b), Section 4.6(c) and Section 4.6(d) of this Document will be funded utilising available headroom from existing debt facilities.
- Transaction Costs associated with the Simplification are estimated at \$35.3 million based on existing agreements, quotes and assessment applications (refer to Section 2.3 of this Document). Transaction Costs will be funded utilising available headroom from existing debt facilities. Any input tax credits (as applicable) incurred on the Transaction Costs are deemed to be recoverable under the Reduced Input Tax Credits (RITC) rules.
- On-market buy-back and cancellation of securities referred to in Section 4.6(b) of this Document.
- Aggregate of: (i) \$2.7 million revaluation loss on Dexu's 51% equity accounted investment in Dexu Australian Logistics Trust No.3, based on the fair value (excluding transaction costs) as at the date of settlement of 278 Orchard Road, Richlands referred to in Section 4.6(c) of this Document; and (ii) \$3.8 million fair value loss on close out of derivative financial instruments in connection with the USD Senior Notes (144A) facility referred to in Section 4.6(d) of this Document.
- The total amount of Transaction Costs to be expensed to the income statement are estimated at \$35.0 million (inclusive of non-recoverable GST).



## 4. Financial information

### 4.5 Pro forma capital structure

The following is a reconciliation of Dexu's capital structure as if the transactions and events referred to in Section 4.6, which are to take place on or before the date of this Document had occurred as at 31 December 2020.

	Directors' material assumptions	No. of securities in Dexu	Total contributed equity (\$ millions)
Opening balance		1,089,055,137	7,272.1
<b>Subsequent events arising from ordinary activities</b>			
On-market buy-back and cancellation of securities	Section 4.6(b)	(13,489,891)	(117.0)
<b>Pro forma</b>		<b>1,075,565,246</b>	<b>7,155.1</b>

### 4.6 Directors' material adjustments in the preparation of the Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared by the Directors of the Responsible Entity as if the following transactions and events, which are to take place on or before the date of this Document, had occurred as at 31 December 2020:

#### Subsequent events arising from ordinary activities:

- Payment of the distribution for the six months ended 31 December 2020 totalling \$313.6 million on 26 February 2021, funded utilising available headroom from existing debt facilities
- On-market buy-back and cancellation of securities publicly announced by Dexu during the period from 1 January 2021 to the date of this Document, in accordance with the continuous disclosure requirements of the Corporations Act 2001. The buy-back of securities has been funded utilising available headroom from existing debt facilities
- Dexu Australian Logistics Trust No.3 ("DALT3"), in which Dexu has a 51% interest, settled on the acquisition of an industrial property located at 278 Orchard Road, Richlands, Queensland on 5 March 2021 for \$90.4 million including associated transaction costs. Dexu provided its share of funds to DALT3 as part of a capital call to complete this transaction, funded utilising available headroom from existing debt facilities
- Repayment of a USD Senior Notes (144A) facility on 12 March 2021 of \$324.6 million. On maturity, derivative financial instruments with a fair value of \$24.2 million as at 31 December 2020 were closed out and derecognised, with a fair value loss of \$3.8 million recorded for the period between 1 January 2021 and the date of settlement. The net settlement amount was funded utilising available headroom from existing debt facilities

#### Implementation and execution of the Simplification:

- Transaction Costs of approximately \$35 million (inclusive of non-recoverable GST, if applicable) incurred in relation to the Simplification, funded utilising available headroom from existing debt facilities

Other than the impact of the pro forma transaction detailed in Section 4.6(e) the implementation of the Simplification will not result in any other change to the assets and liabilities of Dexu on implementation.

### 4.7 Significant accounting policies

A summary of significant accounting policies impacted by the Simplification and that have been adopted in the preparation of the Financial Information set out in Section 4.4, are provided as follows. These accounting policies should be read in conjunction with annual consolidated financial statements in the Dexu 2020 Annual Report and any public pronouncements made by Dexu to the date of this Document in accordance with the continuous disclosure requirements of the Corporations Act, which are available on Dexu's website at [www.dexu.com](http://www.dexu.com).

#### a. Use of estimates and judgements

The preparation of the Financial Information requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Dexu will make judgements, estimates and assumptions associated with the measurement of its financial assets, including estimating the loss allowance for assets measured at amortised cost and in measuring fair value. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### b. Stapling

Post-implementation of the Simplification, Dexu will be comprised of the New Stapled Securities. Dexu has determined that DPT will be the parent entity in the stapling arrangement and deemed acquirer of DXO.

Dexu is currently required to prepare half-year and annual consolidated financial statements for DDF and its consolidated entities (the consolidated group), DIT, DOT and DXO and have these reviewed or audited due to the entities being disclosing entities (listed on the ASX), registered schemes and the requirements of the trust deeds for each of the Dexu Trusts.

Post-implementation of the Simplification, Dexu will be required to prepare half-year and annual consolidated financial statements for:

- DPT and DXO on the basis they will each be disclosing entities and registered schemes
- DDF, DIT and DOT unless these schemes are deregistered at a later time, which is the intention of the Responsible Entity

For statutory reporting purposes, post implementation of the Simplification, Dexu will reflect the consolidated entity being DPT (the parent) and its controlled entities, comprising DXO, DDF, DIT and DOT (and their controlled entities).

The stapling arrangement between DPT and DXO will cease upon the earlier of the winding up of any of the stapled entities, or any of the entities terminating the stapling arrangement.

### c. Controlled entities

The consolidated financial statements will comprise the financial statements of Dexu and its subsidiaries. Subsidiaries are entities (including structured entities) over which Dexu has control. Subsidiaries will be consolidated under AASB10 on the basis that Dexu has control and Dexu will prepare consolidated financial statements.

Control is achieved when Dexu:

- Has the power to direct the activities of each respective investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect those returns

Dexu will reassess whether or not it controls each respective investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When Dexu has less than a majority of voting rights in an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. Dexu considers all relevant facts and circumstances in assessing whether or not Dexu's voting rights in each respective investee are sufficient to give it power, including:

- The size of Dexu's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Potential voting rights held by Dexu, other vote holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that Dexu has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous Security holders' meetings

Consolidation of a subsidiary begins when Dexu obtains control over the subsidiary and ceases when Dexu loses control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of Dexu and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of Dexu and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring the accounting policies used into line with Dexu's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members are eliminated on consolidation.

### d. Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in Dexu's share of net assets of the associate or joint venture since the acquisition date.

Dexu's share of net profit or loss is recognised in the statement of profit or loss from the date joint control commences until the date joint control ceases. Other movements in reserves are recognised directly in the consolidated reserves.

### e. Distributions

Dexu will distribute its income, in accordance with the Constitutions of each Dexu Trust and DPT, to Security holders at the discretion of the Responsible Entity. Distributions to Security holders are recognised directly in equity and presented in the statement of changes in equity. A distribution payable is recognised in the statement of financial position where the amount remains unpaid at the reporting date.

Dexu's distribution policy is to pay out distributions in line with free cash flows, for which AFFO is a proxy. There will be no change in Dexu's distribution policy arising from the Simplification.

### f. Australian Income Tax

Under current Australian income tax legislation, DDF, DIT and DOT should not be liable for Australian income tax provided that they satisfy certain legislative requirements, which are expected to be met. DPT should also not be liable for the Australian income tax provided these legislative requirements are also satisfied.

DXO satisfies the requirements to be a "public trading trust" under Australia's income tax legislation and is therefore liable for income tax. DXO has formed a tax consolidated group with its wholly owned and controlled Australian entities. As a consequence, these entities are taxed as a single entity for Australian income tax purposes.

For further information on the Australian tax consequences associated with the Simplification, see Section 6 of this Document.

### g. Australian Goods and Services Tax ("GST")

The issue or redemption of Units in Dexu will not be subject to GST.

DPT will be registered for GST. DPT may be required to pay GST on management and other fees, charges, costs and expenses incurred by DPT. However, DPT may be entitled to input tax credits and reduced input tax credits in respect of the GST incurred.

Revenues, expenses and assets are recognised net of the amount of GST, unless GST incurred is not recoverable from the ATO. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

## 5. Material risk factors

### 5.1 Overview

Dexus's business activities are subject to risks that are both specific to its business operations and to those of a general nature. Many of these risks are outside the control of the Responsible Entity, the Directors and management and if they were to eventuate, may adversely affect the future operating performance of, and the value of an investment in, Dexus.

This Section 5 describes what the Responsible Entity currently believes to be the material risks associated with an investment in Dexus, including an investment in DPT should the Simplification be implemented. Further information on the key risks facing Dexus are also set out on pages 22 to 25 in the Dexus 2020 Annual Report.

**It should be noted that Security holders are already exposed to these risks through their current interests in the Dexus Trusts. The underlying business and operations of Dexus will not change as a result of the Simplification, and the extent to which Security holders are exposed to these risks will not change as a result of, or following, the implementation of the Simplification and through their holding of New Stapled Securities.**

### 5.2 Material risks facing Dexus

Security holders should note that this Section 5 identifies the Directors' current views on the material risks of an investment in Dexus and it does not purport to be an exhaustive list of risks Dexus is exposed to.

The material risks relating to an investment in Dexus include the following:

#### a. General economic conditions

Dexus's operating and financial performance is influenced by a variety of general economic and business conditions, including the level of inflation, interest rates, commodity prices, ability to access funding, supply and demand conditions and government fiscal, monetary and regulatory policies. Prolonged deterioration in these conditions, including an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a material adverse impact on Dexus's operating and financial performance. In addition, higher than expected inflation rates generally or specific to the property sector could be expected to increase operating costs and development costs.

The property sector more generally may be adversely affected by a number of factors including: (i) rental income; (ii) macroeconomic factors such as interest rate movements and inflation; (iii) tenancy laws; (iv) market sentiment; (v) property affordability; and (vi) real estate development trends.

In particular, rental income and subsequently the value of real estate assets may be affected by a number of factors including:

- Rental income generated from the property and expenses incurred in the operations (including the recurring need to refurbish and make improvements to the properties)
- The deterioration of the local and international economy or in the property market in general
- Competition from other real estate assets
- Changes in interest rates and availability of corporate funding in the market
- Local property market conditions, such as oversupply, changes in market rental rates and increased vacancy rates
- Changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges

- External factors that may negatively impact Dexus, including major world events, such as war and terrorist attacks, an outbreak of a communicable disease or pandemic in Australia and other regions where Dexus operates, and acts of God including, but not limited, to floods, fire and earthquakes (some of which may be uninsurable or are unable to be insured economically)
- Unforeseen capital expenditures in order to maintain Dexus's properties in a condition appropriate for the purposes intended, and that such capital expenditure is not fully reflected in the financial forecasts

#### b. Equity market conditions

The market price of the Dexus Stapled Securities and New Stapled Securities will be affected by the financial performance of Dexus and also varied and often unpredictable factors influencing equity and credit markets generally. These factors include international stock markets, interest rates, domestic and international economic conditions, domestic and international political stability, investor sentiment, and the demand for equities generally.

#### c. Compliance and regulatory

Dexus operates in a highly regulated environment and is subject to a range of industry specific and general legal and other regulatory controls. Regulatory breaches may affect Dexus's operational and financial performance, through penalties, liabilities, restrictions on activities and compliance and other costs. In addition, changes in government and local government regulations and policies (including government land development, retail leases, privacy, real estate licensing, and tenancy laws) and delays in the granting of approvals or the registration of subdivision plans may affect the amount and timing of Dexus's future profits. Changes in income tax, goods and services tax or stamp duty legislation or other state or federal tax legislation or policy, particularly in regard to property development activity and investment in income producing property may adversely affect Dexus's profit.

Any removal of the concessions in respect of capital gains tax or relating to negative gearing of income producing properties could have an adverse effect on Dexus's sales or the value of its investments. Dexus constantly monitors these changes to taxation law and the impact of the changes is assessed by Dexus's taxation department as well as external experts where required. Due to the nature of Dexus's development operations, which can involve complex financing structures and joint venture arrangements, the ATO periodically reviews and queries the taxation treatment of various transactions, which could result in adverse tax outcomes being incurred.

Changes to the AAS could affect Dexus's reported earnings performance in any given period and its financial position from time to time.

#### d. Climate change

Dexus's failure to mitigate the impact of physical and transitional climate change impacts and associated legislative requirements could result in a portfolio that is not adequately resilient to these impacts and in turn result in reputational harm to Dexus. Dexus could face increased costs associated with energy and water efficiency and other costs associated with upgrading existing buildings to comply with new building codes or contractual obligations or litigation (if reporting requirements are not met).

In addition, failure to mitigate the impacts could result in lower rents and lower occupancy due to individual buildings being less competitive in their markets, causing lower relative valuations. Dexus would also be adversely impacted by a loss of market share if building designs do not address investor or community expectations or match competitor products on sustainability issues.

Dexus has built in a process to conduct annual assessments of asset exposure to the physical impact of climate change, however, prolonged adverse weather conditions may result in increased operating and capital expenditure, delays in construction and marketing and possibly deferral of revenue and profit recognition, which will adversely affect the financial condition and results of operation of Dexus.

#### e. Litigation

Legal and other disputes (including industrial disputes and class actions) may arise from time to time in the ordinary course of operations. Any such dispute may impact earnings or affect the financial performance and security value of Dexus's assets and may have a material adverse effect on Dexus's operations and any potential losses to Dexus may be significant.

#### f. General risk management systems and controls

Dexus relies on internal risk management control systems to appropriately manage various risks to which its business is subject. While there is segregation in hierarchy within the risk management systems and processes, there is a risk that these systems will prove ineffective due to human error, fraud, a breach of data security or inadequate processes across its operations. Depending on the nature and scale of a failure to maintain or update and implement an appropriate risk management system, such failures could have a material adverse effect on Dexus's operations and as a consequence the losses to Dexus may be significant.

#### g. Cyber security and data governance

Dexus's operations depend on the reliability and availability of its IT infrastructure networks. Dexus's IT systems may be vulnerable to a variety of interruptions due to events that may be beyond its control, including, but not limited to, natural disasters, terrorist attacks, telecommunication failures, computer viruses, phishing attacks, hackers and other security issues.

Any disruptions in an IT network which Dexus use or unexpected system or computer network interruptions could disrupt Dexus's operations and consequently its overall profitability.

#### h. COVID-19

The global outbreak of the COVID-19 pandemic ("**COVID-19**"), and the resulting challenges, has adversely impacted, and could continue to adversely impact, Dexus's financial result and Dexus's security price.

When the pandemic took hold in late March 2020, Dexus's number one priority was to ensure the health, safety and wellbeing of the people in its buildings.

The potential effects of COVID-19 on Dexus's business have resulted in, among other things, the implementation by Dexus of measures including, but not limited to, reduce costs and improve portfolio asset quality and diversification, while maintaining a strong balance sheet.

Any shutdown of Dexus's construction sites, renegotiation of claims in relation to Dexus's existing projects and contractual arrangements, interruptions to demand and supply chains globally, solvency issues experienced by certain counterparties to Dexus's contractual arrangements, short to medium term impact on development projects, longer-term impacts on the pipeline of Dexus's development projects, impacts on rental revenue in relation to Dexus's property investments, impacts on the valuation of assets, employee liabilities, delays in planned or potential divestment of assets or businesses by Dexus and changes to employee working arrangements, may all impact on Dexus's business, results of operations, financial condition and prospects.

Dexus's rental revenue and operating results are reliant on the occupancy levels of its properties. Dexus has actively supported the viability of its small business tenants most affected by the crisis through the provision of rent relief. This is consistent with the Commercial Code of Conduct and set of principles introduced by the National Cabinet in April 2020 and applied to commercial tenancies for small and medium enterprises experiencing financial stress.

Dexus may face certain difficulties in renewing lease agreements or executing new lease agreements at or above current market rates due to financial difficulties affecting current or prospective tenants. Dexus cannot predict how long the effects of COVID-19 will last. Commentary on working from home versus the office has increased as a consequence of the pandemic, but the impact on both near term and longer-term tenant leasing demand is not yet clear.

The events relating to COVID-19 have also resulted in market volatility including in the prices of securities trading on the ASX and on other foreign securities exchanges. Adverse changes in global equity or credit market conditions as a result of the uncertainty and downturn in economic conditions arising from COVID-19 may also adversely affect Dexus.

As COVID-19 is ongoing and evolving rapidly, there is no assurance that Dexus will not, in the future, experience more severe disruptions in the event that more stringent quarantine measures are imposed or if COVID-19 becomes more severe or protracted. This could, in turn, cause deterioration in investor confidence, the business, results of operations, financial conditions, and prospects of Dexus. The actual extent of COVID-19 and its impact on the domestic, regional and global economy remains uncertain, and the extent of the impact on Dexus's business, results of operations, financial condition and prospects will depend on, among other things, the duration of COVID-19 and the severity of the actual impacts of COVID-19 to the global economy.

To the extent COVID-19 adversely affects Dexus's business, results of operations, financial condition and prospects, it may also have the effect of heightening the materiality of the other risks described in this Section 5.

#### i. Forward-looking statements

Any forward-looking statements, opinions and estimates provided in this Document are based on assumptions, some of which are set out in this Document. Various factors, both known and unknown, may impact Dexus's performance and cause actual performance to vary significantly from what was expected. There can be no guarantee that Dexus will achieve its stated objectives or that any forward-looking statement will eventuate.



## 5. Material risk factors

### j. Illiquidity and returns from investments

Property assets by their nature are illiquid investments.

Therefore, in the event it may be necessary for the assets to be disposed in order to raise liquidity, it may not be possible to dispose of the assets in a timely manner or at an ideal price.

This in turn may impact a REIT's net tangible assets and/or the market price of the Dexus Stapled Securities. REITs with broad geographical diversity may be less exposed to this risk than those concentrated in one location.

Further, the value of capital growth and returns from property assets are subject to fluctuations dependent on property market conditions. Variations are also experienced across rental and occupancy levels as a result of changes in general economic conditions (including conditions relating to retail, office, logistics, healthcare and development assets). This risk is further exacerbated by a property owner or manager's ability to procure tenants and increase demand and interest for property from investors. Additional expenses associated with operating, refurbishing and maintaining properties may adversely influence the value of the assets in a property portfolio.

### k. Property leasing and counterparty credit risk

There is the risk that tenants default on their rent or other obligations required in connection with the lease, in addition to the risk of third parties (such as tenants, developers, service providers and financial counterparties) failing to perform their obligations or default on their payments. Should such risks materialise, income, book values, timings of projects and Dexus's financial condition may be adversely impacted.

There is also a risk that it may not be possible to negotiate lease renewals or maintain existing lease terms. If this occurs, income and book values may be adversely impacted. As noted, the National Cabinet also introduced a code of conduct applicable to commercial leases in response to COVID-19.

### l. Changing investor demand for property investments

The success of REITs is subject to the demand for property and listed property securities, which are inherently dependent on investor preferences for particular sectors and asset classes which may change over time.

### m. Changes in property values

Independent valuations are carried out for each individual property on a periodic basis to determine their fair market value. Due to the unknown external impacts to the property industry as a result of COVID-19, some of the independent property valuations obtained by the Group currently include significant valuation uncertainty clauses.

Changes in the fair market value of Dexus's properties determined by independent valuations may have an adverse effect on Dexus's financial results in the financial year where there is a significant decrease in the valuation of Dexus's properties. Any significant gains or losses will be included in Dexus's income statement and consolidated balance sheet, whether or not such properties are sold. Furthermore, property valuations may be affected by input assumptions in the valuation methodology including tenant information, property age, the location, expected future rental profiles, prevailing market conditions, capitalisation rates and discount rates.

### n. Insurance

Australian REITs purchase insurance that provides a degree of protection for its assets and liabilities and personnel. Such policies are in place to cover material damage of assets, contract works, business interruption, general and professional liability and staff compensation. However, not all risks are insurable; such uninsurable risks include nuclear, chemical or biological incidents and in some cases insurance may not be available due to economic conditions. Australian REITs may be subject to risks associated with the financial strength of its insurer to meet indemnity obligations, when required, which may have an adverse impact on earnings. If an uninsured loss occurs, the purchaser could lose both its invested capital in, and anticipated profits from, the affected property. Further, insurance may be materially detrimentally affected by economic or environmental conditions so that insurance becomes more expensive, or in some cases, unavailable.

### o. Taxation

Changes in tax law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted may impact the future tax liabilities of Dexus and/or Stapled Security holders. Under current income tax legislation, Dexus's "flow-through" trusts are generally not liable for Australian income tax, including CGT. Should the actions or activities of one of Dexus's "flow-through" trusts (or their controlled entities) cause the relevant trust to fall within the operative provisions of Division 6C of Part III of the Australian Tax Act, the relevant trust may be taxed on its (taxable) income at a rate which is currently equivalent to the corporate income tax rate of 30%.

Dexus's "flow-through" trusts currently qualify as withholding MITs such that the taxable part of the distributions to non-residents in certain jurisdictions, are generally subject to a withholding tax rate of 15%. Some requirements to qualify as a withholding MIT are outside of Dexus's control, including the requirement that no non-resident individual has a 10% or greater stake in the group. Although Dexus does not expect this to occur, if Dexus's "flow-through" trusts cease to qualify as withholding MITs then the rate of tax imposed on non-resident Security holders could increase.

The AMIT regime under the Australian Tax Act is intended to improve the operation of the taxation law for AMITs by increasing certainty, allowing greater flexibility, and reducing compliance costs. Dexus's "flow-through" trusts elected to be AMITs on and from 1 July 2016.

Under the AMIT regime it is not a requirement that Security holders be presently entitled to all of the income of a trust in order to prevent the trustee of the AMIT being subject to tax. The AMIT regime imposes the liability for income tax upon Security holders by reference to fair and reasonable allocations made by the trustee of the AMIT and continues to treat such trusts as "flow-through" trusts. The AMIT regime also includes provisions which can impose tax on the trustee of an AMIT<sup>13</sup>, including in respect of certain non-arm's length income or where the trustee fails to fully attribute the determined trusts components of the AMIT to Security holders.

13. Note that these provisions may apply to a qualifying MIT irrespective of whether an election to apply the AMIT regime has been made.



#### p. Environmental factors

Australian REITs are exposed to a range of environmental factors which may result in damage to the environment, project delays or additional expenditure. In such situations, they may be required to undertake remedial works and potentially be exposed to third party liability claims and/or environmental liabilities such as penalties and fines. Australian REITs are also subject to extensive regulation under environmental laws, including in respect of contamination and pollution. These laws may vary by jurisdiction and are subject to change and require continuous monitoring from a risk control perspective.

#### q. Time delays, capital expenditure and fixed nature of costs

Development approvals combined with slow decision making by counterparties, complex construction, adverse weather conditions, changes to design briefs and legal documentation, may give rise to unexpected delays in completion of projects, loss of revenue and cost overruns. Such delays may result in liquidated damages and termination of lease agreements and pre-sale agreements which may have a negative effect on a property developer's financial returns.

Unforeseen capital expenditure requirements to upkeep the quality of the buildings and tenants, along with the risk of the value of assets becoming adversely affected should the income from the assets decline and the fixed costs remain the same can occur from time to time and will impact a property's ability to generate returns.

Objections raised by community interest groups, environmental groups and neighbours may also delay the granting of planning approvals or the overall progress of a project motion. Major infrastructure requirements or unanticipated environmental issues may affect financial returns.

#### r. Cladding

Aluminium Composite Panelling ("ACP") has been identified in the cladding at some of Dexu's properties. Certain types of ACP can be flammable. Dexu has engaged external consultants to identify and remediate health and safety issues relating to the fabric of properties across the portfolio, including facades.

#### s. Building and workplace health and safety

Failure to ensure the safety and wellbeing of employees, customers, contractors and the public at Dexu properties could lead to death or injury to individuals at Dexu properties, reputational damage and loss of broader community confidence. It could also lead to costs or sanctions associated with a regulatory response, costs associated with criminal or civil proceedings and costs associated with remediation and/or restoration.

#### t. Acquisition risks and development activities

Adopting and executing a growth strategy which focuses on acquisitions and business opportunities is associated with certain risks. Dexu, at any time, may be undertaking due diligence on a number of potential acquisition opportunities both on its own account and with joint venture parties. In the event Dexu proceeds with a business opportunity and / or acquisition, there is a possibility that Dexu may not uncover all issues during the due diligence stage that may, at a later date, have a negative impact on Dexu's present or future financial condition.

Depending on the type of business opportunity and/or acquisition, the following specific risks may include: (i) low performance of the acquisition and/or business opportunity; (ii) capital expenditure required for any acquisition and/or business opportunity may exceed initial expectations; (iii) a breakdown with a joint venture partner or a downturn in the relevant local market conditions; and (iv) it may take a period of time before Dexu is able to realise the full benefits of the acquisition and/or business opportunity.

In addition, part of Dexu's business is to identify, analyse, invest in and/or manage property development projects ("Projects"). Dexu has several development projects currently underway. The Projects have inherent risks, including market risk, valuation risk, latent liabilities or contingencies emerge such as the existence of hazardous substances, for example asbestos or other environmental liabilities, completion delays and cost overruns further to those associated with acquisitions generally and aforementioned. Dexu typically obtains various performance guarantees from its contractors in respect of the Projects. This, however, fails to negate from the risks of a contractor failing to deliver the Project as agreed. Therefore, Dexu's earnings, cash flows and valuations in respect of the Projects may be negatively impacted by a number of factors including construction costs, contractor performance and solvency, scheduled completed dates and assumed post-completion occupancy increasing the risks of:

- Lack of income guarantee where Projects are only partially leased
- Failing to achieve anticipated rental rates
- Project delays for reasons beyond the control of Dexu
- Change in market conditions during the lifetime of any Project

Dexu has a pipeline of future and prospective Projects which are yet to commence, and in some instances necessary planning consents, licences, permits and approvals are to be secured, with no certainty that these approvals will be secured and/or that the Projects will be activated.

#### u. Third party capital partners

Dexu manages properties on behalf of several third party capital partners in its Funds Management business. A change in strategy and/or capacity of existing third party capital partners, the inability to attract new third party capital partners, the loss of confidence in Dexu's governance structure (including conflict management) and service delivery could result in the loss of the management of properties and a subsequent reduction in funds management income.

#### v. Business concentration

Dexu's property portfolio is concentrated in the central business districts of Australia's major cities, in particular Sydney, Melbourne and Brisbane. A high concentration of its properties in these Australian cities may entail a higher level of risk as compared to some competitors which have properties spread over a more diverse range of locations. A substantial portion of Dexu's earnings depend on the Sydney, Melbourne and Brisbane office property markets, which in turn are affected by general economic and business conditions. This exposes Dexu to the risk of a downturn in economic and real estate conditions in Australia and in particular Sydney, Melbourne and Brisbane. Any circumstance which adversely affects the operations or business of Dexu's Sydney, Melbourne and Brisbane properties or their attractiveness to tenants, may affect all of Dexu's Australian properties.

## 5. Material risk factors

### w. Current and future debt levels

Dexus has a significant amount of debt. The material consequences of having a significant amount of debt are the following:

- Dexus will need to use a substantial portion of cash from its operating activities to pay interest on its debt. The ability to generate sufficient cash from Dexus's operations to repay debt is subject to various factors including many beyond Dexus's control
- To the extent that facilities mature and are not replaced, extended or refinanced, Dexus will need to fund repayment of debt out of its operating cash flow, asset dispositions or equity raisings
- Dexus's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates may be limited because available cash flow after paying principal and interest on debt may not be sufficient to make the capital and other expenditures needed to address these changes
- Adverse economic, credit or financial market or industry conditions are more likely to have a negative effect on Dexus's business because, during periods in which Dexus experiences lower earnings and cash flow, it may be required to devote a proportionally greater amount of its cash flow to paying principal and interest on its debt
- Dexus may be at a competitive disadvantage to its competitors that have relatively less debt and have more cash flow available to devote to capital expenditures and other strategic purposes
- Dexus's ability to obtain financing in the future for its development program, working capital, capital expenditures, acquisitions or other purposes may be limited because of the restrictions contained in debt agreements
- Dexus's ability to make acquisitions and take advantage of significant business opportunities may be negatively affected if it needs to obtain the consent of its lenders to take any such action or if, because of existing debt levels, it is not able to obtain additional financing for these opportunities

If Dexus's cash flow and capital resources are not sufficient to make principal and interest payments on its debt and fund its working capital and other business needs, which may occur as a result of industry specific or general economic conditions or other events that are beyond its control, Dexus could be forced to:

- Reduce or delay scheduled capital expenditures or forgo other business opportunities
- Sell material assets or operations
- Raise additional equity capital
- Restructure or refinance its debt
- Undertake other protective measures

Some of these transactions could occur at times or on terms that are disadvantageous to Dexus. The incurrence of additional debt will increase the leverage risks discussed above. Dexus may incur substantial additional debt in the future.

### x. Refinancing requirements and lack of availability of capital (including debt finance) on favourable terms

Dexus operates in a sector which is highly capital intensive and therefore Dexus's ability to raise debt in the future is imperative. Incurring future debt on favourable terms is subject to a number of factors including general economic conditions, political, capital and credit market conditions and the reputation and performance and financial strength of Dexus's business. Fluctuations to these conditions may be out of Dexus's control and subsequent variations may have a negative impact on Dexus's financial condition and/or increase the cost and availability of capital. Dexus is also exposed to risks commonly associated with refinancing debt, such risks include, the credit or financial market becoming subject to adverse economic or industry conditions.

Dexus holds an investment grade credit rating from Standard & Poor's of A- (Stable) and holds an investment grade credit rating of A3 from Moody's. Any downgrade to Dexus's credit rating may impact access to capital, including under existing financing arrangements.

### y. Financing covenants

Dexus is subject to various covenants in relation to its debt facilities and is required to maintain certain ratios, such as gearing and interest coverage requirements, under its existing financial covenants. As of the date of this Document, Dexus was in compliance with all covenants under its debt facilities. However, should Dexus become non-compliant, this may have a negative impact on Dexus's financial condition, and on its ability to meet its debt obligations. For example, lenders may seek to exercise enforcement rights under debt documentation immediately which may have a material adverse impact on Dexus's performance and the execution of its business strategy.

### z. Organisational culture

Failure to maintain a respectful, open, and inclusive culture which reflects Dexus's purpose, values and diversity of thought may result in inappropriate conduct leading to reputational or financial loss. Decreased business performance, poor employer branding leading to inability to attract talent, regrettable employee turnover and associated increase to costs and reduced investor sentiment.

## 5.3 Material risks specific to the Simplification

As noted in Section 2.10 of this Document, implementation of the Simplification is subject to the receipt of certain determinations in respect of stamp duty payable under the Simplification. These determinations are expected to be obtained in the second or third quarter of calendar year 2021, however it is possible that they will not be obtained, may be issued on a basis different from the discussion set out in Section 6 of this Document or there may be delays to the approval which are not anticipated as at the date of this Document.

A summary of the consents and waivers being sought under the financing arrangements in connection with the Simplification is set out in Section 7.6 of this Document.

Failure to obtain the waiver referred to in respect of the hedging arrangements may impact on Dexus's ability to realise the potential cost savings of approximately \$0.5 million associated with the implementation of the Simplification.

Further information on these consents and waivers are set out in Section 7.6 of this Document.

## 6. Taxation information for Security holders

### 6.1 General

Set out in this section is a general summary of the Australian tax implications that should arise for Security holders as a result of the implementation of the Simplification.

It has been prepared on the basis that a Security holder holds their units in Dexu on capital account and not in the course of carrying on a business of trading in shares or units or where held by a Security holder as trading stock. It also does not consider the consequences for Security holders who:

- Are subject to the taxation of financial arrangement (TOFA) provisions in Division 230 of the Australian Tax Act
- Hold employee share scheme interests in respect of Dexu
- In respect of Foreign Security holders, who hold 10% or more of the units in Dexu on an associate inclusive basis during the relevant testing times (refer to Section 6.5)

This summary is necessarily of a general nature and does not purport to be a complete analysis to identify all potential tax consequences nor does it take into account the specific circumstances of each Security holder.

**The Board recommends that all Security holders seek professional taxation advice as to the tax consequences of the Simplification, and of holding securities in Dexu, having regard to their specific circumstances. Foreign Security holders will also need to consider any implications to them under the tax regimes of countries other than Australia. Nothing contained in this Document should be construed as the giving of, or be relied upon as, tax advice.**

This summary is based on current Australian taxation and stamp duty law as at the date of this Document. However, taxation issues are complex and taxation laws, their interpretation by the Courts and the associated administrative practices of the ATO and state revenue authorities may change over the term of an investment in units in Dexu.

### 6.2 Class Ruling

The Responsible Entity has applied for a Class Ruling for the benefit of Security holders. It is expected to be obtained in the second or third quarter of calendar year 2021. The expected income tax implications for Australian resident Security holders, sought to be confirmed in the Class Ruling are set out in Sections 6.3, 6.4 and 6.5.

A link to a finalised Class Ruling will be made available on Dexu's website following publication by the ATO.

### 6.3 Unstapling of the Target Dexu Trusts from DXO and subsequent stapling of DPT to DXO

No change in ownership of the units in the Target Dexu Trusts, DXO or DPT will arise, nor will any other CGT event occur, as a result of the unstapling or subsequent stapling (as applicable). It would instead constitute a contractual arrangement, which relates to the dealings in the units of the Target Dexu Trusts, DPT and DXO (as applicable).

Accordingly, neither the unstapling of the units in the Target Dexu Trusts from the units in DXO nor the subsequent stapling of units in DPT to the units in DXO, will result in a CGT liability for Security holders.

### 6.4 Australian income tax consequences for Australian resident Security holders

Australian resident Security holders who hold their Dexu Stapled Securities on capital account should be eligible to choose CGT rollover relief under Subdivision 124-M of the Australian Tax Act in respect of their disposal of units in the Target Dexu Trusts in consideration for DPT Units.

#### a. CGT event occurring on disposal of units in the Target Dexu Trusts

Under the Simplification, each Australian resident Security holder will be entitled to receive the units in DPT in exchange for their units in the Target Dexu Trusts.

For CGT rollover to apply to disregard any capital gain that may be realised, Australian resident Security holders must choose to apply the CGT rollover provisions in Subdivision 124-M of the Australian Tax Act (assuming that the Responsible Entity receives the Class Ruling from the ATO confirming that such relief is available). In these circumstances:

- Any capital gain should be disregarded and not included in the Security holders income tax return for the FY21<sup>14</sup>; and
- The cost base and reduced cost base of a Security holder should be equal to the aggregate cost base of their units in the Target Dexu Trusts disposed of in exchange for each DPT Unit.

If a Security holder realises a capital loss on the disposal of their units in the Target Dexu Trusts, the Security holder would not be eligible to apply the provisions in Subdivision 124-M. For such Security holders, the cost base of the new DPT Units should be equal to the market value of those units on the Implementation Date.

#### b. Time of acquisition of each DPT Unit

Australian resident Security holders who choose to apply the CGT rollover provisions will be deemed to have acquired their units in DPT on the date that they acquired their original units in DDF, DIT and DOT. For Australian resident Security holders who realise a capital loss or who do not choose CGT rollover relief, the time of acquisition of the units in DPT will be the date of issue.

In each case, the acquisition date of the units in DXO will remain unchanged.

This may be relevant in respect of any subsequent disposal of New Stapled Securities by an Australian resident Security holder. If the Australian resident Security holder has held the relevant unit in DXO and/or DPT for at least 12 months (excluding the acquisition and disposal dates), then the Security holder may be entitled to a 50% CGT discount (where the Security holder is an individual or trust) or a 33⅓% CGT discount (where the Security holder is a complying superannuation entity or life insurance company). The CGT discount does not apply to a Security holder that is a company.

If the CGT discount applies, the Security holder must offset available capital losses against the capital gains then multiply the result by the relevant discount percentage to calculate the amount of their capital gain.

14. This assumes that the Simplification is implemented prior to the end of the financial year ended 30 June 2021.

## 6. Taxation information for Security holders

### 6.5 Australian income tax consequences – Foreign Security holders

#### a. Treatment of any capital gain or loss made by a foreign resident Security holder

A Foreign Security holder who is not a resident of Australia for tax purposes and who has not used their stapled units in Dexus at any time in carrying on a business through a permanent establishment in Australia should disregard any capital gain or capital loss from the implementation of the Simplification where those units are not “taxable Australian property” (e.g. taxable Australian property includes relevant interests in Australian real property).

More specifically, a Foreign Security holder should not be taxable in Australia in relation to any such capital gain (where arising) to the extent that the Foreign Security holder, together with its associates, does not hold, or did not hold, at least 10% of the units in the Target Dexus Trusts:

- At the time of the relevant CGT event; or
- Throughout a 12-month period within the 24 months before that relevant event

#### b. Cost base and reduced cost base of DPT Units

The first element of the cost base or reduced cost base of the DPT Units acquired by a Foreign Security holder under the Scheme will be equal to the aggregate cost base of their units in the Target Dexus Trusts disposed of in exchange for each DPT Unit.

### 6.6 Stamp Duty

No ad valorem stamp duty should be payable by Security holders on the disposal of units in the Target Dexus Trusts, or the acquisition of DPT Units pursuant to the Simplification.

A prima facie liability for DPT to pay stamp duty on the Simplification will arise in New South Wales, Western Australia, Queensland and Victoria but not in any other jurisdiction.

DPT has made applications for pre-determination that the Simplification will be eligible for corporate consolidation exemptions from any prima facie liability to pay stamp duty in each of New South Wales and Western Australia. Subject to approval of those applications (which is expected), no stamp duty should be payable by DPT in either of those States.

No exemption from stamp duty will be available in either Queensland or Victoria. It is currently estimated that the stamp duty payable by DPT following implementation of the Simplification will be \$11.6 million in Queensland and \$18.7 million in Victoria. These amounts have been estimated on the basis that the concessional rate of stamp duty for acquisitions of interests in listed entities will apply.

### 6.7 GST

Security holders should not be liable for (or be required to pay) GST on disposal of their units in the Target Dexus Trusts or on the acquisition of DPT Units pursuant to the Simplification.

### 6.8 U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard

The Dexus Trusts and DPT, when listed on the ASX, are Financial Institutions under the IGA entered into between the Australian and U.S. governments in relation to FATCA and under the CRS.

Investors (including existing Security holders being issued New Stapled Securities) may need to provide Dexus with a self-certification in relation to their FATCA or CRS status or other information and/or documentation. Dexus conducts due diligence on investors in the Dexus Trusts and DPT.

Dexus will report information in respect of certain Security holders and their holdings of Dexus Stapled Securities or New Stapled Securities in the Dexus Trusts and DPT (as relevant) to the ATO. Broadly, Dexus will report to the ATO information in respect of Security holders who are:

- U.S. citizens or residents
- Certain types of U.S. entities
- Certain types of non-U.S. entities that are controlled by one or more U.S. citizens or residents (pursuant to the IGA)
- Foreign resident individuals, certain types of foreign resident entities, and certain types of Australian entities that are controlled by one or more foreign residents (pursuant to the CRS)

If you are a Security holder and you do not provide Dexus with the required information or documentation upon request, Dexus may be required to report information in respect of you and your holding of Dexus Stapled Securities or New Stapled Securities in the Dexus Trusts and DPT (as relevant) to the ATO.

The ATO will share information reported to it by Australian financial institutions with the U.S. Internal Revenue Service or tax authorities of jurisdictions that have signed a relevant CRS Competent Authority Agreement.

For further information in relation to how Dexus’s due diligence and reporting obligations under the IGA and CRS may affect you, please consult your tax adviser.



## 7. Material contracts

This Section summarises:

- **The DPT Constitution**
- **The amendments proposed to the Constitutions of the Dexu Trusts to facilitate the Simplification**
- **Certain material contracts which DPT will enter into in connection with the Simplification, including existing material contracts that have been entered into by the Responsible Entity or its related entities and to which DPT will be joined as a party**
- **Amendments to the director employee incentive plans managed by the Group following implementation of the Simplification**

Dexu is a party to a number of other contracts that govern its operations, including in respect of its co-owned and joint venture assets and intra-group arrangements. There will be no changes to the terms of these arrangements (unless otherwise disclosed in this Section 7). If applicable, Dexu will continue to advise of relevant developments in respect of these contracts in accordance with its continuous disclosure obligations both prior to and following implementation of the Simplification.

### 7.1 DPT Constitution

The rights, powers and duties of the DPT Unit Holders and the Responsible Entity of DPT are governed by the terms of the DPT Constitution, as well as by the Corporations Act, ASIC rulings, the ASX Listing Rules (and applicable waivers, if any) and the general law relating to trusts. This is a summary only. A copy of the Constitution is available on the Dexu website.

The DPT Constitution will be broadly similar to the existing constitutions for DDF, DIT and DOT but is updated to align more explicitly with current ASIC policy and to remove redundant or outdated references. The information in this Section summarises the key provisions of the DPT Constitution. Capitalised but undefined terms in this Section take their meaning given in the DPT Constitution.

#### a. Key provisions to facilitate the Simplification

The DPT Constitution provides for DPT to be established either at the time of the settlement of \$100 in initial trust property, or by the issue of the DPT Units under the Simplification to the existing Security holders at a date determined by the Responsible Entity, after DXO has been unstapled, and the units held by Designated Foreign Unitholders have been transferred to the sale nominee (see Section 8.5 of this Document).

The consideration for the issue of those DPT Units to Security holders would be all the Target Dexu Trust Units. The Responsible Entity is empowered to do all things necessary to effect the transfer of the Target Dexu Trust Units to DPT, and the issue of DPT Units. The Responsible Entity then has power to staple the DPT Units to units in DXO and to take all necessary and convenient steps to have those new stapled securities quoted for trading on ASX.

The Responsible Entity may also assist with the sale of the New Stapled Securities that would have been held by Designated Foreign Unitholders if they had been able to participate in the Simplification, and the payment to them of the appropriate proceeds (see Section 8.5 of this Document). The Responsible Entity's powers to carry out the steps to effect the Simplification are broad, and encompass anything necessary or incidental to it, including under any related steps or documents.

#### b. Vesting of assets and nature of Units

The Responsible Entity holds the assets of DPT on trust on behalf of the DPT Unit Holders subject to the terms of the DPT Constitution.

The beneficial interest in the trust is divided into units. No DPT Unit confers an interest in any particular part of the trust or its assets. Subject to the DPT Constitution, the liability of a DPT Unit Holder in its capacity as such is limited to its investment in DPT, and a DPT Unit Holder is not required to indemnify the Responsible Entity or a creditor of the Responsible Entity against any liability of the Responsible Entity in respect of DPT.

#### c. Issue Price of DPT Units

The Responsible Entity may offer DPT Units (including as a component of the New Stapled Securities) at an issue price determined by the Responsible Entity provided that the aggregate of the issue price of that unit and the other securities to which it is stapled is equal to the Market Price (as defined in the Constitution) of a Stapled Security.

The Responsible Entity may also issue Units at an issue price where the aggregate of the issue price of that unit and the other securities to which it is stapled is less than the Market Price of a Stapled Security when the relevant conditions under ASIC Class Order [CO 13/655] are met, in the following cases:

- A placement of Units to a wholesale client
- Distribution reinvestment
- Any other issue at a discount allowed under the ASIC Class Order

While DPT is not listed, DPT Units may be issued at an issue price based on the trust's net asset value per unit adjusted for a reasonable estimate of transaction costs in acquiring corresponding assets.

The provisions dealing with powers to issue units and determine the issue price of units are complex. See the Constitution on Dexu's website at [www.dexu.com/EGM](http://www.dexu.com/EGM) for more information.

#### d. Powers of the Responsible Entity

Subject to the DPT Constitution, the Responsible Entity has all the powers that it is possible to confer on a trustee and has all the powers that are incidental to ownership of the assets of the trust as though it were the absolute and beneficial owner of the assets. In the exercise of its powers the Responsible Entity may, without limitation, acquire or dispose of any real or personal property, borrow or raise money, encumber any asset of the fund, incur any liability, guarantee any obligations of any person, enter into joint venture arrangements or fetter any power.

The Responsible Entity may appoint a person, including an associate of the Responsible Entity, as its delegate, attorney or agent to exercise its powers and perform its obligations.



## 7. Material contracts

### e. Rights of the Responsible Entity

The Responsible Entity or an officer or employee or associate of the Responsible Entity may:

- Be a Unit Holder
- Act in any fiduciary, vicarious or professional capacity, including without limitation as a banker, accountant, auditor, valuer, solicitor, independent contractor or other consultant or adviser to or representative, delegate, attorney or agent of the Responsible Entity or any Unit Holder or as an executor, administrator, receiver or trustee
- Have an interest in or enter into a contract or transaction with:
  - The Responsible Entity or an associate of the Responsible Entity
  - Any Unit Holder
  - Any other person, including one whose shares or other securities form an asset of the Fund
- Hold or deal in or have any other interest in an asset of the Fund

and may retain and is not required to account for any benefit derived by doing so.

### f. Responsibilities, liability and indemnities of the Responsible Entity

Except where the Corporations Act expressly provides otherwise, the Responsible Entity will not be liable to any DPT Unit Holder to any greater extent than the extent to which it is entitled to be and is in fact indemnified out of the assets of DPT actually vested in the Responsible Entity.

The DPT Constitution also expressly states that, except where the Corporations Act provides otherwise, the Responsible Entity is not responsible for any costs incurred:

- By any fraudulent or negligence, breach of duty or breach of trust or otherwise by any agent, attorney, custodian or delegate or any of their agents or delegates
- By relying on any notice, resolution, information, documents, forms or lists unless it reasonably believes such item not to be genuine or not to have been passed, executed or signed by the proper parties
- By any failure of any person to carry out an agreement with the Responsible Entity or an agent or delegate of the Responsible Entity

### g. Remuneration of the Responsible Entity

The Responsible Entity is entitled to receive out of DPT a fee calculated at the rate of 1.00% per annum of the gross asset value of DPT in relation to its proper performance of its duties under the DPT Constitution. The Responsible Entity's fee accrues daily is calculated on a monthly basis on the last day of each month, is payable in arrears on a monthly basis, and the Responsible Entity may waive the whole or any part of the remuneration which it would otherwise be entitled.

The Responsible Entity is a wholly owned subsidiary of DXO and as such the fee is eliminated on consolidation for accounting purposes.

The Responsible Entity is also separately indemnified and entitled to be reimbursed out of or have paid from the assets of DPT for all costs incurred in the proper performance of its duties, the exercise of its powers, the course of its office or in relation to the administration or management of DPT.

### h. Valuation of assets

The Responsible Entity may at any time cause the valuation of any asset of DPT. The assets are to be valued at its market value unless the Responsible Entity determines there is no market in respect of the asset or determines that the market value does not represent the fair value of the asset. If a valuation is used for the purpose of determining an issue price of DPT Units, the valuation must be reasonably current.

### i. Distributions

The DPT Constitution provides that distribution periods for DPT will be six month periods, ending on 30 June and 31 December in each year (or such other periods as the Responsible Entity may determine). The Responsible Entity must distribute all amounts to Unit Holders within 3 months of the end of each distribution period, unless the Responsible Entity determines that it is in the best interests of the Unit Holders to delay the distribution.

The Responsible Entity may at any time satisfy its distribution obligations to a Unit Holder in Units, rather than cash, and may retain any otherwise distributable amounts in satisfaction of any amounts payable to the Responsible Entity by the Unit Holder.

In determining the distributable income, the Responsible Entity does not have to take into account accounting standards or generally accepted accounting principles and practices which apply to trusts.

The Constitution includes provisions allowing DPT to operate under the AMIT regime. See Section 6 of this Document for more details of how an investment in DPT is taxed.

### j. Transfers of Units

While DPT is listed on the ASX, a transfer of a DPT Unit must be accompanied by a transfer of the corresponding number of stapled securities and be in accordance with the Listing Rules.

### k. Retirement and removal of the Responsible Entity

The Responsible Entity may retire and can be removed in accordance with the Corporations Act.

### l. Amending the Constitution

The Responsible Entity may replace or amend the Constitution in accordance with the Corporations Act.

### m. Term and termination

Following termination of DPT, the Responsible Entity must realise DPT's assets, pay any amounts due to it, pay all costs owed by it in its capacity as responsible entity of DPT and, subject to any direction in writing of all Unit Holders, distribute the net proceeds of realisation pro-rata among Unit Holders in accordance with the number of Units they hold.

The Responsible Entity may retain for as long as it thinks fit any part of the DPT assets which in its opinion may be required to meet any actual or contingent liability of the Responsible Entity or any amounts payable actually or contingently to it under the DPT Constitution.

### n. Meetings

Meetings of Unit Holders are regulated under the DPT Constitution and the Corporations Act. The DPT Constitution regulates quorum requirements, adjournments and polls while the Corporations Act regulates the calling of meetings, proxies, the manner in which meetings must be held and minutes.

### o. Complaints

If a Unit Holder is a retail client, the requirements under section 912A(2) of the Corporations Act for handling complaints will apply. Complaints by wholesale clients will be dealt with in accordance with any rules and regulations made by the Responsible Entity for that purpose from time to time, any complaints handling procedures in the Compliance Plan, and in accordance with the Constitution.

### p. Stapling

Existing provisions in relation to stapling include the following:

- **Power to staple Units:** the Responsible Entity is authorised to cause Units to be stapled to other securities
- **Stapled security register:** the Responsible Entity must maintain a stapled security register which must contain details of all stapled securities, the names of the stapled unit holders and the number of stapled securities held
- **Unstapling:** the Responsible Entity may unstaple Units with the approval by a special resolution of Unit Holders and the holders of each stapled entity
- **Restriction on issuance of Units:** while the Units are stapled, the Responsible Entity must not offer, issue (including upon the exercise of an option) or sell a Unit unless the same number of each security that is stapled to issued Units at that time is also offered, issued or sold to the same person at the same time
- **Reorganisation of Units:** the Responsible Entity must not consolidate, divide, cancel or otherwise reorganise any Units unless at the same time there is a corresponding consolidation, subdivision, cancellation or reorganisation of all securities to which it is stapled
- **Restriction on transfer:** while the Units are stapled the Responsible Entity may not register a transfer or transmission of any Unit other than as a part of the stapled security

## 7.2 Summary of amendments to Constitutions of the Target Dexus Trusts

### a. Key changes to facilitate the Simplification

It is proposed that provisions to the following effect are added to the Constitutions of the Target Dexus Trusts to facilitate the Simplification. If the Simplification is not approved, the Constitutions will remain unchanged.

#### Power to give effect to the Simplification

The Responsible Entity will have the power to determine the time and date at which the Security holders on the Register will be the persons entitled to participate in the Simplification, and to determine the time at which each step in the Simplification will occur (which must be the same time and date as determined for the same purpose in respect of each Target Dexus Trust) and to do all other things which the Responsible Entity considers necessary, desirable or reasonably incidental to give effect to the Simplification.

#### Appointment as agent and attorney

The Responsible Entity will be irrevocably appointed as the agent and attorney of each Security holder to apply for DPT Units on behalf of each Security holder, execute a transfer of units as required under the Simplification on behalf of each Security holder and execute all documents and do all things (including giving all consents) which the Responsible Entity reasonably considers are necessary or desirable to give effect to the Simplification.

#### Treatment of Foreign Security holders

The Responsible Entity may determine that a Foreign Security holder is a "Designated Foreign Unitholder" (as defined under the Constitution) and that it will not offer, issue or transfer DPT Units to that Foreign Security holder, having regard to:

- The number of Foreign Security holders in the jurisdiction of that Foreign Security holder
- The number and value of DPT Units that may be offered, issued or transferred to Foreign Security holders in the foreign jurisdiction
- The cost of complying with legal requirements and the requirements of any relevant regulatory authority applicable to the offer, issue or transfer in the foreign jurisdiction

In these circumstances, the Responsible Entity will be empowered to do all things necessary so that units held by Designated Foreign Unitholders in DDF, DIT and DOT are transferred to a sale nominee who will participate in the Simplification, sell the resulting New Stapled Securities, and pay to the former Security holders in cash the amount: (i) realised by selling the New Stapled Securities to which the Security holder would have been entitled if it had participated fully in the Simplification; or (ii) otherwise determined by the Responsible Entity to be equivalent to the value of the New Stapled Securities to which the Security holder would have been entitled if it had participated fully in the Simplification<sup>15</sup>.

15. See Section 8.5 for the way in which the Responsible Entity intends to deal with Ineligible Foreign Security holders consistently with these proposed amendments.

## 7. Material contracts

### Liability of Responsible Entity with respect to Simplification

The Responsible Entity has no liability beyond the assets of the Target Dexus Trusts to Security holders or former Security holders arising, directly or indirectly, from the Responsible Entity doing or refraining from doing any act (including the execution of a document) pursuant to or in connection with the implementation of the Simplification.

### b. Summary of other changes being made as part of the Simplification

It is also proposed that the Constitutions of the Target Dexus Trusts be amended as follows:

- **Removal of historical provisions:** historical provisions are proposed to be removed including references to the 2008 capital raising, 2009 capital raising and 2013 takeover bid provisions
- **Audited accounts:** provisions with respect to the requirement to prepare audited accounts and report as registered schemes are proposed to be removed
- **Liquidator:** a provision that ASIC prefers in scheme constitutions so that, if a trust is to be wound up because its liabilities exceed its assets or there is expected to be insufficient cash to meeting liabilities from assets as and when they fall due, the Responsible Entity may appoint a qualified liquidator to carry out the winding up and delegate to the liquidator the powers of the Responsible Entity under the constitution of the trust as necessary to facilitate winding up
- **Complaints handling:** updating the complaint handling provisions to reflect current laws such that complaints by retail Security holders must be dealt with by the Responsible Entity in accordance with the requirements of section 912A(2) of the Corporations Act

The remaining provisions of the Constitutions of Target Dexus Trusts will otherwise remain materially unchanged. Copies of the proposed amendments to the Constitutions are available on Dexus's website at [www.dexus.com/EGM](http://www.dexus.com/EGM).

### 7.3 Summary of amendments to constitution of DXO to facilitate the Simplification

It is proposed that changes to the following effect are made to the DXO Constitution in connection with the Simplification. If the Simplification is not approved, the Constitution will remain unchanged. A copy of the proposed amendments to the Constitution of DXO is available on Dexus's website at [www.dexus.com/EGM](http://www.dexus.com/EGM).

#### a. Change to facilitate the Simplification

The same changes to facilitate the Simplification in respect of Foreign Unitholders as described in clause 7.2(a) are to be made to the DXO Constitution. In addition, while the DXO Constitution already has provisions allowing it to operate as a stapled entity and to be unstapled from DDF, DIT and DOT as part of the Simplification, the Constitution does not explicitly state that the Responsible Entity may restaple DXO to DPT which will be a step in implementing the Simplification, so this is added.

### b. Summary of other changes being made as part of the Simplification

The DPT Constitution includes various updates as compared to the Constitutions for the Target Dexus Trusts (see Sections 7.1 and 7.2 of this Document). As DXO is to be stapled to DPT, the two trusts will need to have terms that govern its ongoing operation which are as far as practical the same, so that they can operate effectively as a stapled group, and changes are to be made to the DXO Constitution for that purpose. These include the changes described at 7.2(b).

### 7.4 Registry Agreement

The Registry provides the Responsible Entity with registry services under the Registry Agreement. This agreement applies to the Responsible Entity as a responsible entity of a specified list of schemes, currently being the four Dexus Trusts. The Responsible Entity will add DPT to this list by executing a Deed of Accession in the form set out in Schedule E to the Registry Agreement, or such other form as approved by the Registry.

As part of the Simplification, the Responsible Entity will also provide a notice of termination of the Registry Agreement in respect of the Target Dexus Trusts, with a notice period of 90 days applying to these terminations. There is no change of control provision that would be triggered by the Simplification, however the Registry may terminate the agreement for convenience on 90 days' notice.

### 7.5 Custody Agreements

Perpetual provides custodial services to the Responsible Entity in respect of each Dexus Trust in separate Custody Agreements that are each on the same terms. Perpetual as Custodian has no supervisory role in relation to the operation of the Dexus Trusts and is not responsible for protecting Security holder's interests. In accordance with the Custody Agreement, Perpetual has no liability or responsibility to Security holders for any act done or omission made.

No change of control provisions will be triggered in the Custody Agreements, so the Custody Agreement for DXO will continue following the implementation of the Simplification. DPT intends to enter into a new custody agreement on implementation of the Simplification to be on the same terms as the existing Custody Agreement.

### 7.6 Financing arrangements

Dexus has a number of existing financing arrangements on foot including bilateral debt facilities with banks, intra-group loan agreements, exchangeable note programmes, hedging arrangements, Australian and European medium term note programmes (noting that no notes have yet been issued under the European programme), US private placement arrangements and a commercial paper programme.

DPT may accede to some of these existing financing arrangements, including as guarantor, following implementation of the Simplification.

Under one hedging arrangement which the Responsible Entity and Dexus Finance Pty Ltd have entered, there is a representation and warranty that each of the Dexus Trusts are properly registered as a Managed Investment Scheme under the Corporations Act. The Responsible Entity has approached its hedging counterparty to seek a waiver for the representation and warranty to enable the Target Dexus Trusts to be deregistered as Managed Investment Schemes with ASIC.

## 7.7 Director and employee incentive plans

Dexus also maintains the following director and employee incentive plans, as summarised below:

- **LTIP:** Dexus established the Dexus Long Term Incentive Plan (“**LTIP**”) in 2013 as part of its executive remuneration strategy. Each award granted under the LTIP (“**LTI Awards**”) entitles the participant to be allocated the number of Dexus Stapled Securities comprised in each vested LTI Award at no cost in accordance with the LTIP, and subject to the satisfaction of vesting conditions by the relevant vesting date.
- **STIP:** Dexus established the Dexus Short Term Incentive Plan (“**STIP**”) in 2013 as part of its executive remuneration strategy. Each award granted under the STIP (“**STI Awards**”) entitles the participant to be allocated the number of Dexus Stapled Securities comprised in each vested STI Award at no cost in accordance with the STIP, and subject to the satisfaction of vesting conditions by the relevant vesting date.
- **NED FSRAP:** Dexus established the Dexus Non-Executive Director Fee Sacrifice Rights Acquisition Plan (“**NED FSRAP**”) in 2019 as part of its non-executive director remuneration strategy. Each award granted under the NED FSRAP (“**NED Award**”) entitles the participant to be allocated the number of Dexus Stapled Securities comprised in each vested NED Award at no additional cost in accordance with the NED FSRAP (noting that there is a reduced Director fee), and subject to the satisfaction of vesting conditions by the relevant vesting date.
- **ESOP:** Dexus established the Dexus Employee Securities Ownership Plan (“**ESOP**”) in 2016 as part of its employee remuneration strategy. The award granted under the ESOP (“**ESOP Awards**”) entitles the participant to be allocated the number of Dexus Trust Units with an aggregate equivalent cash value of \$1,000.00 at no cost in accordance with the ESOP (together, the “**Incentive Plans**”, with awards issued under them being “**Plan Awards**”).

The terms of each of the Employee Plans are described in the Remuneration Report on pages 67, 69 to 73 and 82 of the Dexus 2020 Annual Report.

If the Simplification is implemented, it is proposed that each award will entitle the participant to be allocated New Stapled Securities rather than Dexus Stapled Securities. Each participant in an Incentive Plan will otherwise hold the same number of awards on the same terms (including any vesting conditions) as applicable to the participant’s relevant Plan Awards prior to the Simplification.

## 8. Additional information

### 8.1 ASX waivers and confirmations

The Responsible Entity on behalf of itself as responsible entity of each Dexus Trust has been granted waivers and/or confirmations in respect of the following ASX Listing Rules.

Category	Waiver/condition
<b>Suitability for listing</b>	<ul style="list-style-type: none"> <li>– ASX Listing Rule 1.1, condition 1 – confirmation that the Simplified Group's structure and operations are appropriate for listing on the ASX.</li> <li>– ASX Listing Rule 1.1, condition 2 – confirmation that ASX has no objections to DPT's Constitution for the purposes of the ASX Listing Rules.</li> <li>– ASX Listing Rule 1.1, condition 20 – confirmation that the ASX will not require any additional evidence to allow ASX to be comfortable with the fame and character of the Directors.</li> </ul>
<b>Stapled Securities</b>	<ul style="list-style-type: none"> <li>– ASX Listing Rule 2.1, condition 1 and ASX Listing Rule 6.1 – confirmation that the terms of the Stapled Securities are appropriate and equitable for the purposes of ASX Listing Rule 6.1.</li> </ul>
<b>Constitutions</b>	<ul style="list-style-type: none"> <li>– ASX Listing Rule 6.12.3 – confirmation that the provisions of the constitutions of DDF, DIT and DOT relating to the divestment of ineligible foreign Security holders of their DXS Units are appropriate and equitable for the purposes of ASX Listing Rule 6.12.3.</li> </ul>
<b>Timetable</b>	<ul style="list-style-type: none"> <li>– Confirmation that the proposed timetable for the Simplification is acceptable to ASX.</li> </ul>
<b>Continuous disclosure obligations</b>	<ul style="list-style-type: none"> <li>– ASX Guidance Note 2 – confirmation that disclosure by one stapled entity in the Simplified Group will satisfy the disclosure obligations of the other stapled entity in relation to the same matter.</li> </ul>
<b>Standard stapled entity relief</b>	<ul style="list-style-type: none"> <li>– ASX Listing Rule 1.1, Condition 8 – a waiver to the extent necessary, on the basis that the value of a parcel of Stapled Securities will be greater than or equal to \$2,000, even though each parcel of securities on their own may have a value of less than \$2,000.</li> <li>– ASX Listing Rule 1.1, Condition 9 – a waiver to the extent necessary, so that DPT will not need to satisfy the profit test (ASX Listing Rule 1.2) or asset test (ASX Listing Rule 1.3), on the condition that Dexus satisfies ASX Listing Rules 12.1 and 12.2 at the time of admission of DPT to the official list.</li> <li>– ASX Listing Rule 2.1, Condition 2 – confirmation that the requirements of this condition are satisfied on the basis that the Stapled Securities will have a minimum price of at least \$0.20.</li> <li>– ASX Listing Rule 6.24 and clause 1 of Appendix 6A – a waiver so that the rates of a distribution announced by the Responsible Entity on a particular date in respect of Dexus need not be announced to ASX on that date or on the record date, on the condition the estimated distribution is advised to ASX on that date and the distribution rate is advised to ASX as soon as it becomes known.</li> <li>– ASX Listing Rule 8.10 – a waiver to the extent necessary to permit the Responsible Entity to refuse to register a transfer of a particular component of the Stapled Securities if not accompanied by a corresponding transfer of the other component of the Stapled Securities.</li> </ul>
<b>Disclosure relief</b>	<ul style="list-style-type: none"> <li>– ASX Listing Rule 1.1, condition 3 – confirmation that the issue of an explanatory memorandum which will comply with Listing Rule 1.4 (except as waived) will be sufficient instead of a product disclosure statement.</li> <li>– ASX Listing Rule 1.4.2 – a waiver from the requirement for the explanatory memorandum to contain a statement that it contains all the information that would be required for inclusion under section 1013C of the Corporations Act.</li> <li>– ASX Listing Rule 1.4.7 – a waiver from the requirement for the explanatory memorandum to contain a statement that Dexus has not raised any capital for the three months before the date of issue of the explanatory memorandum and will not need to raise capital in the three months after the date of the explanatory memorandum.</li> </ul>

The Responsible Entity confirms that DPT's free float at the time of admission to the Official List will not be less than 20%.



## 8.2 ASIC relief

The Responsible Entity has been granted relief, modification or exemptions by ASIC from the following provisions of the Corporations Act:

Category	Corporations Act provisions
<b>Trust scheme</b>	<ul style="list-style-type: none"> <li>– Section 611, item 7 – relief from the applicable voting restrictions so that each Security holder and their associates may vote at the Meeting.</li> <li>– Division 5A of Part 7.9 – relief from the prohibition on unsolicited off-market offers to acquire financial products.</li> </ul>
<b>PDS relief</b>	<ul style="list-style-type: none"> <li>– Section 1012B – relief from the requirement to prepare a product disclosure statement in respect of the Simplification.</li> <li>– Section 1012C(6) – relief from the requirement to prepare a product disclosure statement in respect of the potential on-sale transfer of Stapled Securities in the 12 months following the unit subscription under the Simplification.</li> <li>– Division 2 of Part 7.7 – an exemption from the requirement to give a Financial Services Guide to Security holders who are retail clients in respect of any financial product advice contained in this Document.</li> </ul>
<b>Sale Facility</b>	<ul style="list-style-type: none"> <li>– Section 601FC(1)(d) – relief from the Responsible Entity's equal treatment obligations under section 601FC(1)(d) in relation to the cash-out of Ineligible Foreign Security holders.</li> </ul>
<b>Stapled security relief</b>	<ul style="list-style-type: none"> <li>– Sections 601FC, 601FD and 601FE – modifications to permit the Responsible Entity and the Directors to consider the interests of holders of Stapled Securities as a whole (rather than their interests solely as members of DXO or DPT).</li> <li>– Part 5C.7 – modifications to permit the Responsible Entity and the Directors, after implementation of the Simplification, to give financial benefits out of the assets of DPT to DXO and vice versa.</li> <li>– Section 1012D(3)(b) – modifications to permit the Responsible Entity to apply dividends and distributions payable in respect of each component of a Stapled Security to the acquisition of additional Stapled Securities.</li> </ul>

## 8. Additional information

### 8.3 Interests and benefits

#### a. Directors

The direct and indirect beneficial interests of the Directors in DexuS Stapled Securities as at the date of this Document are set out below:

Directors of the Responsible Entity	Interests pre implementation of the Simplification	
	Number of DexuS Stapled Securities held	Percentage of voting rights <sup>19</sup>
Richard Sheppard	100,000	0.000093%
Patrick Allaway	20,000	0.000019%
Penelope Bingham-Hall	32,773	0.000030%
Tonianne Dwyer	22,500	0.000021%
Mark Ford	10,000	0.000009%
Warwick Negus <sup>16</sup>	—	—
Nicola Roxon <sup>17</sup>	21,297	0.000020%
Peter St George	30,573	0.000028%
Darren Steinberg <sup>18</sup>	990,998	0.000921%
<b>Total</b>	<b>1,228,141</b>	<b>0.001142%</b>

If the Simplification is implemented, these Directors will receive one DPT Unit for each DexuS Stapled Security they hold at the Stapling Record Date.

The Directors (other than the CEO) may participate in the NED FSRAP maintained by the Group but not the LTIP, STIP or ESOP (each Plan is summarised in Section 7.7 of this Document).

#### b. Key Management

Key Management Personnel and other Executives may receive securities in DexuS pursuant to the LTIP and STIP, as described in Section 7.7 of this Document.

Other than as set out in this Document, no:

- Director
  - Person named in this Document and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Document
  - Promoter of DexuS
- currently holds, or has held in the two years before the date of this Document, an interest in:
- The formation or promotion of DexuS
  - Property acquired or proposed to be acquired by DexuS in connection with its formation or promotion, or in connection with the Simplification
  - The Simplification

and no amount (whether in cash, securities or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of DexuS or the Simplification or to any Director to induce them to become, or qualify as, a Director to procure acquisitions of interests in DexuS or for services provided under the Constitutions.

### 8.4 Foreign Security holders

No action has been taken to register or qualify the DPT Units or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

A Foreign Security holder is any Security holder on the Stapling Record Date whose address on the Register is a place outside of Australia and its external territories.

Restrictions in certain foreign countries may make it impractical or unlawful to offer or receive securities in those countries. Accordingly, not all Foreign Security holders will be eligible to receive DPT Units under the Simplification. A Foreign Security holder is eligible to receive DPT Units under the Simplification only to the extent the Responsible Entity determines that it is not prohibited and not unduly onerous or impractical to issue DPT Units to it under the Simplification (with such Foreign Security holders being Eligible Foreign Security holders).

16. Warwick Negus was appointed to the Board on 1 February 2021.

17. Nicola Roxon also holds rights granted under the NED FSRAP as maintained by the Group that grant her the right to 5,059 DexuS Stapled Securities, subject to the rules of the NED FSRAP.

18. Darren Steinberg also holds performance rights granted under the LTIP and STIP maintained by the Group that, in aggregate, grant him the right to 816,346 DexuS Stapled Securities, subject to satisfaction of certain vesting conditions as disclosed in the Remuneration Report.

19. Determined by reference to the number of DexuS Stapled Securities on issue as at the Last Practicable Date.

As at the date of this Document, the Responsible Entity has determined that Foreign Security holders in the following jurisdictions and who satisfy the applicable conditions below are Eligible Foreign Security holders:

- British Virgin Islands
- Canada
- Chile
- China where the Security holder is a (i) “qualified domestic institutional investors” as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth fund or quasi-government investment fund that has the authorisation to make overseas investments; or (iii) another type of qualified investor that has obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).
- European Union (France, Germany, Ireland, Italy and the Netherlands)
- Hong Kong
- Indonesia
- Israel
- Japan
- Malaysia
- New Zealand
- Qatar
- Singapore
- South Africa
- Switzerland
- Thailand
- United Arab Emirates
- United Kingdom
- United States of America
- Any other jurisdiction in respect of which the Responsible Entity reasonably believes that it is not prohibited and not unduly onerous or impractical to issue New Stapled Securities to Security holders (or a particular Security holder) with a registered address in such jurisdiction.

All other Foreign Security holders will be Ineligible Foreign Security holders and dealt with under Section 8.5 of this Document.

## 8.5 Sale Facility

### a. Overview

Ineligible Foreign Security holders will not receive DPT Units under the Simplification. Rather, the entire existing holding of Dexus Stapled Securities held by Ineligible Foreign Security holders will be transferred to the Sale Nominee pursuant to the terms of the Sale Facility. Dexus Stapled Securities will convert into New Stapled Securities under the Simplification. Under the Sale Facility, the Sale Nominee will be obliged to sell or procure the sale of all New Stapled Securities the Sale Nominee holds and remit the net proceeds to the Ineligible Foreign Security holders (see Section 8.5(b) of this Document).

### b. Determination of sale proceeds

Each Ineligible Foreign Security holder will participate in the Sale Facility and will receive an amount equal to the average price per New Stapled Security at which the Sale Nominee sold the New Stapled Securities under the Sale Facility, multiplied by the number of New Stapled Securities that the Ineligible Foreign Security holder would otherwise have been entitled to had they participated in the Simplification (subject to rounding to the nearest whole cent or if the amount calculated is exactly half a cent, subject to rounding down to the nearest whole cent). Any brokerage costs, fees and applicable taxes will be deducted from the proceeds of sale before being distributed to the Ineligible Foreign Security holders.

The sale price of New Stapled Securities and the proceeds that the Ineligible Foreign Security holder will receive cannot be guaranteed<sup>20</sup>.

The sale proceeds will not necessarily be the highest price at which the securities could be sold during the sale period. The Sale Nominee will sell or procure the sale of the securities in such manner, at such price or prices, at such times and on such other terms as the Sale Nominee determines in good faith (at the risk of the Ineligible Foreign Security holders) with the objective of achieving the best price reasonably available at the time of the relevant sale and bearing in mind:

- The total number of New Stapled Securities that participate in the Sale Facility
- The prevailing market conditions, including the prevailing price of New Stapled Securities on the ASX and the prevailing demand for those New Stapled Securities
- The desire to maintain an orderly market in New Stapled Securities over the period in which the sale process under the Sale Facility is to be completed
- Relevant requirements under the Corporations Act, ASX Listing Rules and other ASX rules

### c. Alternatives to participating in the Sale Facility

As an alternative to participating in the Sale Facility, Security holders who expect to be Ineligible Foreign Security holders on the Stapling Record Date may choose to sell their Dexus Stapled Securities on market by the last day of trading of Dexus Stapled Securities. There are a number of differences between selling ineligible Dexus Stapled Securities on market and participating in the Sale Facility, including:

- The price may be higher or lower
- Under the Sale Facility, Ineligible Foreign Security holders have no control over the sale proceeds they will receive
- Ineligible Foreign Security holders will need to wait until after the Sale Facility process is completed before they receive the sale proceeds
- Transfers and sales under the Sale Facility will only proceed if the Simplification is implemented (and subject to compliance with applicable law)

20. Up to date information on the market price of the Dexus Stapled Securities, which is subject to change from time to time, can be accessed on ASX's website at <https://www2.asx.com.au/markets/company/DXS>.

## 8. Additional information

### 8.6 Notice to Foreign Security holders/ selling restrictions

This Document does not constitute an offer of, or an invitation to buy, securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation and Foreign Security holders should be aware that the distribution of this Document (including an electronic copy) in jurisdictions outside Australia may be restricted by law. If a Security holder comes into possession of this Document in jurisdictions outside Australia, then that Security holder should seek advice on, and observe any such restrictions. If a Security holder fails to comply with such restrictions, that failure may constitute a violation of applicable securities laws. Dexus disclaims all liabilities to such persons.

#### a. British Virgin Islands

This Document may only be distributed to existing Security holders from outside the British Virgin Islands and DPT Units may only be issued to existing Security holders.

#### b. Canada

This Document may be distributed, and the DPT Units issued, in Canada to existing Security holders in reliance upon exemptions from the prospectus and registration requirements of the applicable Canadian securities law in each province and territory of Canada. No securities commission in Canada has reviewed or in any way passed upon this Document or the merits of the Simplification.

#### c. Chile

This Document may only be distributed in Chile to existing Security holders. This Document deals with securities not registered in the Registry of Securities or in the Registry of Foreign Securities of the Chilean Securities and Insurance Superintendence ("**SVS**"), and therefore such securities are not subject to its oversight. Dexus is not obligated to provide public information in Chile regarding its foreign securities since such securities are not registered with the SVS.

#### d. China

This Document does not constitute a public offer of securities, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The DPT Units may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorisation to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

#### e. European Union

This Document may only be distributed in the European Union to existing Security holders. This Document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Document may not be made available, nor may the DPT Units be offered for sale in the European Union, except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union.

#### f. Hong Kong

**WARNING:** The contents of this Document have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Simplification.

If you are in any doubt about any of the contents of this Document, you should obtain independent professional advice.

This Document does not constitute an offer or invitation to the public in Hong Kong to acquire an interest in or participate in a collective investment scheme. This Document also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Document in Hong Kong, other than to persons who are "professional investors" (as defined in the Securities and Futures Ordinance ("**SFO**") and any rules made thereunder) or in other circumstances that do not result in this Document constituting an invitation to the public of Hong Kong for the purpose of the SFO.

Copies of this Document may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this document, or any offer or an invitation in respect of the document, to the public in Hong Kong. This Document is for the exclusive use of Security holders in connection with the Simplification, and no steps have been taken to register or seek authorisation for the issue of this document in Hong Kong.

This Document is confidential to the person to whom it is addressed and no person to whom a copy of this document is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this document to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration by the person to whom this Document is addressed.

### g. Indonesia

A registration statement with respect to the Simplification has not been, and will not be, filed with the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) of the Republic of Indonesia. Therefore, any securities offered under this Document may not be offered or sold or be the subject of an invitation for subscription or purchase. Neither this Document nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the DPT Units may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered a "public offer" under the law and regulations in the Republic of Indonesia. This Document is only being distributed in Indonesia to existing Security holders.

### h. Israel

This Document may only be distributed in Israel to existing Security holders. The DPT Units have not been registered, and no prospectus will be issued, under the Israeli Securities Law 1968. Accordingly, the DPT Units will only be issued to existing Security holders and may not be offered and sold in Israel except pursuant to an applicable private placement exemption namely, any offer of securities will be made to no more than 35 offerees.

This Document and any activities in connection with the Simplification shall not be deemed to be the provision of investment advice or investment marketing services. If any recipient in Israel of this Document is not the intended recipient, such recipient should promptly return it to the Responsible Entity.

This Document has not been reviewed or approved by the Israeli Securities Authority in any way.

### i. Japan

This Document does not constitute an offer of any securities in Japan. The DPT Units have not been, and will not, be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL"). Accordingly, the DPT Units may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to exemption from the registration requirements of, and in compliance with, the FIEL and any applicable laws and regulations of Japan.

### j. New Zealand

This Document is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013. Any offer of DPT Units is being made to existing Security holders of Dexu in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Document may not contain all the information that a disclosure document is required to contain under New Zealand law.

### k. Qatar

This Document is provided on an exclusive basis to a specifically intended recipient and for the recipient's personal use only. This Document may only be distributed from outside Qatar to existing Security holders of Dexu.

Nothing in this Document constitutes an offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or any attempt to do business as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Document and any related document have not been reviewed, approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar.

Recourse against Dexu or others involved with the Simplification may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and the Qatar Financial Centre.

Any distribution of this Document by the recipient to third parties in State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

### l. Singapore

This Document and any other document relating to the Simplification have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and the Simplification is not regulated by any financial supervisory authority under any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act, Cap. 289 (the "SFA") will not apply.

This Document and any other document in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of securities offered under the Simplification may not be offered, sold or distributed, or be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the SFA or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

This Document is being furnished to existing Security holders on a confidential basis and solely for their information and may not be reproduced, disclosed, or distributed to any other person.

Nothing in this Document constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Dexu is not in the business of dealing in securities or hold itself out or purport to hold itself out to be doing so. As such, Dexu is neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.



## 8. Additional information

### m. South Africa

This Document has not been approved or passed on in any way by the Financial Services Board or any other governmental authority in South Africa, nor has the Responsible Entity received authorization or licensing from the Financial Services Board or any other governmental authority in South Africa to market or sell any securities within South Africa.

This Document is strictly confidential and may not be reproduced or provided to any person in South Africa other than to existing Security holders.

### n. Switzerland

No securities of Dexus will be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Document nor any other document relating to the DPT Units may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Document nor any other document relating to the DPT Units have been, or will be, filed with or approved by any Swiss regulatory authority. This Document is personal to the recipient only and not for general circulation in Switzerland.

### o. Thailand

This Document is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This Document has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this Document and any other document relating to the offer, sale or invitation for subscription or purchase, of the DPT Units may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public of Thailand. This Document may only be distributed in Thailand to existing Security holders.

### p. United Arab Emirates

This Document does not constitute a public offer of securities in the United Arab Emirates and the DPT Units may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this Document nor the DPT Units have been approved by the Securities and Commodities Authority or any other authority in the UAE.

This Document may be distributed in the UAE only to existing Security holders and may not be provided to any person other than the original recipient. Information about the Simplification may be found in this Document. If a recipient of this Document ceases to be a Security holder at the time of implementation of the Simplification, then such person should discard this Document and may not receive DPT Units.

No marketing of the DPT Units has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market).

### q. United Kingdom

This Document may only be distributed in the United Kingdom to existing Security holders. Neither this Document nor any other document relating to the DPT Units has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Simplification.

This Document does not constitute an offer of transferable securities to the public within the meaning of the Prospectus Regulation (2017/1129/EU) or the FSMA. Accordingly, this Document does not constitute a prospectus for the purposes of the Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the Simplification has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Responsible Entity.

In the United Kingdom, this Document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Document or any of its contents.

### r. United States of America

The DPT Units have not been registered under the U.S. Securities Act of 1933 and neither the U.S. Securities and Exchange Commission, any state securities commission nor any other regulatory authority, has approved or disapproved the DPT Units nor have any of the foregoing authorities passed judgment upon or endorsed the merits of the transaction or the accuracy or adequacy of this Document.

## 8.7 Privacy

In communicating with the Registry and the Responsible Entity, you may be requested to provide personal information. The Responsible Entity, and the Registry on its behalf, collect, hold and use your personal information to service your needs as a Security holder, provide facilities and services that you request and carry out appropriate administration. If you do not provide your personal information, the Responsible Entity and the Registry may not be able to service your needs as a Security holder.

The Corporations Act requires information about Security holders (including name, address and details of holdings of securities) to be included in the Register. The information must continue to be included in the Register if you cease to be a Security holder.

The Responsible Entity and the Registry may disclose your personal information for purposes related to your investment to their related entities, agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

- The Registry for ongoing administration of the Register
- A regulatory agency in compliance or purported compliance with regulatory obligations
- Printers and other companies for the purpose of preparation and distribution of documents and for handling mail
- Market research companies for the purpose of analysing the Security holder base and for product development and planning
- Legal and accounting firms, auditors, management consultants and other advisors for the purpose of administering, and advising on, the Stapled Securities and for associated actions

The related entities, agents and service providers of the Responsible Entity may be located outside Australia where your personal information may not receive the same level of protection as that afforded under the Privacy Act and you may not be able to seek redress under the Privacy Act.

You may request access to your personal information held by or on behalf of Dexu. You can request access to your personal information or obtain further information about Dexu's privacy practices by contacting the Registry. You may be required to pay a reasonable charge to the Registry in order to access your personal information. The Responsible Entity will aim to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Registry if any of the details you have provided change. In accordance with the requirements of the Corporations Act, information on the Register will be accessible by members of the public.

If you hold Dexu Stapled Securities on the Register, please contact us on the Information Line on +61 1800 819 675 from 8.30am until 5.00pm (Sydney time) Monday to Friday (excluding public holidays) if you do not consent to the Responsible Entity using or disclosing your personal information in these ways. By investing in Dexu, you will be taken to have consented to these uses and disclosures.

## 8.8 Availability of documents

Dexu is a disclosing entity for the purposes of the Corporations Act. As such, Dexu is subject to regular reporting and continuous disclosure obligations.

These obligations require Dexu to notify ASX of information about specified matters and events as they arise for the purpose of ASX making that information available to participants in the market. Once Dexu becomes aware of any information concerning it which a reasonable person would expect to have a material effect on the price or value of a Dexu Stapled Security or New Stapled Security (as applicable), Dexu must (subject to limited exceptions) immediately tell ASX that information.

Publicly disclosed information about all ASX-listed entities, including Dexu, is available on the ASX website [www.asx.com.au](http://www.asx.com.au). Publicly disclosed information about Dexu is also available at its website [www.dexu.com](http://www.dexu.com). Additionally, copies of documents lodged with ASIC in relation to Dexu may be obtained from or inspected at ASIC. Please note ASIC may charge a fee in respect of such services.

The following documents are available for inspection free of charge prior to the Meeting during normal business hours at the Australian registered office of the Responsible Entity (see the Corporate Directory):

- This Document
- The Constitutions (including the amendments proposed to the Dexu Trust Constitutions summarised in Section 7)
- The Custody Agreement
- The Registry Agreement
- Dexu's 2020 Annual Report (which includes the 2020 Remuneration Report)
- Any public announcement of Dexu lodged after the latest annual report for FY20 and before the date of this Document
- Any trust deed affecting the governance of Dexu or the interest of Security holders

The annual and half yearly reports, and public announcements referred to above, are also available at Dexu's website [www.dexu.com](http://www.dexu.com).

## 8.9 Statement of Directors

Except as set out in this Document, so far as the Directors are aware, there is no other information material to the making of a decision on how to vote in relation to the Resolutions, being information that is within the knowledge of any Director which has not been previously disclosed to Security holders.

Each Director has provided written authorisation of this Document and for it to be signed for them and on their behalf, by Brett Cameron and Darren Steinberg.

Signed on 23 March 2021 for and on behalf of each of the Directors pursuant to a written authorisation.



**Brett Cameron**  
Company Secretary



**Darren Steinberg**  
CEO and Executive Director

## 9. Glossary

Defined term	Meaning
\$	Australian dollars, being the lawful currency of Australia.
AAS	Australian Accounting Standards and other authoritative announcements issued by the AASB.
AASB	Australian Accounting Standards Board.
ABN	Australian Business Number.
ACN	Australian Company Number.
Acquisition Resolution	The resolution set out in the Notice of Extraordinary General Meeting that is required to be approved by Security holders at the Meeting in respect of the acquisition by DPT (or its nominee) of units in the Target Dexus Trusts.
AFFO	Adjusted Funds From Operations, calculated in line with the Property Council Guidelines, being FFO adjusted for maintenance capital expenditure, cash and cash equivalent incentives (including rent free incentives) given to tenants during the period and other one-off items which have not been adjusted in determining FFO.
AFSL	Australian Financial Services Licence issued under the Corporations Act.
Amendment Resolution	The resolution set out in the Notice of Extraordinary General Meeting that is required to be approved by Security holders at the Meeting in respect of the amendments required to the Constitutions of each of DXO, DDF, DIT and DOT.
AMIT	Attribution managed investment trust as defined in section 276-10 of the Australian Tax Act.
ARSN	Australian Registered Scheme Number.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) and, where applicable, the Australian securities exchange operated by ASX Limited.
ASX Guidelines	ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, as amended from time to time.
ASX Listed	The official quotation by the ASX of the Dexus Stapled Securities or the New Stapled Securities, as the context requires.
ASX Listing Rules	The listing rules of the ASX, and other rules of the ASX which are applicable to Dexus while it is ASX Listed, as amended from time to time.
ATO	Australian Taxation Office.
Auditor	The auditor of Dexus's interim half-yearly financial report and annual financial report, being as at the date of this Document, PricewaterhouseCoopers.
Australia	The Commonwealth of Australia.
Australian REIT	An Australian domiciled real estate investment trust that is a Managed Investment Scheme.
Australian Tax Act	The <i>Income Tax Assessment Act 1997</i> (Cth) or the <i>Income Tax Assessment Act 1936</i> (Cth), as applicable.
Board	The board of Directors, as further detailed in Section 3.3(c) of this Document.
Business Day	A day on which the ASX is open for trading in securities and banks are open for general business in Sydney, Australia.
CGT	Capital gains tax.
CHESS	Clearing House Electronic Subregister System, operated under the Corporations Act.

Defined term	Meaning
<b>Class Ruling</b>	The Class Ruling the Responsible Entity is applying for from the ATO in respect of the Simplification.
<b>Constitutions</b>	Constitutions of DPT and each of the Dexs Trusts and Constitution means any one of them.
<b>Control</b>	Has the meaning given by section 50AA of the Corporations Act.
<b>Controlled Entity</b>	In relation to any entity, another entity which is a Subsidiary of it, or which is Controlled by it.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>CRS</b>	OECD Common Reporting Standard for Automatic Exchange of Financial Account Information.
<b>Custody Agreements</b>	Each of the Custody Agreements entered into by the Custodian in favour of each of the Dexs Trusts and dated 1 March 2002 (as amended from time to time) and which DPT will enter into with the Custodian, as set out in Section 7.5 of this Document.
<b>Custodian</b>	In respect of each Dexs Trust and DPT, Perpetual.
<b>Dexs or Group</b>	Pre-implementation of the Simplification, Dexs or Group is a reference to DXFM, DDF, DIT, DOT, DXO and their Controlled Entities collectively. Post-implementation of the Simplification, Dexs or Group is a reference to DXFM, DXO and DPT and their Controlled Entities collectively.
<b>Dexs Finance</b>	Dexs Finance Pty Limited (ACN 110 473 786).
<b>Dexs 2020 Annual Report</b>	The annual report of Dexs for the financial year ended 30 June 2020, available at <a href="https://www.dexs.com/investor-centre/results-and-reporting/asx-announcements/2020/august/2020-annual-report">https://www.dexs.com/investor-centre/results-and-reporting/asx-announcements/2020/august/2020-annual-report</a> .
<b>Dexs Office Projects</b>	Dexs Office Projects Pty Limited (ACN 154 767 343).
<b>Dexs Projects</b>	Dexs Projects Pty Limited (ACN 134 991 932).
<b>Dexs Stapled Securities</b>	An ordinary, fully paid and stapled unit in the Dexs Trusts.
<b>Dexs Trust</b>	Each of DXO, DDF, DIT and DOT.
<b>DDF</b>	Dexs Diversified Trust (ARSN 089 324 541).
<b>Director</b>	A director of the Responsible Entity.
<b>DIT</b>	Dexs Industrial Trust (ARSN 090 879 137).
<b>Document</b>	This document dated 23 March 2021 in relation to the Simplification.
<b>DOT</b>	Dexs Office Trust (ARSN 090 768 531).
<b>DPT</b>	Dexs Property Trust (ARSN 648 526 470).
<b>DPT Constitution</b>	The constitution of DPT, as summarised in Section 7.1.
<b>DPT Unit</b>	An ordinary, fully paid unit in DPT.
<b>DWFL</b>	Dexs Wholesale Funds Limited (ACN 603 970 029).
<b>DWPL</b>	Dexs Wholesale Property Limited (ACN 006 036 442).
<b>DWML</b>	Dexs Wholesale Management Limited (ACN 159 301 907).
<b>DXH</b>	Dexs Holdings Pty Limited (ACN 110 366 946).
<b>DXFM</b>	Dexs Funds Management Limited (ACN 060 920 783).

## 9. Glossary

Defined term	Meaning
<b>DXPS</b>	Dexus Property Services Pty Limited (ACN 080 918 252).
<b>DXO</b>	Dexus Operations Trust (ARSN 110 521 223).
<b>DXO Unit</b>	An ordinary, fully paid unit in DXO.
<b>EBITDA</b>	Earnings before interest and tax, depreciation and amortisation.
<b>Eligible Foreign Security holder</b>	A Foreign Security holder in relation to whom the Responsible Entity has determined that it is not prohibited and not unduly onerous or impractical to issue DPT Units to it under the Simplification. A list of foreign jurisdictions (other than Australia) to which the Responsible Entity is satisfied they can issue securities is described in Section 8.4 of this Document.
<b>ESOP</b>	The employee securities ownership plan of Dexus as described in Section 7.7 of this Document.
<b>Executives</b>	Melanie Bourke (Chief Operating Officer), Brett Cameron (General Counsel and Company Secretary), Jonathan Hedger (Executive General Manager, Group Strategy), Stewart Hutcheon (Executive General Manager, Industrial, Retail and Healthcare) and David Yates (Executive General Manager, Investor Relations, Communications and Sustainability).
<b>FATCA</b>	United States of America Foreign Account Tax Compliance Act.
<b>Financial Information</b>	The Historical Financial Information and the Pro Forma Historical Financial Information as set out in Section 4 of this Document.
<b>FFO</b>	Funds From Operations calculated in accordance with the Property Council Guidelines, determined by adjusting statutory net profit (under AAS) for non-cash and other items such as property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of investment properties, straight-line rental adjustments, non-FFO tax expenses/benefits, certain transaction costs, one-off significant items, amortisation of intangible assets, movements in right of use assets and lease liabilities, rental guarantees and coupon income.
<b>Foreign Security holder</b>	A Security holder on the Stapling Record Date whose address on the Register is a place outside of Australia and its external territories.
<b>FY12</b>	The financial year ended 30 June 2012.
<b>FY20</b>	The financial year ended 30 June 2020.
<b>FY21</b>	The financial year ended 30 June 2021.
<b>GST</b>	Goods and services tax.
<b>Historical Financial Information</b>	The summarised historical consolidated statement of financial position of Dexus as at 31 December 2020 as set out in Section 4 of this Document.
<b>IGA</b>	Intergovernmental agreement entered into between the Australian and US governments in relation to FATCA on 28 April 2014.
<b>IFRS</b>	International Financial Reporting Standards as adopted by the International Accounting Standards Board.
<b>Implementation Date</b>	The date the Board determines to implement the Simplification.
<b>Incentive Plans</b>	The LTIP, STIP, NED FSRAP and ESOP, as summarised in Section 7.7 of this Document.
<b>Ineligible Foreign Security holder</b>	A Foreign Security holder who is not an Eligible Foreign Security holder.
<b>Information Line</b>	+61 1800 819 675 from 8.30am until 5.30pm (Sydney time) Monday to Friday (excluding public holidays).



Defined term	Meaning
<b>Key Management Personnel (KMP)</b>	Darren Steinberg (Chief Executive Officer), Deborah Coakley (Executive General Manager, Funds Management), Ross Du Vernet (Chief Investment Officer), Kevin George (Executive General Manager, Office) and Alison Harrop (Chief Financial Officer).
<b>Last Practicable Date</b>	Opening of trading on the ASX on Thursday 18 March 2021.
<b>Lodgement</b>	The lodgement of this Document with ASIC.
<b>LTIP</b>	The long term incentive plan of Dexu described in Section 7.7 of this Document.
<b>Managed Investment Scheme</b>	A managed investment scheme that has been registered by ASIC as a managed investment scheme under Chapter 5C of the Corporations Act.
<b>Material Subsidiaries</b>	Each of DXH, DXFM, DXPS, DWFL, DWML and DWPL, which are either directly or indirectly wholly owned by DXO.
<b>Meeting</b>	The meeting of Security holders to consider the Simplification to be held at 3:30pm (Sydney time) on Thursday, 22 April 2021, at Dexu Place, Level 5, 1 Margaret Street, Sydney, and any adjournment of that meeting.
<b>Meeting Date</b>	Thursday, 22 April 2021.
<b>MIT</b>	A managed investment trust under section 275-10 of the Australian Tax Act.
<b>NED FSRAP</b>	The non-executive Director fee sacrifice rights acquisition plan as described in Section 7.7 of this Document.
<b>New Stapled Securities</b>	A stapled security comprising one DXO Unit and one DPT Unit, stapled together as a result of the implementation of the Simplification, so that one may not be transferred or otherwise dealt with without the other.
<b>Notice of Extraordinary General Meeting</b>	The notice of extraordinary general meeting to be sent to Security holders by the Responsible Entity, as set out in Annexure A of this Document.
<b>Official List</b>	The official list of entities that the ASX has admitted and not removed from listing.
<b>Perpetual</b>	Perpetual Trustee Company Limited (ABN 42 000 001 007).
<b>Plan Awards</b>	The awards issued under each of the Incentive Plans, as summarised in Section 7.7 of this Document.
<b>PricewaterhouseCoopers</b>	PricewaterhouseCoopers (ABN 52 780 433 757).
<b>Privacy Act</b>	<i>Privacy Act 1988</i> (Cth).
<b>Pro Forma Historical Financial Information</b>	The pro forma historical consolidated statement of financial position of DPT post implementation of the Simplification as set out in Section 4.4 of this Document.
<b>Property Council Guidelines</b>	Version 2.1 of the Property Council of Australia's "Voluntary Best Practice Guidelines for Disclosing FFO and AFFO", published in May 2019 and available at <a href="http://www.propertycouncil.com.au">www.propertycouncil.com.au</a> .
<b>Proxy Form</b>	The proxy form prepared for the Meeting.
<b>Register</b>	The register of Security holders maintained by, or on behalf of, the Responsible Entity pursuant to Chapter 2C of the Corporations Act and in accordance with the Listings Requirements.
<b>Registry</b>	Link Market Services Limited, a private company duly incorporated in accordance with the laws of Australia.
<b>Registry Agreement</b>	The agreement between the Responsible Entity (on behalf of each of the Dexu Trusts) and the Registry in respect of the Dexu Stapled Securities dated 1 March 2016 (as amended from time to time), and to which DPT will accede, as set out in Section 7.4 of this Document.
<b>REIT</b>	Real estate investment trust.

## 9. Glossary

Defined term	Meaning
<b>Remuneration Report</b>	The remuneration report of Dexus for the financial year ended 30 June 2020, set out on pages 62 to 86 of the Dexus 2020 Annual Report.
<b>Resolutions</b>	The resolutions set out in the Notice of Extraordinary General Meeting that is required to be approved by Security holders at the Meeting in order to implement the Simplification.
<b>Responsible Entity</b>	Dexus Funds Management Limited (ABN 24 060 920 783) (AFSL 238163).
<b>Sale Facility</b>	The facility under which New Stapled Securities referable to Ineligible Foreign Security holders may be sold, as described in Section 8.5 of this Document.
<b>Sale Nominee</b>	Macquarie Securities (Australia) Limited (ABN 58 002 832 126) or any appointee of the Sale Nominee.
<b>Simplification</b>	The simplification (as described in this Document) is a restructure under which the quadruple stapled trust structure of Dexus will be replaced by a dual stapled trust structure. The key elements of the Simplification are set out in Section 2.2 of this Document.
<b>Simplified Group</b>	The group formed as a result of the Stapling of DXO Units to DPT Units as described in this Document, which will comprise DXO, DPT and their respective Controlled Entities.
<b>Stapling or Stapled</b>	The stapling of the DXO Units to the DPT Units to form the Simplified Group, such that the securities cannot be traded separately.
<b>Stapling Record Date</b>	The date allocated by the Responsible Entity to determine which Security holders are eligible to be issued DPT Units under the Simplification.
<b>STIP</b>	The short-term incentive plan of Dexus described in Section 7.7 of this Document.
<b>Sydney time</b>	Australian eastern standard time.
<b>Subsidiary</b>	Has the meaning given to that term in the Corporations Act.
<b>TFN</b>	Tax file number.
<b>Target Dexus Trusts</b>	DDF, DIT and DOT.
<b>Transaction Costs</b>	The transaction costs associated with the Simplification.
<b>Security holder</b>	A holder of Dexus Stapled Securities or a New Stapled Security, as the context requires depending on whether Stapling has occurred.
<b>Unstapling Resolution</b>	The resolution set out in the Notice of Extraordinary General Meeting that is required to be approved by Security holders at the Meeting in respect of the unstapling of all of the units in DXO, DDF, DIT and DOT.
<b>Voting Record Date</b>	7:00pm (Sydney time) on Tuesday, 20 April 2021.
<b>WALE</b>	The average lease term remaining to expiry across the Portfolio or a property or group of properties, weighted by gross passing income.

# Annexure A – Notice of Extraordinary General Meeting

## Notice of Extraordinary General Meeting

Notice is hereby given by Dexu Funds Management Limited, as Responsible Entity of each of the four trusts that comprise Dexu, that an Extraordinary General Meeting of Security holders of Dexu (the **Meeting**) will be held on:

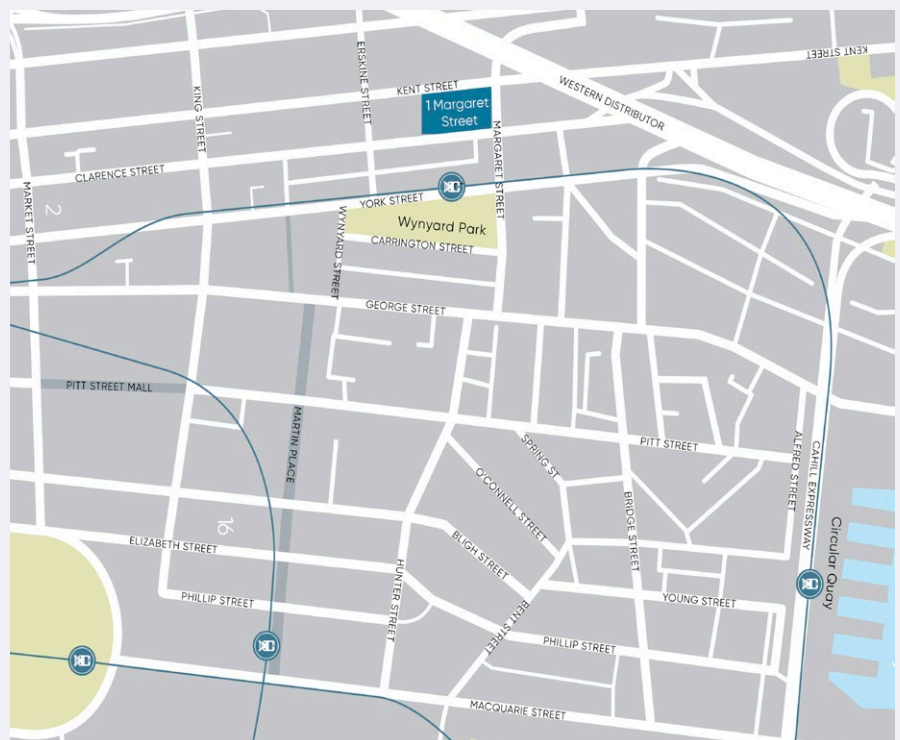
Where	Date	Time
<b>Dexu Place Level 5, 1 Margaret Street Sydney NSW 2000</b>	<b>Thursday, 22 April 2021</b>	<b>Registration – 3:00pm Commencing – 3:30pm</b>

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

This Notice of Extraordinary General Meeting (**Notice**) is important and requires your immediate attention. The action you need to take is set out in this Notice. If you are in any doubt as to what action to take, please consult your broker, attorney or other professional adviser immediately.

Terms used in this Notice have the same meaning as set out in the Glossary of the Explanatory Memorandum, and circular to which this Notice forms part (**Document**), unless indicated otherwise.

**The Meeting will commence at 3:30pm on Thursday, 22 April 2021, and be held at:  
Dexu Place,  
Level 5, 1 Margaret Street,  
Sydney NSW 2000**



Due to current COVID-19 related restrictions, there are limited spaces available and refreshments will not be provided.

Recognising the continued fluidity of the COVID-19 pandemic, Dexu will closely monitor developments and will notify Security holders if there are any changes to their ability to physically attend the Meeting.

If you plan on attending the meeting in person, please RSVP to [InvestorRelations@dexu.com](mailto:InvestorRelations@dexu.com) by 5.00pm on Tuesday, 20 April 2021.

## Annexure A – Notice of Extraordinary General Meeting

### Business of the Meeting

#### Resolution 1: Unstapling

To consider and if thought fit pass the following Resolution as a special resolution of the Security holders of each Dexus Trust:

*That, subject to and conditional on all other Resolutions being passed by the requisite majority of Security holders and on the Responsible Entity determining to implement the Simplification (as described in the Document accompanying the Notice convening this meeting), any determination by the Responsible Entity to unstaple all of the units in DXO, DDF, DIT and DOT pursuant to clause 19.5 of the Constitution of each Dexus Trust to implement the Simplification be approved for all purposes.*

#### Resolution 2: Amendments to Constitutions

To consider and if thought fit pass the following Resolution as a special resolution of the Security holders of each Dexus Trust:

*That, subject to and conditional on all other Resolutions being passed by the requisite majority of Security holders and on the Responsible Entity determining to implement the Simplification (as described in the Document accompanying the Notice convening this meeting):*

- a. the Constitution of each Dexus Trust be amended in accordance with the amendments detailed in Sections 7.2 and 7.3 of this Document (as contained in the Supplemental Deeds Poll tabled at the Meeting and which can be accessed on Dexus's website) and initialled by the Chair for the purposes of identification; and*
- b. the Responsible Entity of each Dexus Trust be authorised to execute the supplemental deeds poll to give effect to the amendments referred to in (a), and lodge each with ASIC to give effect to the amendments to the Constitution of each Dexus Trust.*

#### Resolution 3: Acquisition

To consider and if thought fit pass the following Resolution as an ordinary resolution of the Security holders of DDF, DIT and DOT:

*That, subject to and conditional on all other Resolutions being passed by the requisite majority of Security holders and on the Responsible Entity determining to implement the Simplification (as described in the Document accompanying the Notice convening this meeting), the Simplification be approved for all purposes, including for the purposes of item 7 of section 611 of the Corporations Act.*

Further information on the Resolutions (including a detailed explanation of the rationale for each Resolution) is set out in the Document and the accompanying Explanatory Notes (including instructions on how to participate in the Meeting are set out in this Notice).

By order of the Board



**Brett Cameron**

Company Secretary

Dexus Funds Management Limited

23 March 2021

## Procedural Notes

Dexus is the collective name of the four Dexus Trusts, and one unit in each of the Dexus Trusts together comprises one Dexus Stapled 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 20 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 Thursday, 22 April 2021.

Registration commences at 3:00pm with the Meeting commencing at 3:30pm at:

Dexus Place  
Level 5, 1 Margaret Street  
Sydney NSW 2000

## Voting by proxy

If you are unable to attend the Meeting, 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 Proxy Form and return it to the Registry or 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 votes should be received by 3.30pm on Tuesday, 20 April 2021** 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
- **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**

## Corporate representatives

A corporation that is a Security holder may appoint a person to act as its representative and cast its direct vote at the Meeting. The appointment must comply with section 253B of the Corporations Act. The representative must provide 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 Dexus's Registry and must be returned to the Registry, Link Market Services Limited, so it is received no later than 3:30pm on Tuesday, 20 April 2021.

## Joint holdings

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 who is named first in the register counts. In the case of joint holders, the Proxy Form may be completed by any one holder.

## Voting entitlement

Subject to the following, all Security holders appearing on the Register of Dexus as at 7:00pm on Tuesday, 20 April 2021 will be entitled to attend and vote at the Meeting.



## Annexure A – Notice of Extraordinary General Meeting

### Approval thresholds

Resolutions 1 and 2 are special resolutions and must be approved by 75% of the votes cast by Security holders entitled to vote on each Resolution.

Resolution 3 is an ordinary resolution and must be approved by 50% of the votes cast by Security holders entitled to vote on the Resolution.

Each Resolution is conditional on the other Resolutions also being approved by the requisite majority of Security holders and the Responsible Entity determining to implement the Simplification.

### 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 Wednesday, 21 April 2021).

### 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.

The Responsible Entity has no interest in and will receive no material benefit as a result of, the Simplification, except solely by reason of being a holder of Units. As such, the Responsible Entity (and its associates) will be entitled to vote on the Resolutions. No other voting restrictions or exclusions apply.

### How the Chair will vote undirected proxies

In accordance with the instructions on your Proxy Form, if you vote by proxy, 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. 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 +61 1800 819 675 Monday to Friday between 8.30am and 5.30pm (Sydney time) or consult your financial or other professional adviser.

# Corporate Directory

## Responsible Entity

**Dexus Funds Management Limited**  
(ACN 060 920 783; AFSL 238163)

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

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  
Patrick Allaway  
Penelope Bingham-Hall  
Tonianne Dwyer  
Mark H Ford  
Warwick Negus  
The Hon. Nicola L Roxon  
Darren J Steinberg, CEO  
Peter B St George

## Secretaries of the Responsible Entity

Brett Cameron  
Scott Mahony

## Australian Legal Advisor

**King & Wood Mallesons**  
Level 61, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia

## Auditor

**PricewaterhouseCoopers**  
One International Towers, Watermans Quay,  
Barangaroo, NSW 2000  
Australia

## Investor enquiries

Information Line: +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)

## Registry

**Link Market Services Limited**

Level 12, 680 George Street  
Sydney NSW 2000  
Australia

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)

For personal use only

## LODGE YOUR VOTE



### 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

## 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 Extraordinary General Meeting of Dexus to be held at **3:30pm on Thursday, 22 April 2021 at Dexus Place, Level 5, 1 Margaret Street, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

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

- Approval of the unstapling of the units in DXO, DDF, DIT and DOT pursuant to each of their Constitutions (subject to the passing of Resolutions 2 and 3 and final Board approval)
- Approval of the amendments to the Constitutions of each Dexus Trust to enable the Simplification to be implemented and of the authorisation of the Responsible Entity to execute the supplemental deeds poll to give effect to those amendments (subject to the passing of Resolutions 1 and 3 and final Board approval)
- Approval of the Simplification for all purposes (subject to the passing of Resolutions 1 and 2 and final Board approval)

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<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.

### VOTING DIRECTIONS – 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 **3:30pm on Tuesday, 20 April 2021**, 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 EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**