

# Board activities across the year

## Our Board plays an active role in key decisions that affect the implementation of Dexus's strategy.

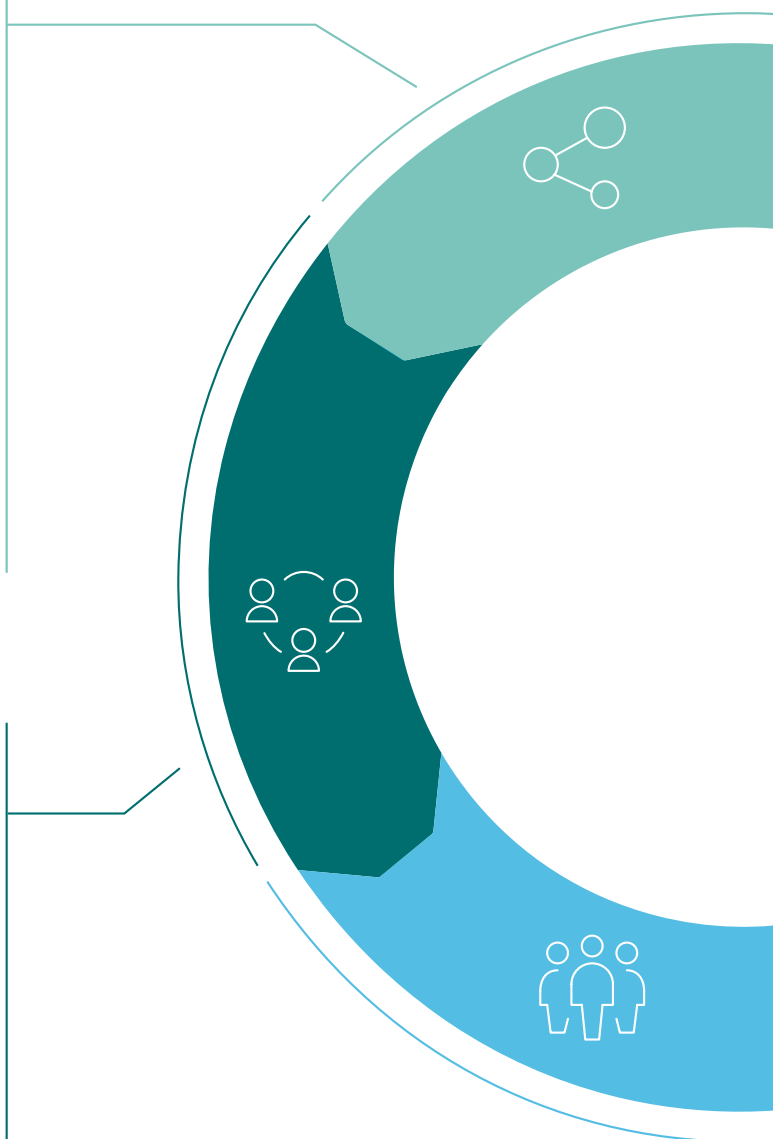
The following identifies the key areas of activity for the Board and its respective Board Committees during FY18.

### Strategy, transactions and developments

- Reviewed Dexus's strategy and endorsed areas of focus for FY19
- Considered and approved the Dexus property portfolio Investment Plan
- Considered and approved the establishment of the Healthcare Wholesale Property Fund
- Considered and approved the development projects at 180 Flinders Street, Melbourne, The Annex at 12 Creek Street, Brisbane and 11 Talavera Road, Macquarie Park, subject to tenant pre-commitment
- Considered and approved the acquisitions of 56 Berry Street, North Sydney (DXS 50%), 586 Wickham Street, Fortitude Valley, and three industrial landbanks
- Considered and approved the divestment of 11 Waymouth Street, Adelaide (DXS 50%)
- Considered and approved the divestment of 140 George Street, Parramatta to the Dexus Office Partnership
- Reviewed the performance of key acquisitions or developments against Board approved metrics
- Considered and discussed mega-trends impacting the real estate sector

### Governance, customers, investors and the environment

- Approved changes to membership of the Board People and Remuneration Committee, Board Nomination Committee, Board Audit Committee and Board Risk Committee
- Reviewed the annual customer survey results
- Reviewed and approved the Corporate Governance Statement
- Met with proxy advisers and key investors in Sydney and Melbourne
- Reviewed and considered institutional investor perception studies and opportunities for improvement
- Reviewed and discussed the APRA report released in May 2018 and the proposed ASX Listing Rule changes to be implemented on 1 July 2019
- Approved the appointment of the Hon. Nicola Roxon to the Dexus Board
- Discussed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) report
- Reviewed and endorsed the group's *New energy, New opportunities* strategy to achieve net zero emissions by 2030



## Risk management

- The Board Risk Committee and Group Management Committee (GMC) reviewed, considered and revised Dexus's top key risks via an externally facilitated strategic risk workshop
- Reviewed and approved the Risk Management Framework including the implementation of Risk Appetite Statements
- Held discussions with the Auditors without management present
- Reviewed and considered the results of externally facilitated internal audits and associated actions for improvement
- Undertook a variety of site visits and met with operational staff
- Reviewed and considered external reports on facade cladding and appropriate action plans for assets requiring remediation
- Discussed cyber-security, terrorism and security risks
- Reviewed learnings from externally facilitated crisis management planning exercise undertaken by Dexus senior managers

## Financial performance

- Considered, approved and at the half-year, tightened Dexus's FY18 market guidance to the higher end of the previously stated guidance range
- Approved the distribution per security payment amount for HY18 and FY18
- Reviewed and approved the independent external property valuations for HY18 and FY18
- Considered the financial performance of the business and approved the Three Year Financial Business Plan
- Reviewed and considered the Audit Report for 2018
- Considered and approved the issuance of US Private Placement notes in October 2017
- Reviewed and considered the three year Funding Plan, Treasury policy and liquidity of the group
- Reviewed and approved the results materials including the financial statements, Annual Report, ASX release and investor presentation

## People and Leadership

- Reviewed and discussed the results of the group employee engagement survey
- Undertook regular engagement, discussions and monitoring to reinforce an appropriate risk culture across the group
- Approved a minimum security holding guideline for members of the GMC
- Approved the new 40:40:20 by 2021 gender diversity target
- Reviewed and considered succession planning for GMC and other key roles
- Monitored gender pay parity
- Considered and discussed the Board and Committee composition, succession and renewal planning
- Undertook and discussed the outcomes of an internal Board evaluation and effectiveness review and associated actions
- Reviewed and considered Dexus's risk culture framework and reporting
- Reviewed and discussed scorecards, KPIs, performance and remuneration outcomes for the group and GMC