

Conflicts of Interest and Related Party Transactions Policy

1. Purpose

Conflicts of interest are a risk that can present across a wide range of Dexus business activities. When not sufficiently managed, conflicts have the potential to harm our investors, third party capital partners, customers, employees, brand and reputation and result in breaches of regulatory requirements.

The purpose of this Policy is to:

- enhance employees' understanding of how and when conflicts of interest can arise
- assist employees to identify a conflict of interest and/or related party transaction
- identify situations that may result in actual, apparent or potential conflicts of interest
- outline procedures to be followed when a conflict or related party transaction is identified

Dexus and its related entities (collectively **Dexus**) is comprised of listed (ASX:DXS, ASX:DXI, ASX:DXC) and unlisted entities and specialises in the ownership and management of real assets. Dexus and its related bodies corporate:

- act as the responsible entity, trustee and/or manager of a number of listed entities, including registered and unregistered managed investment schemes, third party capital partners, third party mandate clients and wholesale investment vehicles (together called "Managed Investment Vehicles" or "Investment Vehicles" for the purposes of this policy)
- act as asset manager, property manager and/or investment manager for assets held by its Managed Investment Vehicles

In all situations, Dexus must ensure steps are taken to:

- act in the best interest of its security holders
- act in the best interests of Managed Investment Vehicles and other funds (listed or unlisted)
- conduct any related party transactions having regard to:
 - fiduciary obligations
 - legal requirements and
 - the need for such transactions to be on commercial terms and at arm's length
- establish and implement appropriate procedures to manage conflicts to protect the interests of its security holders and Managed Investment Vehicles and comply with the requirements of the Corporations Act, ASX Listing Rules and its AFS Licences.

2. Who does this policy affect?

This policy affects:

- All entities within the Dexus group
- All employees of Dexus (including contractors, consultants and temporary employees)
- External service providers who are contracted to provide a service on behalf of Dexus

Specific responsibilities (listed throughout this policy) relate to Fund Managers, Divisional Portfolio Managers, Divisional Investment and Development Managers, Compliance and Legal.

3. What happens if this policy is breached?

A breach of this policy may result in a breach of the Corporations Act, ASX Listing Rules or Managed Investment Vehicle agreements and have a negative impact on Dexus's brand and reputation. A breach of this policy must be reported to Compliance immediately.

A breach of this policy may also result in disciplinary action including:

- Termination of employment or
- Negative impact on remuneration

4. Conflicts of Interest

Conflicts of interest arise in situations where two or more interests are present and in competition with one another.

A conflict of interest may also arise from the nature of a fiduciary relationship — that is, the service of one party's interest ahead of those of another. Entities within the Dexus group may act in differing legal capacities with respect to Managed Investment Vehicles and third-party capital partners resulting in the potential to be a fiduciary in a number of different relationships.

Within Dexus, conflicts of interest may occur at various levels, including:

Personal Conflicts - where the interests of its employees are opposed to the interests of Dexus or of its Managed Investment Vehicles. See Employee Code of Conduct and Securities Trading (including inside information) Policy for further information.

Related party transactions - a transaction involving more than one Managed Investment Vehicle (and/or listed Dexus entity) and those Investment Vehicles (and/or listed Dexus entity) are on opposite sides of the transaction (see paragraph 7 below - Related Party Dealings)

Investment opportunities – where the interests of different Managed Investment Vehicles and/or the Dexus balance sheet compete when allocating a limited investment opportunity. Dexus has a policy for the allocation of acquisition opportunities which may apply in these circumstances.

Leasing/Tenant conflicts – where a prospective tenant has more than one similar property to choose from, both owned by Dexus or its Managed Investment Vehicles and managed by Dexus (see 8 below - Tenant Conflicts)

Conflicts relating to the transfer of assets – where the interests of Managed Investment Vehicles conflict with the interests of different Managed Investment Vehicles and/or the Dexus balance sheet when transferring assets between Investment Vehicles. In these circumstances, the Fund Manager must ensure that the transfer is allowable in terms of the Investment Vehicles' guidelines as set out in relevant agreements and constituent documents. The transfer must be in the best interests of all Managed Investment Vehicles involved in the transaction and otherwise comply with the principles set out at paragraph 6 below – Conflicts of Interest Procedures.

Third party capital partner conflicts - where an entity within Dexus acts as a fiduciary for a Managed Investment Vehicle, and this role causes actual or potential conflict with other Managed Investment Vehicles represented by Dexus. Dexus will manage these conflicts in line with the principles set out at paragraph 6 below – Conflicts of Interest Procedures. In these circumstances, to the extent required by the relevant agreements and constituent documents:

- Managed Investment Vehicles must disclose to Dexus and the Co-owners' (or other) Committee members, all conflicts of interest (actual or potential); and
- each Managed Investment Vehicle must ensure that each of its representatives on the Co-owners' (or other) Committee complies with the provisions of this Policy as relevant to them

Internal fund or joint venture conflicts – where Dexus's interests are represented at a Co-owners' (or other) Committee or at a board of an entity in which different Investment Vehicles hold interests, these interests may conflict with the interests of Managed Investment Vehicles in the same Investment Vehicle. Dexus will manage these conflicts in line with the principles set out at paragraph 6 below – Conflicts of Interest Procedures.

Conflicts & external service providers – where external service providers (e.g., law firms) are appointed to represent the interests of the related parties. In some cases, the same firm may be appointed to represent the interests of the related parties. If this occurs:

- the firm must confirm they have adequate processes (including the implementation of information barriers) in place to manage the conflict; and

written approval must be obtained in advance from the Fund Manager or Investment Manager of the related party on the appointment of the firm.

5. Identifying Conflicts of Interest

Conflicts of interest can be actual, apparent or potential and can be identified and assessed in the following ways:

- from notifications or declarations of interest made by Directors, officers or employees and consultants
- from notifications or declarations of interest by Managed Investment Vehicles and/or their representatives
- by employees raising the conflict of interest to the attention of Compliance or senior management (who then determine or recommend an appropriate course of action)
- by analysis of transactions (as part of the approval process)
- by ongoing management of property and investment portfolios and
- by due diligence processes

All staff are responsible for identifying conflicts that may arise when carrying out their role. All conflicts, whether real or potential, must, on identification, be immediately reported to Compliance to ensure necessary controls are implemented to effectively manage the conflict.

6. Conflicts of Interest Procedures

Where a conflict of interest is identified, the conflict must be recorded in the Conflicts of Interest register in [ReadiNow](#). Appropriate controls must be documented in the Conflicts of Interest Register and implemented to manage actual and potential conflicts. Compliance will determine the appropriate response by assessing and evaluating the degree of the conflict. Dexus Legal may be consulted for advice and guidance.

The Fund Manager is responsible for seeking Managed Investment Vehicle consent where appropriate.

Where a conflict of interest is identified, Dexus will be guided by:

- the agreed investment objectives and guidelines for the relevant Managed Investment Vehicle
- legislative requirements and
- principles of good corporate governance

In managing conflicts of interest, where Dexus is appointed as an investment manager or property manager to the investments of the Investment Vehicle, Dexus will establish a structure where:

- the responsibility for the Investment Vehicle is separated from the other Investment Vehicles for which Dexus provides services, including:
 - appointing a Fund Manager to the Investment Vehicle who will, at all times, prioritise and act in its best interests and
 - where appropriate, establishing a Co-Owners' (or other) Committee responsible for the direction and performance of the Investment Vehicle
- all acquisition and divestment transactions are reviewed by the relevant Fund Manager, the project's due diligence committee (if applicable) and recommended by the Co-owner (or other) Committee to the relevant trustee or board

Where an actual conflict arises, the relevant Dexus entities shall promptly implement appropriate information barriers or confidentiality protocols to ensure the confidentiality of information is maintained and that Investment Vehicle's interests are fairly represented.

In situations where a Fund Manager is responsible for more than one client, the Fund Manager must disclose any potential conflict and, in conjunction with Compliance, determine how the matter will be managed.

7. Related Party Dealings

Legislation relevant to public companies, registered managed investment schemes and listed entities in Australia imposes strict guidelines on the involvement of related parties, including the need to ensure that such transactions are entered into on an arm's length basis and on commercial terms or, if required,

relevant approvals are obtained. Failure to comply with these provisions may attract civil and criminal penalties.

In determining whether a transaction is at “arm’s length”, an assessment is undertaken to determine whether the parties have dealt with each other as unrelated third parties normally do.

ASIC suggests that arm’s length terms might be those which would result if:

- the parties were unrelated
- the parties were free from undue influence, control or pressure
- each party had necessary knowledge, expertise and advice and
- each party was concerned only to achieve the best available commercial outcome for itself.

Consideration of whether a transaction is at arm’s length includes but is not limited to:

- how the terms of the overall transaction compare with those of any comparable transactions between parties dealing on an arm’s length basis in similar circumstances
- the nature and content of the bargaining process including whether robust protocols were followed to ensure that conflicts of interest were appropriately managed in negotiating and structuring the transaction
- the impact of the transaction on the Investment Vehicle
- any other options that may be available and
- any expert advice received on the transaction.

Related party dealings are permissible, subject to the requirements of Managed Investment Vehicles, Investment Vehicle constitutions and other governing documents, ASIC Regulatory Guides and the Corporations Act.

The employee who identifies a related party transaction or potential related party transaction is responsible for immediately reporting the details to Compliance and for ensuring a Related Party Transaction Checklist is completed for each party prior to the execution of any transaction documents.

The relevant Fund Manager is responsible for:

- Review of contractual terms - prior to contracting with a related party, the Fund Manager will review the mandate or Investment Vehicle constitution to determine whether a related party transaction is permissible and if so, whether any specific requirements apply. Dexus Legal may be consulted for advice and guidance
- In respect of acquisitions or divestments between Dexus group entities and Managed Investment Vehicles, the transaction must be supported by an independent, external valuation confirming the reasonableness of the amount of consideration or other monetary payments to be paid
- Transaction documentation - ensure that documentation exists confirming the transaction involving a related party is carried out on an arm’s length basis, on commercial terms, and in accordance with any specific capital partner/Investment Vehicle requirements
- Disclosure - the Fund Manager should liaise with Legal and/or Compliance to ensure that disclosure is made to all relevant parties in an appropriate and timely manner. Ongoing management of the related party transactions should be disclosed in regular reports to the relevant Investment Vehicle

Should a Dexus company or Investment Vehicle be involved in a transaction with a related party (including but not limited to a Fund Manager, its associates, related entities, directors, employees and their family members) and the transaction involves the provision of a financial benefit, the matter must also be referred immediately to Legal and Compliance.

8. Leasing/Tenant Conflicts

Dexus is responsible for leasing properties for multiple Managed Investment Vehicles, more than one of which may suit the requirements of a prospective tenant.

Where Dexus is approached by a prospective tenant, whether directly or via a real estate agent or tenant representative, seeking to occupy space and that type of rental space is contained in more than one fund or Investment Vehicle managed by Dexus, a conflict could arise.

When this occurs, separate teams are established to represent the respective owners/Managed Investment Vehicles. Each team will generally consist of a Divisional Portfolio Manager or Divisional Investment and Development Manager, General Managers and/or Property Managers, and may also consist of analysts, accountants and lawyers. This structure supports separate and distinct decision making.

Dexus entities and employees must ensure that neither they nor any other related bodies corporate persuade, or attempt to persuade, a tenant of a property in which a Dexus Managed Investment Vehicle has an interest, to leave its premises unless:

- that tenant approaches Dexus (without solicitation) or
- the fact that the tenant is actively pursuing alternative space in the market becomes generally known or
- Dexus ascertains that the tenant is considering relocating
- The Divisional Portfolio Manager or Divisional Investment and Development Manager (as applicable) is responsible for ensuring:
 - compliance with this policy
 - the fair and equitable treatment of each fund or Managed Investment Vehicle
 - the adequacy and fairness of information of available lease space provided to prospective tenants
 - that information barriers are established and implemented and the identification of individuals who will represent the respective interest of each Investment Vehicle

Leasing/Tenant conflicts must be recorded in the Dexus Lease Management System (LMS) which will automatically notify Compliance, alternatively the elected property representative may also notify Compliance directly. Compliance will record the conflict in ReadNow and notify Fund Managers.

The elected property representatives must keep Compliance updated on the status of the conflict. Teams and information barriers remain in place until the conflict is resolved. This can include circumstances where one of the available properties is no longer available to the prospective tenant or a lease is signed over alternate premises.

9. Reporting

Dexus will provide relevant reporting to funds and Investment Vehicles in accordance with agreements entered into by the parties.

Compliance monitors conflicts of interest and related party transactions on a periodic basis and provides quarterly reporting to the Corporate Executive Committee, relevant Board Committees and Boards.

This Policy will be reviewed annually.

10. Dispute Resolution

Where a dispute arises in relation to the identification or management of an actual or potential conflict of interest, the matter must initially be referred to Compliance who may refer the matter to the Corporate Executive Committee or relevant Board (or Co-owner Committee where applicable) for deliberation.

11. Record Keeping

Compliance will maintain a Conflicts of Interest Register, in line with our record keeping requirements, outlined in the [Records Management Policy](#). The register is designed to provide a central record of all conflicts of interest, including related party transactions, so that they may be appropriately managed.

12. Recording a breach

For information on reporting Incidents including a breach of the policy, please refer to the [Compliance Incident & Breach Management Policy](#).

13. Additional information

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

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