



Pricing Policy – DXS

Exercise of discretions relating to price of stapled securities

1. Purpose

The purpose of this policy is to describe the various discretions that relate to the price of stapled securities in the listed stapled group, Dexus Property Group (ASX: **DXS** or the “**Scheme**”). Dexus Funds Management Limited is the Responsible Entity (**RE**) of the two Registered Managed Investment Schemes, Dexus Property Trust (“**DPT**”) and Dexus Operations Trust (“**DXO**”) (each a “**Stapled Entity**”). The units in each of DPT and DXO are stapled together to comprise the DXS stapled securities (“**Stapled Securities**”). The constitutions of each Stapled Entity, DPT and DXO, detail how the market price of a Stapled Security is to be determined, when discretions can be exercised in relation to the market price, and the powers of the RE to issue Stapled Securities. They also set out the RE’s power to buy back units. Copies of the DPT and DXO constitutions are available from the RE at the registered office.

2. Who does this policy affect?

This policy applies to the RE and the Dexus employees who administer valuations, applications and buy-backs for DXS.

3. What happens if this policy is breached?

Any errors in pricing are dealt with in accordance with the Financial Services Council FSC Standard No. 17 – Errors in Pricing/Crediting Rates when Determining Scheme Interests – Correction and Compensation (“**FSC Standard**”). The tolerance threshold for errors in pricing of Stapled Securities is 0.3% either way of the actual Stapled Securities price.

If an error is outside the tolerance threshold, it may be a breach of the Constitution that is reportable to ASIC.

4. Key regulatory considerations

The key requirements applicable to calculating unit prices in a registered managed investment scheme may be found in:

- the Corporations Act section 601FC(1)(k) relating to payments out of scheme property
- clauses 5, 12.9 and 13.5 of the Constitution
- ASIC Class Orders [CO 13/655] and [CO 13/657]
- ASIC Regulatory Guide 134
- ASIC Regulatory Guide 94: Unit pricing guide to good practice
- Compliance Plan control 3.20

5. Exercise of Discretions

The RE will exercise a discretion when, in the circumstance, it considers it appropriate to do so. In determining whether to exercise the discretion, the RE will consider the purpose of the specific issuance of units, the prevailing “Market Price” (as that term is defined in the constitutions) and advice it receives (if any) from qualified persons on the right price to achieve the purpose. This may lead to units being issued at a price that is different to the prevailing “Market Price” (albeit that the RE will have regard to it in exercising its discretions).

The annexure to this policy sets out the specific discretions available to the RE under the constitutions in setting the price of stapled securities.

When discretion is exercised, the reason for the exercise of the discretion (along with other information required by relevant ASIC class orders) will be documented and the record held by the RE at its registered office. The record will document all of the following:

- The date on which the discretion is exercised



- If the discretion is exercised by a nominee, a statement to that effect that identifies the nominee
- How the discretion is exercised
- An explanation of why it was reasonable to exercise the discretion in the way it was exercised
- If the discretion was not exercised in a way which is consistent with Scheme property being valued, or the market price of interests being worked out, in accordance with ordinary commercial practice, an explanation why it is impractical to do so

6. Review of Procedure and Methodology

This policy will be reviewed annually, or as required.

7. Record Keeping

The RE will retain this document for seven years after it ceases to be current. A copy of this policy is available free of charge to all security holders from the registered office of the RE.

8. Additional information

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

Head of Compliance

Phone: 02 9017 1144

Email: compliance@dexus.com



Annexure

Type of issue/activity	Price	Period	Discretion	Discount
“Market Price” on any Business Day	Unless otherwise stated in this policy, the “Market Price” is the volume weighted average traded price for all sales on ASX	Generally, 10 Business Days immediately preceding the relevant Business Day regardless of whether a sale was recorded on any particular day	Generally, the RE can extend or reduce the period or change the timing of the period if the RE considers the period to be inappropriate in the circumstances The RE also has discretion to choose a different price calculation methodology if the RE believes that the calculation set out in the “Price” column does not provide an appropriate reflection of the market price of a Unit or Stapled Security. If this is the case, the “Market Price” on any Business Day is the amount or the method of determining an amount set by an independent adviser who has relevant market experience in determining the issue price of Units or Stapled Securities in circumstances similar to those in which this determination is being made having regard to the nature of the proposed offer for which purposes the Market Price is being calculated, the circumstances in which the proposed offer is being made and the interests of Unitholders generally (including balancing the dilutionary effect of the issue against the desirability of a successful capital raising)	Nil
Issues at Market Price (Units or Options not forming part of a Stapled Security)	One of the following: - Units or Options can be issued at the Market Price on the Business Day prior to the day on which the offer or issue is made; or - Options can be issued at the consideration for the issue of the Option specified in the Terms of Offer and Terms of Issue, where the Units to be issued pursuant to the exercise of the Options are to be issued at the Market Price of a Unit immediately before the date upon which the Option is issued	N/A	N/A	N/A
Issues at Market Price	Price is determined by the RE provided that the aggregate of the Issue Price of the Attached	(Stapled Securities) The Business Day prior to the Day	N/A	N/A



Type of issue/activity	Price	Period	Discretion	Discount
(Where Units will form part of Stapled Securities)	Security or Attached Securities to which that Unit will be stapled is equal to the Market Price for Stapled Securities on the Business Day prior to the Day on which the offer or issue is made Price for Options to be determined as if Units will not form part of Stapled Securities (as above)	on which the offer or issue is made. (Options) Immediately before the date upon which the Option is issued.		
Placements at Market Price by bookbuild	Issue price equal to Market Price determined pursuant to a bookbuild arranged by a reputable investment bank	N/A	No discretion. Auditor must provide written certification that the bookbuild was conducted in accordance with normal market standards	N/A
Placements of Units, Options and Stapled Securities without Holder approval	An Issue Price determined by the RE	N/A	Issue Price determined by the RE provided certain conditions are met including that the RE complies with the Listing Rules applicable to the issue and the conditions of any applicable ASIC relief	No maximum discount
Rights Issues of Units and Stapled Securities	An Issue Price determined by the RE	N/A	Issue Price determined by the RE provided certain conditions are met including that the RE offers Units or Stapled Securities to all persons who were Unitholders on a date determined by the RE in proportion to the value of each Unitholder's Unit Holding (or holding of Stapled Securities) at that date	No maximum discount
Rights Issues of Options	An Issue Price determined by the RE, which for an Option, may be for no consideration	N/A	Issue Price determined by the RE provided certain conditions are met including that the RE complies with the Listing Rules applicable to the issue and the conditions of any applicable ASIC relief	No maximum discount
Issues of Units – distribution reinvestment	Issue Price determined by the RE	N/A	Issue Price determined by the RE provided certain conditions are met including that the RE complies with the Listing Rules applicable to the issue and the conditions of any applicable ASIC relief	No maximum discount
Issue of Units – Unitholder purchase plans	Issue Price determined by the RE	30 days before either the date of offer or the date of issue	Issue Price determined by the RE provided certain conditions are met including that the RE complies with the Listing Rules applicable to the issue and the conditions of any applicable ASIC relief	The Issue Price must be less than the Market Price during a specified period (determined by the issuer) in the 30 days before either



Type of issue/activity	Price	Period	Discretion	Discount
				the date of the offer or the date of the issue
Buy back of Units or Stapled Securities where listed	Price for any one transfer must not be more than 5% above the volume weighted average of the Market Price for the Stapled Securities or Units	The average is to be calculated over the last 5 days on which sales in the Stapled Securities or Units were recorded before the day on which the purchase is made	RE can acquire Stapled Securities or Units for any amount up to and including the maximum price	N/A

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