

Dexus (ASX: DXS)

ASX release



25 May 2021

Senior management retention awards

Dexus today announces that the Board of Dexus Funds Management Limited has implemented arrangements to retain three Key Management Personnel (KMP), including Dexus's CEO.

These measures comprise the introduction of a once-off CEO Incentive Award to Dexus's CEO, Darren Steinberg, vesting over a three-year period as well as the issuing of once-off Retention Equity Awards to both Deborah Coakley (Dexus's Executive General Manager, Funds Management) and Ross Du Vernet (Dexus's Chief Investment Officer) vesting over a three and four-year period.

Dexus Chairman Richard Sheppard said: "Darren is well regarded as one of Australia's leading Chief Executives with a proven track record of creating value for investors, at Dexus and across multiple real estate businesses. The Dexus Board unanimously supports retaining and rewarding Darren over the next three years which will provide the necessary leadership, industry experience, judgement and skills to navigate the challenges and capitalise on the opportunities expected across the Australian real estate market."

Since joining Dexus in March 2012, Mr Steinberg has led a significant period of growth and transformation of the group. Dexus is now a sustainable and resilient property company with a growing funds management business and a track record of delivering superior risk-adjusted returns for investors from high-quality real estate. Over Mr Steinberg's tenure he has delivered an annual compound return¹ of 12.9% versus the ASX 200 REIT sector of 11.7%.

Mr Sheppard said "Dexus is currently moving into a growth phase consistent with the group's strategic objective of being a wholesale partner of choice and its focus on expanding and diversifying the funds management business. The Retention Equity Award reinforces the importance of Deborah and Ross to the leadership at Dexus and delivering on this objective."

Mr Du Vernet joined Dexus in May 2012 and Ms Coakley joined Dexus in April 2013. Both have held various roles across the group during this time, making a significant contribution to the delivery of Dexus's strategy.

CEO Incentive Award

The CEO Incentive Award will be issued in the form of Dexus performance rights with a face value of \$3.5 million. The issue date is 1 June 2021 and the number of Dexus performance rights will be determined by the Volume Weighted Average Price (VWAP) of DXS securities over a three-month period ending 31 May 2021.

Performance will be based on the Board's overall assessment of how well the CEO has navigated the challenges in the office market, maintained a market leading position in ESG and delivered long-term value for Security holders. The Board will determine the percentage of Performance Rights to vest with reference to these over-arching items and the successful delivery of key strategic initiatives over the three-year period. These initiatives include:

- Diversification of capital partners and investors, and overall growth in funds management
- Strategic acquisition and divestment of assets across the Dexus investment portfolio, and
- Progressing the group development pipeline.

There are also threshold conditions of service continuity and behavioural and corporate governance standards which must be met for any performance rights to vest.

Retention Equity Award

The Retention Equity Award is a once-off award to Ms Coakley and Mr Du Vernet.

The awards, each with a face value of \$1.5 million at the time of grant in December 2020, were issued as Dexus security rights with a service-based hurdle, a threshold of governance and behavioural standards and have no 'good leaver' provisions. 50% of the award vests at the end of three years and 50% vests at the end of four years.

For both the CEO Incentive Award and the Retention Equity Award, DXS securities will be acquired on-market and held in trust, with no distributions payable prior to vesting.

Further details relating to the CEO Incentive Award and the Retention Equity Award will be provided in the Remuneration Report of the 2021 Annual Report to be released on Tuesday 17 August 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, managing a high-quality Australian property portfolio valued at \$36.5 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 \$15.5 billion of office, industrial and healthcare properties. We manage a further \$21.0 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$11.5 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. 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

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)
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¹ From 31 March 2012 to 31 March 2021. Source: Factset 2021.