

## **Dexus side deals disclosed**

5 July 2021

Since Australian Unity announced its defensive placements to a related party of Australian Unity and Dexus on 9 June 2021, NorthWest has been seeking to obtain details of the side deals entered into between Australian Unity and Dexus that have not been disclosed to AUHPT unitholders.

At a hearing before the New South Wales Supreme Court on Friday 2 July 2021 the following side deals were disclosed:

- A fee payable by Australian Unity to Dexus of 10% of AUHPT's base management fee per annum
- A fee rebate payable by AUHPT to Dexus of 40 basis points per annum
- A termination fee payable by Australian Unity to Dexus if there is an internalisation proposal or fund control proposal
- A right of first refusal over the AUHPT management platform given by Australian Unity to Dexus if there is a fund control proposal
- Extensive standstill provisions, including a requirement that Dexus not vote in favour of the NorthWest proposal or any future proposal to remove AUFM as responsible entity

Based on our calculations, the combined value to Dexus of these fee arrangements (none of which are available to other unitholders) is estimated to be between \$35 million and \$45 million (and potentially more), effectively reducing Dexus's implied price paid per unit to between \$1.95 and \$2.10.

NorthWest remains concerned that the details of further side deals remain undisclosed publicly, including those relating to Dexus obtaining access to AUHPT's development pipeline as referred to in the 9 June 2021 announcements.

NorthWest will continue to pursue its litigation to strike down the placements that took place on 9 June 2021.

For further information, please refer to [www.northwestproposal.com.au](http://www.northwestproposal.com.au) or phone 1300 034 132.