

Selection, Appointment & Re-election of NEDs



Dexus Funds Management Limited and Dexus Holdings Pty Limited share a common Board of Directors. The constitutions of both companies allow for up to ten members. At 30 June 2020, the Board comprised of nine members, eight of whom are Non-executive Directors (NEDs) and one Executive Director (the CEO).

1. Nomination of Non-executive Directors

In the case of a casual vacancy, and the Board having formed the view that the appointment would be in the best interests of all Security holders, the Board may appoint the nominee who will stand for election at the next AGM.

Security holders may also nominate a candidate in accordance with the ASX Listing Rules.

2. Selection of Non-executive Directors

Subject to the provisions of the nomination process outlined above, the Board has overall responsibility for the appointment and removal of Non-executive Directors (subject to Security holder approval). To satisfy this responsibility, the Nomination Committee, on behalf of the Board:

- conducts periodic reviews of the performance of Non-executive Directors, and
- conducts searches for suitable candidates to fill vacancies as and when they arise.

The Nomination Committee considers the mix of experience, expertise, qualifications and diversity (including gender, age, ethnicity and background) of existing Non-executive Directors, cognisant of the objectives of Dexus, to identify desirable capabilities for any new Non-executive Directors.

The Nomination Committee conducts a search for suitable candidates, including candidates not known to Non-executive Directors and candidates representative of its diversity objectives. The selection of candidates also takes into consideration the tenure of existing Non-executive Directors. During the search, the Committee will consider a range of criteria acknowledging the current Board skills matrix along with current and future areas of focus.

A recommendation for appointment will be made to the Board for discussion and approval.

The Board may choose, from time to time, to appoint Executive Directors. These appointments will be subject to Security holder ratification as required under the ASX listing rules.

3. Engagement of Non-executive Directors

Following Board approval, the Company Secretary will provide the approved candidate with a Letter of Engagement and Deed of Indemnity. Appointment will be subject to successful background checks (refer Section 4).

Candidates for directorship are encouraged to carry out “due diligence” on the Group before accepting an appointment to the Board.

On their first appointment, Non-executive Directors will attend an induction program aimed at deepening their understanding of Dexus. As part of the program, Non-executive Directors will receive essential Board and business information and will meet key management.

4. Background Checks

Background checks will be performed on candidates prior to appointment. Dexus will perform checks to validate contents of the candidate's resume including experience, education and other directorships. Character references will also be sought. Checks will also be conducted against ASIC registers and Australian Federal Police & Bankruptcy databases. Results of the background checks will be provided to the Chair of the Board Nomination Committee.

All appointments will be subject to favourable background checks. In circumstances where results of background checks have not been obtained by the date of appointment, and results of subsequent checks are deemed unsatisfactory by the Board, the Director will be asked to (and will undertake to) resign.

Confirmation that the background checks meet Dexus's expectations will be provided to Security holders in the relevant Notice of Meeting.

The Board will be required to confirm that the candidate qualifies as an independent director.

5. Induction of Non-executive Directors

The Induction Program for newly appointed directors is comprehensive and includes familiarisation with specific structures, policies and legal documents including (but not limited to):

- Outline of the Corporate and Committee structure
- Organisational charts providing details of business units
- Terms of reference for the Board and Board Committees
- Minutes of the previous Board and Board Committee meetings
- A copy of the Constitution
- A copy of the business plan
- Dexus Compliance Management Framework
- Dexus Risk Management Framework
- Operating Limits
- Dexus's Purpose statement
- Key Dexus policies including:
 - Directors' Code of Conduct
 - Inclusion and Diversity Policy
 - Securities Trading (including inside information)

The newly appointed Non-Executive Director meets with key managers who provide an overview of their areas of responsibility. Newly appointed Non-Executive Directors are encouraged to attend each of the Board Committee meetings to assist in understanding the Dexus business model and approach to corporate governance.

The Induction Program acknowledges that each director brings to the board different skills and experience. Dexus, in consultation with the newly appointed director, will identify any additional training or education that may be necessary to assist the director in discharging his/her responsibilities.

6. Re-election of Non-executive Directors

At each Annual General Meeting (AGM) of Dexus, the Board aims to have approximately one-third of its Non-executive Directors retire, by rotation. To enable Security holders to make an informed decision in relation to the re-election of a Non-executive Director, the following information will be made available to Security holders either on the Dexus web-site governance page, provided in the Notice of Meeting or presented by the Non-executive Director at the AGM.

- Biography of professional qualification and experience
- The skills the Non-executive director brings to the Dexus Board
- Details of other directorships
- Length of service on the Dexus Board
- Confirmation that the Board considers the candidate is determined to be an Independent Director
- Confirmation from the Board that it supports the re-election and the reason

7. Non-executive Directors Security holdings

The Board has determined that Non-executive Directors should maintain a minimum holding in DXS of 100% of base director fees, to be held within five years of appointment. The calculation is based on the higher of the cost paid for the securities and the market value at financial year end.

If having reached compliance with the policy (or any previous policy) in relation to the minimum holding requirement of DXS securities, a Non-executive Director will purchase additional securities within 12 months of financial year end.

The trading of securities must be in accordance with the Securities Trading Policy (including Inside Information).

Document Control Log

Version	Document Owner	Author	Approving Authority	Approved Date
6	Governance	Scott Mahony	Board Nomination Committee Dexus Board	11 December 2020 11 December 2020