

Selection & Appointment of NEDs

Board Policy



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 2018, the Board comprised of eight members, seven of whom are Non-executive Directors (NEDs) and one Executive Director (the CEO).

1. Nomination 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. Prior to the AGM, or at any other time that a casual vacancy arises, the Nomination Committee will recommend to the Board candidate(s) to fill any vacancy.

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. 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 and qualifications 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 at least the following criteria:

- experience and expertise, including ethical standards and experience in the sector
- qualifications
- independence
- potential for conflicts
- demonstrated ability to make business recommendations and decisions
- entrepreneurial talent for contributing to the creation of investor value
- the company's diversity objectives
- other commitments of the candidate

and will make a recommendation to the Board.

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.

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. Non-executive Directors Security holdings

The Board has determined that Non-executive Directors should maintain a minimum holding in DXS of 16,500 securities. The trading of securities must be in accordance with the Securities Trading Policy (including Inside Information).

Newly appointed Non-executive Directors are required to hold 16,500 DXS securities within three years of their appointment.

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
- Key Dexus policies including:
 - Directors’ Code of Conduct
 - 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.

Document Control Log

Version	Document Owner	Author	Approving Authority	Approved Date
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