

Domain

Domain Group Corporate
Governance Statement 2020

The Domain Group Corporate Governance Statement for 2020 is an extract from the Domain Group 2020 Annual Report. The Corporate Governance Statement is found on pages 45-58 of the Annual Report.

Corporate Governance Statement

The Board has overarching responsibility for corporate governance of the Domain Group and drives responsible management and conduct of the Domain business. The Board recognises that strong corporate governance protects the interests of Domain's shareholders and is core to enhancing shareholder value. The Board has adopted policies and procedures which are aimed at supporting a high standard of corporate governance.

This corporate governance statement (**Corporate Governance Statement**) sets out the key features of the framework that Domain has in place to achieve good corporate governance outcomes. It reports on Domain's policies, practices and procedures during the Reporting Period (as defined below) against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) (**ASX Recommendations**) and discloses the extent to which Domain has followed the ASX Recommendations.

Domain notes the introduction of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**New 4th Edition ASX Recommendations**) which will apply to Domain in the next reporting period. Domain has highlighted in this Corporate Governance Statement areas of governance where the Company has already begun to adopt the New 4th Edition ASX Recommendations.

The relevant reporting period for this Corporate Governance Statement is Domain's 2020 financial year which commenced on 1 July 2019 and ended on 30 June 2020 (**Reporting Period**).

This Corporate Governance Statement is current as at 20 August 2020 and has been approved by the Board.

Domain has adopted a number of policies and procedures designed to ensure that Domain is appropriately governed and managed. More information about Domain's corporate governance and copies of Domain's Constitution, Board Charter, Board Committee Charters, Securities Trading Policy, Continuous Disclosure Policy, Code of Conduct, Supplier Code of Conduct, Diversity and Inclusion Guidelines, Speak Up Policy and Anti-Bribery and Corruption Policy are available in the Corporate Governance section of Domain's Shareholder Centre website at shareholders.domain.com.au.

In addition, more information about Domain's Environmental, Social & Governance (**ESG**) management practices is available at Domain's Sustainability website at sustainability.domain.com.au.

Investors can also find information on the Company, including financial statements, investor presentations and ASX announcements, in the Shareholder Centre.

Board of Directors

Domain has seven Directors on its Board; six Non-Executive Directors and the Managing Director (CEO). Domain has three independent Directors resulting in an equal split of independent and non-independent Non-Executive Directors.

The Non-Executive Directors, together with the Managing Director, bring a diverse range of skills and knowledge to the Board, including strong financial, risk, commercial and social expertise. Details of the Directors on the Board, the appointment dates of each of the Directors, and the members of the Board Committees for FY20 are set out in the Directors' Report on pages 19–25 of the Annual Report.

The qualifications, experience and other details of each member of the Board (including those members of the Audit and Risk Committee) are set out in the Directors' Report on pages 19–25 of the Annual Report.

The number of Board and Committee meetings held during FY20 and details of each Director's attendance at the meetings are set out in the Directors' Report on pages 19–25 of the Annual Report.

Role of the Board and Delegation of Authority

Overview of the Role of the Board

The roles and responsibilities of the Board are set out in the Board Charter. A copy of the Board Charter is available at Domain's Shareholder Centre website at shareholders.domain.com.au. The Company updated the Board Charter during the Reporting Period.

The Board Charter sets out the Board's role, its composition, and the way it exercises and discharges its powers and responsibilities having regard to principles of good corporate governance. In accordance with the ASX Recommendations, Domain discloses the respective roles and responsibilities of the Board and the matters delegated to management through disclosure of its Board Charter and this Corporate Governance Statement.

The Board's role is to:

- Represent and serve the interests of shareholders by overseeing Domain's strategies, policies and performance;
- Protect and optimise Company performance and build sustainable value for shareholders within a framework of effective controls that enables risk to be assessed and managed;
- Set, review and monitor compliance with Domain's culture and governance framework; and
- Monitor that shareholders are kept informed of Domain's performance.

The Board's responsibilities and reserved matters include:

- Appointing the CEO and evaluating the CEO's performance and remuneration;
- Monitoring corporate performance and implementation of strategy and policy;
- Approving major capital expenditure, acquisitions and sales;
- Overseeing capital management, including approving dividend payments;
- Monitoring and reviewing management processes for financial and other reporting;
- Approving financial reports, profit forecasts and ASX Listing Rule reports; and
- Evaluating the performance of the Board and its Committees and individual Directors.

Under the Board Charter, the Board collectively and each Director individually has the right to seek independent professional advice, subject to the approval of the Chairman.

Delegation to Committees

The Board establishes Committees to assist with discharging its responsibilities. The three standing Board Committees that have been established are the Audit and Risk Committee, the People and Culture Committee and the Nomination Committee. Further details about the duties and responsibilities of each Committee are set out on pages 7–8 of this Corporate Governance Statement and details of the members of each Committee are set out on page 22 of the Directors' Report.

Delegation to Management

The Board has appointed Jason Pellegrino as the CEO of the Company. He is responsible for the overall management of the Domain Group in accordance with the business strategy approved by the Board. Further details of the roles and responsibilities of senior management are set out on page 6 of this Corporate Governance Statement.

The senior executives that report to the CEO (these senior executives together with the CEO being the **Executive Leadership Team**) support him with specific duties and responsibilities in the day to day operations of the Domain Group. Members of the Executive Leadership Team regularly attend and report at Board and Committee meetings.

Details of the members of the Executive Leadership Team are available in the People section of Domain's Shareholder Centre website at shareholders.domain.com.au.

The Directors and Independence

The Directors' Report on pages 19–25 of the Annual Report gives details of the Directors, their length of service and their experience.

During FY20, Domain had seven Directors. As set out below, there were changes to the non-independent Directors in February 2020.

Three out of the six Non-Executive Directors on the Board are considered by the Board to be independent Directors; Diana Eilert, Greg Ellis and Geoff Kleemann.

The independent Directors were identified and selected through an external search process. In accordance with the ASX Recommendations, they are not aligned with the interests of management, a substantial security holder or any other relevant stakeholder and they can and do bring independent judgement to bear on issues before the Board. Diana Eilert, Greg Ellis and Geoff Kleemann have served as Directors during all of FY20. No Directors have served in that position for more than 10 years.

The other three Non-Executives Directors on the Board as at the date of this Corporate Governance Statement, Nick Falloon, Hugh Marks and Lizzie Young, are considered to be non-independent. Nick Falloon is on the board of Nine Entertainment Co. Holdings Limited (**Nine**), Domain's majority shareholder, and therefore is considered to be a non-independent Director. Hugh Marks is on the board and is Chief Executive Officer of Nine. Lizzie Young is Managing Director, Commercial Partnerships at Nine. At the time of appointing Hugh Marks and Lizzie Young, the Board considered their connection with Nine and determined that they were both non-independent Directors.

Nick Falloon has served as a Director during all of FY20. Hugh Marks and Lizzie Young were appointed as Directors on 1 February 2020 and replaced Patrick Allaway and Gail Hambly.

Patrick Allaway and Gail Hambly were Directors at the commencement of FY20 and served until 1 February 2020. Patrick Allaway is on the board of Nine and was considered a non-independent Director on the Board. Gail Hambly was a long-standing executive of Fairfax Media Limited prior to the merger between Fairfax and Nine in December 2018. The Board deemed that Gail Hambly was not an independent Director as a result of that employment with Fairfax.

The Board has considered and assessed the interests of each of the non-independent Directors and determined that their interests will not interfere with that Director's capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the entity and its shareholders generally.

Corporate Governance Statement

During the Reporting Period, the Nomination Committee undertook an annual review of the status of every Director and made a recommendation to the Board as to their independence. The Board determined that the independent/non-independent status of each of the Directors remained unchanged and continues to be as set out in this Corporate Governance Statement.

Whilst not in line with the ASX Recommendation that a majority of Directors should be independent, the Board considers the current mix of independent and non-independent Directors to be appropriate and reflects Nine's majority shareholding in Domain.

During the Reporting Period, the interests of the non-independent Directors changed as a result of the Project Zipline Share Rights issued to the Directors detailed in the Remuneration Report on pages 26–44 of the Annual Report. The Company promptly lodged notice of these changes (Appendix 3Y) via the ASX Market Announcements Platform.

At the beginning of each Board meeting, there is a period allocated for the Non-Executive Directors to confer without the senior executives present at the meeting. There is also allocated time in each Board meeting for an independent director discussion, led by an independent Director, Geoff Kleemann, during which the non-independent Directors leave the meeting.

Board Skills

The Directors each bring to the Board a valuable depth of knowledge and experience including global experience. The Directors represent a cross-section of industries and bring a diverse range of skills including strong financial, risk, commercial and social expertise. The following table sets out the Board's skills matrix being the skills, experience and diversity of the Directors on the Board as at the date of this Corporate Governance Statement.

As set out above, there were changes to the Board in February 2020. The following table reflects the skills of the current Board and does not include those persons who ceased to be Directors during the Reporting Period.

The Directors completed a self-assessment questionnaire identifying their relevant experience or expertise in relation to a skills matrix developed by the Nomination Committee and approved by the Board. The results were reviewed and discussed by the Board and are reflected in the following table.

Category	Percentage of Directors (substantial or extensive expertise)
Media expertise	
Expertise and experience in the media industry at a very senior level	86%
Strategy/risk	
Expertise in the development and implementation of strategic plans and risk management to deliver investor returns over time	86%
Executive leadership	
Experienced and successful leadership at a very senior executive level of large organisations	100%
Marketing and product development	
Expertise and senior executive experience in marketing and new media marketing metrics and tools	71%
Financial acumen	
Expertise in understanding financial accounting and reporting, corporate finance and internal financial controls, including an ability to probe the adequacies of financial and risk controls	86%
Remuneration	
Expertise in remuneration design to drive business success	71%
Capital projects, acquisitions and divestitures	
Experience in evaluating and implementing projects involving large-scale financial commitments, investment horizons and major transactions	71%
Governance	
Knowledge and experience of high standards of corporate governance, including ASX Listing Rules and practices	71%
Technology and data	
Expertise and experience in the adoption of new technology and technology projects and in the use of data and data analytics to drive successful sales, marketing and business development	71%
Health, safety and corporate responsibility	
Expertise related to workplace health and safety, environmental, community and social responsibility	43%
Public policy	
Experience in public and regulatory policy, including how it affects business	57%

The Nomination Committee assists the Board in considering the Directors' ongoing education and ensuring that there are processes in place to ensure that each of the Directors maintains the skills and knowledge needed to perform their role as a Director effectively.

Director Appointment, Rotation and Succession Planning

The Nomination Committee assists the Board when appointing new Directors and when considering the re-election of existing Directors. Under the Nomination Committee Charter, candidates must demonstrate they have the skills, experience, expertise and personal qualities that will best complement Board effectiveness and promote Board diversity. They must also show they can provide the necessary time and commitment and meet any independence requirements. All potential Directors are subject to appropriate background checks before they are appointed as a Director or put forward to shareholders for election as a Director. Background checks were completed for the Directors appointed in February 2020.

Domain has a program for inducting new Directors and each new Director receives induction information with the key corporate governance policies and charters of the Company. As part of the Director induction and Board evaluation process, the Board, with support from the Nomination Committee, considers the skills and knowledge of each of the Directors and whether any of the Directors require any professional development to develop and maintain their skills to perform their role effectively.

Management regularly briefs the Directors on material developments in laws, regulations and accounting standards that are relevant to Domain.

Director Appointment Letter

All new Directors receive a written appointment letter setting out the terms of their appointment. Hugh Marks and Lizzie Young received such appointment letters prior to their appointment as Directors on 1 February 2020.

In line with the ASX Recommendations, for non-executive Directors the appointment letters address:

- The requirement to disclose the director's interests and any matters which could affect the director's independence;
- The requirement to comply with key corporate policies;
- When Directors may seek independent professional advice at the expense of the Company;
- Indemnity and insurance arrangements;
- Ongoing rights of access to corporate information; and
- Ongoing confidentiality obligations.

As announced by the Company on 26 April 2020, the Company implemented cost initiatives to manage the potential impact of the COVID-19 coronavirus (Project Zipline), including the CEO and Directors electing to take 50% of their salary and directors' fees for six months in Share Rights. The executive service agreement for the CEO and the appointment letters for relevant Directors were varied (with the written agreement of the CEO and the relevant Director) to account for this variation to the payment of their remuneration. Further information in relation to Project Zipline is set out in the Chairman's Report on pages 4–5 and the Remuneration Report on pages 26–44 of the Annual Report.

Director Rotation

Domain's Annual General Meeting will be held on 10 November 2020. Under Domain's Constitution, at least one Director is required to stand for re-election at the Annual General Meeting, and no Director (who is not the CEO) may hold office without re-election beyond the third Annual General Meeting following the meeting at which they were last elected or re-elected. In addition, under the ASX Listing Rules, a director appointed to fill a casual vacancy must not hold office (without re-election) past the next Annual General Meeting. Accordingly, Hugh Marks and Lizzie Young, who were appointed to the Board in February 2020, will be required to stand for re-election at the next Annual General Meeting.

The Nomination Committee assists the Board to determine which Directors will stand for re-election. In the Notice of Meeting for the Annual General Meeting, the Company will announce the details of the Directors standing for re-election and will provide shareholders with all material information in its possession about the Director relevant to a decision by shareholders on whether or not to re-elect the Director standing for re-election.

Evaluation of Board, Committees And Directors

The Company has a process for periodically evaluating the performance of the Board, the Board Committees and individual Directors.

During the Reporting Period, the Board conducted a review of the Board's structure and composition, and performance of the Board, the Board Committees and individual Directors. The Nomination Committee assisted the Board with this review process. With regard to Board structure and composition, the Board determined that there was no requirement to change the existing composition or size of the Board based on the range of skills possessed by the current Directors.

Corporate Governance Statement

The Board performance review was undertaken with the objective of continuous governance improvement, identifying Board performance improvement opportunities and any potential governance framework gaps. The review process covered individual Directors, the Chairman, the Board as a whole as well as the Committees. The evaluation process comprised an individual Director questionnaire, a management questionnaire for those members of management that regularly interact with the Board, direct one-to-one discussions between individual Directors and the Chairman and, to complete the process, a Board group discussion.

Consistent with the ASX Recommendations, performance evaluation of the Chairman was completed by an independent Non-Executive Director, Geoff Kleemann.

Board Chairman

The Board appoints the Chairman, who represents the Board to the shareholders and communicates the Board's position.

Domain's Chairman is Nick Falloon and he is also Deputy Chairman of Nine, which is a substantial shareholder of Domain. As a result of his interests in Nine, he is considered to be a non-independent Director. Whilst not following the ASX Recommendation that the Chair should be an independent Director, the Board considers Nick Falloon to be the most appropriate person to lead the Board, given his expertise and experience. Consistent with the ASX Recommendation, the Chair is not the same person as the CEO.

The Board is comfortable that Nick Falloon brings objective and independent judgement to all of the Board's deliberations. Notwithstanding this, Geoff Kleemann, an independent Non-Executive Director, has been appointed by the Board to act as the independent Chair in relation to any matters where Nick Falloon may be conflicted. The Board has a standing item on its Board meeting agenda, chaired by Geoff Kleemann, for independent Director discussion. The non-independent Directors are asked to step out of the meeting for that agenda item.

CEO

The CEO is appointed by the Board and is responsible for the Company's day-to-day management, financial performance and administration. Jason Pellegrino served as Domain's CEO during the Reporting Period.

The CEO's performance is evaluated by the Board. The CEO's annual performance review against his key performance criteria was undertaken by the Chairman, in consultation with the other members of the Board, shortly after the end of FY20.

Senior Management

During the Reporting Period, the Executive Leadership Team consisted of the CEO, the CFO and other senior executives delegated with management functions by the CEO. Details of the members of the Executive Leadership Team are available in the People section of the Domain's Shareholder Centre website at shareholders.domain.com.au.

The Executive Leadership Team's roles and responsibilities are to implement strategic objectives, plans and budgets approved by the Board, and identify and manage risks within Domain's risk framework. The members of the Executive Leadership Team are leaders within the business, and they drive the Domain business and implementation of its key objectives. They are accountable to the Board for matters within their delegated authority. They are committed to providing the Board with sufficient information to enable the Board to understand relevant risks of the business and to discharge their Directors' duties effectively.

The members of the Executive Leadership Team are employed under individual written executive service agreements.

As part of the Company's Project Zipline initiative to manage the potential impact of COVID-19, the Executive Leadership Team elected to take 30% of their salary for six months in Share Rights. The executive service agreements for members of the Executive Leadership Team were varied (with the written agreement of the relevant member) to account for this variation to the payment of their remuneration.

Domain operates a regular 'check-in' process to enable employees and managers to provide regular feedback and discuss performance throughout the year. During the Reporting Period, the members of the Executive Leadership Team had regular check-in meetings with the CEO to discuss their key priorities and deliverables and their performance against those priorities and deliverables. In addition, the CEO had regular check-in meetings with the Chairman and also with the Chair of the People and Culture Committee.

In addition to regular check-ins, the members of the Executive Leadership Team are evaluated every 12 months against key performance criteria aligned with the strategic priorities of the business. The review is conducted by the CEO and usually occurs after the end of each financial reporting year in respect of the previous financial year. The performance reviews for FY19 were undertaken during the Reporting Period, shortly after the FY19 financial year results were announced. The reviews for FY20 will occur in the next Reporting Period shortly after the FY20 financial results are announced.

The Company Secretary

The Company Secretary is appointed by the Board and is accountable directly to the Board through the Chairman on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the coordination of all Board matters relating to the proper functioning of the Board including agendas, board papers, minutes, communication with regulatory bodies and all statutory and other filings.

Domain's Company Secretary is Catriona McGregor. The qualifications and experience of the Company Secretary are set out in the Directors' Report on pages 19–25 of the Annual Report. Consistent with the ASX Recommendations, each Director is able to communicate directly with the Company Secretary and vice versa.

Board Committees

The Board has three standing Board Committees that have been established. These are the Audit and Risk Committee, the People and Culture Committee and the Nomination Committee.

Audit and Risk Committee

The roles and responsibilities of the Audit and Risk Committee are set out in the Audit and Risk Committee Charter. The Company updated the Audit and Risk Committee Charter during the Reporting Period.

The Audit and Risk Committee that is responsible for:

- Overseeing Domain's relationship with the external auditor and the audit function generally;
- Overseeing the Company's financial and other periodic corporate reporting;
- Overseeing the Company's financial controls and systems; and
- Overseeing the Company's identification and management of risk.

The Committee has three members all of which are Non-Executive Directors. A majority of the members of the Committee are independent Directors. The Chair of the Committee is Geoff Kleemann. He is an independent Director and does not ordinarily chair the Board meetings, other than where he acts as the independent Chair in relation to any matters raised at a Board meeting where Nick Falloon may be conflicted. Whilst not following the ASX Recommendation that the Chair of the Audit and Risk Committee should not be Chair of the Board, the Board considers that Geoff Kleemann is the appropriate person to act as the independent Chair of the Board in relation to any matters or decisions where Nick Falloon has a conflict. Geoff Kleemann has relevant financial and risk expertise having operated as Chief Financial Officer and Chair of the audit committee for a number of listed entities.

A copy of the Audit and Risk Committee Charter is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

People and Culture Committee

The roles and responsibilities of the People and Culture Committee are set out in the People and Culture Committee Charter. The Company updated the People and Culture Committee Charter during the Reporting Period.

The People and Culture Committee (which also operates as a remuneration committee) has been in place throughout the Reporting Period and is responsible for overseeing the development of Domain's employee experience strategies to support the Company.

The People and Culture Committee's responsibilities include:

- Approving major changes and developments in remuneration and personnel practices and strategies for the Domain Group, including remuneration for the CEO, the Executive Leadership Team and Non-Executive Directors, Domain's employee equity incentive plans and the Company's employee relations strategy;
- Monitoring and reviewing Domain's strategies and processes to promote a safe and positive working culture;
- Approving whistleblowing and bullying and harassment policies; and
- Approving policies and procedures related to Senior Management recruitment, retention, performance assessment and termination.

In addition, the People and Culture Committee is to provide support to the Board and management in overseeing the development and implementation of an ESG strategy and related policy.

The Committee comprises three Non-Executive Directors, a majority of whom are independent, with an independent Director, Diana Eilert, as Chair.

Executive Directors are not involved in deciding their own remuneration or setting the remuneration of other executives that may indirectly affect their own, consistent with the ASX Recommendations.

A copy of the People and Culture Committee Charter is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Corporate Governance Statement

Nomination Committee

The roles and responsibilities of the Nomination Committee are set out in the Nomination Committee Charter. The Company updated the Nomination Committee Charter during the Reporting Period.

The Nomination Committee assists the Board to ensure the Board is comprised of Directors with a broad mix of skills, expertise, experience and diversity. It makes recommendations to the Board on the Board's size, composition, and the criteria for nomination as a Director. The Nomination Committee assists the Board to evaluate the performance of the Board as a whole, its Committees, and individual Directors. It also ensures there are adequate processes to support Director induction and education, and to review their commitment and effectiveness.

Consistent with the ASX Recommendations, the Committee is permitted under the Nomination Committee Charter to seek the advice of the Company's auditors, solicitors or other independent advisers, consultants and specialists as to any matter pertaining to the powers or duties of the Committee or its responsibilities.

The Committee comprises three Non-Executive Directors, a majority of whom are independent, with an independent Director, Geoff Kleemann, as Chair.

Also consistent with the ASX Recommendations, the Chairman does not chair the Nomination Committee and so a separate chair is not required should the Nomination Committee deal with the appointment of a successor to the Chairman. A copy of the Nomination Committee Charter is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Committees – Membership, meetings and attendance

Details of the membership of each of the Board Committees, the number of times each Committee has met during the Reporting Period, and how many meetings each member has attended are set out in the Directors' Report on pages 19–25 of the Annual Report.

Values and Code of Conduct

Domain has four values which represent what Domain employees believe are important standards of behaviour. These values guide Domain in achieving its purpose of inspiring confidence for all of life's property decisions:

Open doors, open minds	Passion is contagious	Have adventures	Leap, grow, repeat
And closed minds close them. We're always up for looking at things through each other's eyes.	So we don't keep it to ourselves. We share our energy, drive, determination, celebration and pride.	Big ones. Small ones. The kind that makes our time here all the more meaningful.	We admire the leap; learning when we fall, celebrating when we land, and then leaping all over again.

Further information on these values is set out in the Corporate Social Responsibility section on pages 11–17 of the Annual Report.

These values have been in place internally during the Reporting Period. Consistent with the New 4th Edition ASX Recommendations, Domain's values are publicly disclosed on its Sustainability website at sustainability.domain.com.au and are also promoted externally as part of Domain's employee recruitment. Domain employees receive appropriate training on these values and the Executive Leadership Team frequently references and reinforces these values in their interactions with staff, in recognition awards and performance evaluations.

During the Reporting Period, the Executive Leadership Team engaged in extensive discussions in relation to these values to confirm that the values disclosed by Domain create an accurate and appropriate link between its purpose and its strategic goals. The Board considers that these values have been upheld by the Board, the Executive Leadership Team and Domain staff during the Reporting Period. Domain has a Code of Conduct, a copy of which is available at Domain's Shareholder Centre website at shareholders.domain.com.au. All Directors, managers and employees are required to act honestly and with integrity, and in accordance with the Domain Code of Conduct. The Code of Conduct summarises the way Domain employees and Directors are expected to conduct themselves. It aims to uphold the highest ethical standards and to ensure the business is conducted with honesty, trust and integrity, and in accordance with all applicable laws. The Code also sets out the responsibility of individuals for reporting Code breaches.

Under the Code of the Conduct, employees are encouraged to raise concerns about behaviour which breaches the Code of Conduct to their manager or Employee Experience representative as soon as possible, other than breaches involving financial malpractice or fraud (which are to be immediately reported to the CFO and the General Counsel). Employees may call the Speak Up (whistleblower) hotline if they do not feel comfortable speaking to someone at Domain.

Depending on their nature, breaches of the Code of Conduct are reported to the Audit and Risk Committee and the People and Culture Committee (if appropriate) and material breaches are reported to the Board by the relevant Committee. In addition to, and supporting the Code of Conduct, is the Company's range of guidelines and policies. These guidelines and policies are posted on an intranet site accessible to employees and the key policies are communicated to employees at the time of employment and are reinforced by training programs. The Code of Conduct is to be read in conjunction with the other Domain guidelines and policies.

The Company will be running refreshers for staff on key policies – including the Code of Conduct – during the next reporting period (the financial year ending on 30 June 2021).

Supply Chain and Supplier Code of Conduct

Domain expects its suppliers to comply with social, environmental and ethical standards of behaviour, comply with legislation and meet the required standards of the International Labour Organisation (**ILO**) and the Australian Human Rights Commission.

Domain has implemented a Supplier Code of Conduct (**Supplier Code**) which sets out the minimum standards that Domain expects of its suppliers. The Supplier Code is available at Domain's Shareholder Centre website at shareholders.domain.com.au and has been sent to all Domain suppliers.

In addition to implementing the Supplier Code, Domain has reviewed its supply chain to identify and address any modern slavery risks in Domain's operating and supply chain. Domain complies with its reporting requirements under the *Modern Slavery Act 2018* (Cth) and has prepared a Modern Slavery Statement which will be made available on or around the date of this Annual Report at Domain's Sustainability website at sustainability.domain.com.au and at Domain's Shareholder Centre website at shareholders.domain.com.au.

Whistleblowing

During the reporting year, the Company updated its Speak Up Policy (**Whistleblower Policy**). The Speak Up Policy, including details of the Speak Up hotline, is available at Domain's Shareholder Centre website at shareholders.domain.com.au. The Speak Up Hotline is an independent externally managed hotline which also enables whistleblowing reports to be made anonymously.

To support recipients of whistleblower reports under the Speak Up Policy Domain has created Whistleblower Guidelines for those involved in receiving, coordinating or investigating a whistleblower report, or wishing to make reports and for recipients of Whistleblower reports.

The Company will continue to conduct internal whistleblower training during the next reporting period (the financial year ending on 30 June 2021).

Under the Speak Up Policy, Domain encourages employees to raise concerns about incidents via a range of methods, including the Speak Up Hotline, the CFO, the Group Director – Employee Experience, the CEO (for concerns relating to members of the Executive Leadership Team) and the Chairman.

Under the Speak Up Policy, the Audit and Risk Committee or the Board is to be provided with additional information about material incidents that are appropriate to be escalated to that Committee or the whole Board, subject to legally required levels of confidentiality.

Anti-Bribery and Corruption

Consistent with the New 4th Edition ASX Recommendations, the Company has an Anti-Bribery and Corruption Policy, which was adopted during the Reporting Period. The Anti-Bribery and Corruption Policy is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Prior to Domain adopting a separate stand-alone anti-bribery and corruption policy in April 2020, the Company's guidelines in relation to anti-bribery and corruption were covered by provisions in the Code of Conduct and the Supplier Code. During the Reporting Period, it was considered that it was appropriate that a separate, more detailed, policy be adopted given the risks of bribery and corruption issues to Domain's reputation and standing in the community.

Under the Anti-Bribery and Corruption Policy, employees are to inform the CFO of any potential bribery or corruption in the Domain Group as soon as they become aware of it. Employees may also raise concerns relating to bribery and corruption via the Speak Up Hotline.

Under the Anti-Bribery and Corruption Policy, once raised, the Executive Leadership Team must immediately inform the Board, and the Board will determine next steps to be taken.

Corporate Governance Statement

Diversity and Inclusion

Domain is committed to creating a workplace that is fair and inclusive and reflects the diversity of the communities in which it operates. Domain values, respects and encourages diversity of Board members, employees, customers and suppliers. Diversity includes differences in age, cultural background, disability, ethnicity, nationality, family responsibilities, gender, language, marital status, religious belief and sexual identity and orientation. Domain has adopted Diversity and Inclusion Guidelines which are available at Domain's Shareholder Centre website at shareholders.domain.com.au. The Company recognises that each employee has their own unique capabilities, experiences and characteristics. It encourages such diversity at all levels of the Company. By embracing a diverse and inclusive approach, there is naturally a larger pool of talented employees available for recruitment. It also enhances employee engagement and thereby supports retention and talent attraction. Continuing to focus on diversity and inclusion will assist the Company to achieve its strategic objectives and ultimately deliver greater financial performance and greater shareholder value.

The People and Culture Committee oversees Domain's diversity and inclusion policy and the setting and achievement of its goals, including measurable objectives for achieving gender diversity in the composition of the Board.

Domain's Employee Experience team, together with members of management, drive processes and practices internally to promote the implementation of the Diversity and Inclusion Guidelines and corresponding objectives of the Company. Domain currently has principles that support gender equality in recruitment, retention, performance management, promotions and talent identification. Domain is continuing to strive to improve its practices.

Domain recognises the importance of setting measurable objectives to achieve diversity. Domain's Diversity and Inclusion Guidelines include a requirement that objectives to achieve diversity will be reviewed and updated by the People and Culture Committee every twelve months in addition to the People and Culture Committee reviewing the progress towards achieving them.

During the last reporting period (the financial year ending in 30 June 2019), the People and Culture Committee set the measurable objective that by 2020 Domain would have a representation of at least 40% female and 40% male (with a 20% swing variance) across the Board, Executive Leadership Team and Senior Management levels of the organisation. This was adjusted in August 2019 to a measurable objective to be achieved by 2021.

Since the end of the Reporting Period, the Company has amended its measurable objectives, to be consistent with the New 4th Edition ASX Recommendations, that by the end of 2021 there would be at least 40% female and 40% male (with a 20% swing variance) across the Board, the Executive Leadership Team and Senior Management levels of the organisation and the workforce generally.

The Company's progress towards achieving the measurable objectives and its workforce gender demographics more generally as at 30 June 2020 were:

Measure	Male	Female	Change From 30 June 2019
Proportion of men and women who are Directors (including CEO)	71%	29%	No change
Proportion of men and women who are in the Executive Leadership Team (including CEO and CEO-1)	70%	30%	FY19: 78% male, 22% female
Proportion of men and women who are in Senior Management (CEO-2)	57%	43%	FY19: 59% male, 41% female
Proportion of men and women across workforce generally	52%	48%	No change

As shown in the table above, the Company has seen a more even balance in its gender workforce demographics in the Executive Leadership Team and the Senior Management levels of the organisation as at 30 June 2020 compared to 30 June 2019.

Domain complies with the *Workplace Gender Equality Act 2012* (Cth), and its 2019-2020 Public Report under the Act is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Further information in relation to Domain's diversity initiatives, including its Reconciliation Action Plan and LGBTQI+ Inclusion Plan, are set out in the Corporate Social Responsibility section on pages [11-17] of the Annual Report.

Human Rights Policy

Domain is committed to conducting its activities in a manner that respects human rights. Domain adopted a Human Rights Policy in June 2020. The Company's approach to human rights is based on doing business in a way that respects the rights and dignity of people, avoids human rights abuses and upholds applicable legal requirements. A copy of the Human Rights Policy is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Domain recognises its ability to impact and influence the human rights of a variety of its stakeholders, including in its role as a provider of products and services, as an employer and as a procurer. Domain is committed to working closely with stakeholders to identify and understand its impact, to reduce negative impacts and to enhance positive ones.

This Human Rights Policy applies in addition to the Code of Conduct which captures the principles by which Domain will conduct its business and interact with its people, customers and broader communities and the Supplier Code which sets out the minimum standards that Domain expects of its suppliers.

During the Reporting Period, Domain undertook an internal assessment of its human rights impact and compliance with the Human Rights Policy.

Further information in relation to Domain's exposure to environmental and social risks, including human rights risks, is set out under 'Social sustainability risks' below.

Remuneration

The Remuneration Report on pages 26–44 of the Annual Report describes the Company's remuneration policies and practices for setting the level and composition of remuneration for Non-Executive Directors, the CEO and CFO, and their remuneration during FY20.

Risk Management

Risk management framework

The Board, with the support of the Audit and Risk Committee, oversees and monitors Domain's risk framework. The risk framework was reviewed by the Audit and Risk Committee and considered by the Board during the Reporting Period.

During the Reporting Period, the Audit and Risk Committee worked with the CEO, CFO and members of management to review the Company's key risk areas and establish a new reporting framework in respect of those key risks. The Audit and Risk Committee monitors and reviews the risks reported by management and makes recommendations to the Board based on Domain's risk appetite framework.

The risk appetite framework is intended to inform the behaviours, limits and the considerations to be taken into account by management when setting and implementing strategy and when managing the day-to-day operations of the Company.

Management reports to the Audit and Risk Committee, the People and Culture Committee and the Board on risks, both with regard to financial and non-financial risks. Risks and risk management are also considered in the context of business planning, budgeting, forecasting, reporting, and performance management processes. The risk appetite framework assists with informing management on the level of risk reporting required by management to the Board.

The Board will continue to assess Domain's risk management framework and reporting protocols at least annually to ensure they continue to be sound and that the Company is operating with due regard to the risk appetite set by the Board.

Economic, environmental and social sustainability risks

The Board, with the support of the Audit and Risk Committee, considers economic, environmental and social sustainability risks and opportunities and how they may impact the Company.

Economic risks

As a business that delivers technology and services to the real estate industry, Domain is exposed to the economic conditions of the property market. Whilst property listing volumes are cyclical in nature, Domain has significant opportunities to grow revenue through increased take up of its premium listing products to offset market impacts. Domain is expanding its business model beyond the typical six-month transaction window to service the entirety of the typical 10-year property ownership cycle. This broader focus and extension of the length of the engagement with consumers provides an opportunity for Domain to diversify and grow revenue with a view to lessening the economic impact of a property downturn.

Corporate Governance Statement

Environmental risks

Like many companies, Domain is exposed to environmental risks, such as increased energy prices as a result of energy providers adjusting their environmental policies, impacts to supply chains and extreme weather events like bushfire or floods. Domain does not consider that the impact of these environmental risks is material or any more significant for Domain than for other similar companies.

Nevertheless, Domain takes its responsibility to care for and protect the environment seriously. The Company aims to minimise the environmental impacts of its operations, products and services and expect its suppliers to do the same. The Supplier Code provides that the Company expects suppliers to demonstrate that they, among other things, minimise waste through efficient use of materials and in particular, minimise the use of energy, water and raw materials where possible, avoid contamination of the local environment and minimise emissions and pollution, and set internal improvement targets for environmental performance.

Domain acknowledges that climate change is an existential threat that will have increasingly significant environmental, social and economic impacts on all aspects of society. Although Domain does not consider it has a material exposure to climate change risk, the Company acknowledges that the scale and complexity of climate change make it uniquely challenging, especially in the context of economic decision making.

The Company is in the early stages of evaluating the impact of climate change on our businesses and strategies, and follows the Task Force on Climate-related Financial Disclosures (**TCFD**) recommendations to disclose information on our governance and risk management practices. More detail on Domain's carbon disclosure activities is set out in the Corporate Social Responsibility section on pages 11–17 of the Annual Report.

Social sustainability risks

Recognition and support of human rights is very important to Domain. Due to the nature of the Domain business, the Company does not consider that it has material exposure to risks in this area:

- The Company operates solely within Australia, a country with low frequency of current day human rights violations, and which is tightly monitored by the Australian Human Rights Commission.
- The Company's products are primarily online and are all developed within Australia.
- The Company's supply chain is relatively small meaning the Company has high visibility of suppliers in its supply chain. Most of the Company's suppliers are based in Australia.

Actions the Company is currently undertaking in relation to human rights risks include continually reviewing its supply chain, to identify and address any modern slavery risks in its operating and supply chain and investigating the potential to report on human rights issues in line with the UN Guiding Principles Reporting Framework.

Environmental, Social & Governance Policy and Plan

During the Reporting Period, the Company published an Environmental, Social & Governance Policy (**ESG Policy**) and an Environmental, Social & Governance Plan (**ESG Plan**).

Copies of these documents are available at Domain's Sustainability website at sustainability.domain.com.au.

The ESG Policy has been developed to help outline the Company's position on material ESG issues impacting our operations. The ESG Policy was developed following an ESG Materiality Assessment undertaken in October 2019 through an independent consultant, as a result of which the Company identified a range of current and emerging ESG risks and conversely opportunities that are likely to impact its business and its stakeholders over the short, medium and long term.

As set out in the ESG Policy, the critical risks that will become the focus for the Company moving forward are:

- Diversity and inclusion;
- Data security;
- Sustainable supply chain;
- Employee engagement;
- Customer satisfaction; and
- Systemic risk – Technology.

The ESG Policy sets out, for each of these risks, why it is important to the Company and how the Company is addressing the risk, and how the risk is linked to the United Nations Sustainable Development Goals.

The ESG Plan sets out, for each of these risks, the actions the Company intends to take to address the risk and a delivery timetable for those actions.

Actions the Company is currently undertaking in relation to environmental risks include improving the energy efficiency of its assets, and developing its Sustainability Strategy that will provide direction for our business to operate in a zero-carbon emissions future.

More information on Corporate Social Responsibility

More information about Domain's approach to managing social sustainability is set out in the Corporate Social Responsibility section on pages 11–17 of the Annual Report.

Internal Audit

Domain does not have an internal audit function but has systems and internal control processes to monitor, evaluate, manage and continually improve the effectiveness of our governance, risk management and internal control processes. These include balance sheet reconciliations, approval processes, controlled delegations of authority, regular operational performance reviews, risk register reviews and system controls. In June 2020, the Company appointed an independent external third party to undertake aspects of internal audit for Domain.

Periodic Corporate Reporting

Where the Company releases to the market any periodic corporate report (being an annual directors' report, annual and half yearly financial statements, periodic activity reports, or similar periodic reports prepared for the benefit of investors) that is not audited or reviewed by an external auditor, it adopts processes to ensure the integrity of these reports, including by having the data verified, statements reviewed by relevant members of management including the CFO and the Group General Counsel.

The full year financial report is audited and the half year financial report is reviewed by the auditors.

Declarations from the CEO and CFO

Before it approves the financial statements for the half-year and full-year, the Board receives a declaration from the CEO and CFO consistent with the requirements of the *Corporations Act 2001* (Cth) and the ASX Recommendations.

These statements are made after the CEO and the CFO receive representation letters from appropriate management addressed to the CEO and CFO verifying material issues relating to their respective areas of responsibility and disclosing factors that may have a material effect on the financial performance of the Domain Group.

The Board also receives a statement from the CEO and CFO that their opinion has been formed on the basis of a sound system of controls which they believe to be operating effectively.

Role of the Auditor and Audit Independence

The Company's auditor audits Domain's full-year financial statements. The Audit and Risk Committee assists the Board by overseeing Domain's relationship with the external auditor. The Committee reviews the performance, independence and objectivity of the external auditor. It also monitors compliance with the Company's External Audit Policy and Charter of Audit Independence, which are attached to the Audit and Risk Committee Charter. The Charter of Audit Independence provides a framework for the Board and management to ensure that the external auditor is independent and seen to be independent. The purpose of an independent statutory audit is to provide shareholders with reliable and clear financial reports on which to base investment decisions.

The Charter sets out key commitments by the Board and procedures to be followed by the Audit and Risk Committee and management that aim to set a proper framework for audit independence.

Continuous Disclosure Policy

Domain is committed to complying with its continuous disclosure obligations under the *Corporations Act 2001* (Cth) and the ASX Listing Rules to keep the market fully informed of information concerning it that a reasonable person would expect to have a material effect on the price or value of Domain's securities.

Domain has a written Continuous Disclosure Policy to ensure that it complies with its disclosure obligations so that all investors have equal and timely access to material information concerning the entity – including its financial position, performance, ownership and governance. A copy of Domain's Continuous Disclosure Policy is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

The Continuous Disclosure Policy sets out matters in respect of which Board approval and input for announcements is required, including in relation to significant profit upgrades or downgrades, dividend policy or declarations and company transforming events.

Where the Board does not approve announcements, Board members are provided with material market announcements promptly after they have been made, consistent with the New 4th Edition ASX Recommendations.

Corporate Governance Statement

Investor and Analyst Presentations

Consistent with the New 4th Edition ASX Recommendations, the Company releases a copy of presentation materials on the ASX Market Announcements Platform ahead of new and substantive investor and analyst presentations.

During the Reporting Period, the Company released a copy of presentation materials on the ASX Market Announcements Platform on three occasions (16 August 2019, 20 February 2020 and 5 May 2020). In each case, the materials were released ahead of the presentation.

Shareholders and other interested parties are able to participate in all Company hosted investor events, and webcast details are made available in advance on the ASX Market Announcements Platform. In addition, replays and transcripts of these presentations are available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Shareholder Communications and Investor Relations Program

The Company operates an investor relations program that facilitates two-way communications with investors. The Directors also meet with proxy advisers and representatives of retail shareholders to understand their key focus areas and share Domain's approach in relation to those matters.

Consistent with the ASX Recommendations, where significant comments or concerns are raised by investors or their representatives, they are conveyed to the Board and relevant senior executives. Shareholders have the option to receive communications from Domain and send communications to Domain and its share registry electronically. Domain's ASX announcements include details of its investor relations contact person and their contact details.

To ensure shareholders have access to relevant information, Domain puts information about itself and its governance (including Company announcements, analyst and investor briefings, financial results and other relevant information) at Domain's Shareholder Centre website at shareholders.domain.com.au.

Consistent with the ASX Recommendations, the Company has a dedicated 'Corporate Governance' landing page from where all corporate governance information can be accessed.

Also consistent with the ASX Recommendations, the Shareholder Centre website also includes:

- Names, photographs and brief biographical information for Directors and Executive Leadership Team;
- The Company's Constitution;
- The Board Charter, Board Committee charters and policies;
- An overview of the Company's current business and brands;
- Slides for materials distributed at investor or analyst presentations (and, in some cases, webcast recordings);
- Historical information about the price of the Company's shares;
- Information about the Company's dividend or distribution history;
- Contact details for enquiries from security holders, analysts or media; and
- Contact details for its securities registry (from which key security holder forms can be accessed).

Domain also makes available on the Shareholder Centre website the full text of Notices of Meetings and explanatory materials for each Annual General Meeting (including directors' reports, financial statements and other corporate reports). The Chairman's and the CEO's addresses, proxy counts and results of shareholder resolutions for each Annual General Meeting are posted on the Shareholder Centre as soon as practicable after their release to ASX.

In addition to the Shareholder Centre, Domain has a Sustainability website at sustainability.domain.com.au to provide investors with information about Domain's approach to responsible business practices, ensuring customer satisfaction, monitoring our supply chain, being an employer of choice, managing our environmental footprint, and supporting and investing in community development.

Shareholder Participation and Voting

Shareholders are encouraged to ask questions and are given a reasonable opportunity to comment on matters relevant to the Company (including management of the Company) at the Company's Annual General Meeting. The external auditor will attend the Annual General Meeting and will be available to answer shareholder questions about the audit and the Auditor's Report.

The Company facilitates and encourages participation at meetings of security holders by a range of methods, including:

- Allowing proxy forms to be submitted electronically, by fax, by post or delivery;
- Webcasting the Annual General Meeting so that security holders can view and hear proceedings online; and
- Allowing security holders to submit questions in writing ahead of the Annual General Meeting (including to the auditor), for those who are unable to attend the meeting or who prefer to register questions in advance.

Consistent with the ASX Recommendations, the above methods were adopted for the Company's Annual General Meeting held during the Reporting Period.

At meetings of security holders, resolutions are decided by a poll rather than a show of hands, consistent with the New 4th Edition ASX Recommendations. At the Company's Annual General Meeting held during the Reporting Period, all resolutions were decided by poll and it was flagged in the notice of meeting that the Chairman intended to put all resolutions to a poll.

Trading in Company Securities

Domain has a Securities Trading Policy that regulates when and how the Directors, the Executive Leadership Team and certain other key designated employees (collectively Designated People) may trade in its securities. The Securities Trading Policy also extends to trading in Nine securities because it is recognised that materially price sensitive information about Domain may be price sensitive in relation to Nine securities whilst Domain is a subsidiary of Nine.

The Securities Trading Policy is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

The Securities Trading Policy sets out closed periods when no trading is to be undertaken by Designated People except in exceptional circumstances with prior written clearance. At all other times, Designated People cannot trade without authorisation. Designated People are also prohibited from short selling, from engaging in short term or speculative trading, or from trading in derivatives the value of which is based on Domain's or Nine's share value.

The Directors, Executive Leadership Team and Designated People are regularly reminded of the Securities Trading Policy and of the closed periods.

Equity-Based Remuneration Schemes

The Company has several equity-based remuneration schemes under the Domain Equity Incentive Plan and the Domain Executive Incentive Plan. Details of these schemes for KMP are set out in the Remuneration Report on pages 26–44 of the Annual Report. A summary of the Domain Equity Incentive Plan is set out on page 42 of the Scheme Booklet for the separation of the Company from Fairfax Media. The Scheme Booklet is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Securities issued via these schemes are subject to the Securities Trading Policy. The Securities Trading Policy also prohibits any employees from entering into any financial transactions (whether through a derivative, hedge or other arrangement) which would operate to limit their economic risk from holding unvested Domain securities that have been allocated to them as part of their remuneration, including under any of the above schemes. As set out in the Securities Trading Policy, any employee found not to have complied with the Policy risks disciplinary actions which could include termination of employment. The Securities Trading Policy is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Domain