



# CORPORATE GOVERNANCE GUIDELINES

## 1. Responsibilities and Principles of the Board Generally

The primary responsibility of the Board of Directors (the “Board”) is to oversee the affairs of Duke Realty Corporation (the “Company”) for the benefit of its shareholders. The Board is the ultimate decision-making body of the Company except for those matters reserved to the shareholders. It selects the Chairman of the Board and the Company’s Chief Executive Officer (the “CEO”). The Board acts as advisor and counselor to senior management and ultimately monitors their performance.

The Board believes that directors should act on behalf of all shareholders, should not represent the interests of particular constituents, and should reflect a diversity of experiences and viewpoints.

The Board believes that the long-term success of the Company is dependent upon the maintenance of a strong ethical business environment that focuses on adherence to both the letter and the spirit of regulatory and legal mandates.

## 2. Size and Composition of the Board

The Board believes that 11 to 15 members is the optimum size range for this Board and that independent, non-employee directors shall comprise at least 75% of the Board.

## 3. Independence Standard for Independent Directors

The Board must at all times be comprised of a majority of independent members in accordance with the applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder, and the applicable rules of the New York Stock Exchange.

The Board expects an independent director to be free of interests or affiliations that could give rise to a biased approach to directorship responsibilities and/or a conflict of interest and free of any significant business, financial, or personal



# CORPORATE GOVERNANCE GUIDELINES

relationship with the Company that would interfere or appear to interfere with the director's exercise of independent judgment. The Board has adopted confidentiality and recusal procedures to address potential conflicts of interest when a member of the Board has a relationship with another company or concern with an interest that may be potentially in conflict with the interests of the Company. The General Counsel is responsible for the interpretation and application of these procedures, when appropriate.

To be considered independent, the Board shall affirmatively determine that a director does not have any direct or indirect material relationship with the Company. Such determination will be made on an annual basis based on the prior review and recommendation of the Corporate Governance Committee.

#### **4. Chairman of the Board and Chief Executive Officer Positions**

The Board views the selection of the Chairman and the CEO as one of its most important responsibilities. The Board should remain free to decide whether these positions should be held by the same person. The Board will thus be in a position to determine the best arrangement for the Company and its shareholders, given the changing circumstances of the Company and the composition of the Board.

#### **5. Agendas for Board Meetings**

The Chairman is responsible for establishing the agenda for each Board meeting and for its distribution in advance of the meeting. In so doing, the Chairman shall consult with the CEO, if different from the Chairman, and the Lead Director (as defined below), who, along with other independent directors, may suggest additional agenda items and may raise, at any meeting, subjects that are not on the agenda.

## **6. Advance Review of Materials and Attendance at Board Meetings**

Materials for review, discussion, and action of the Board should, to the extent practicable, be distributed sufficiently in advance of meetings, thereby allowing time for review prior to a meeting. However, it is recognized that certain exigent circumstances may cause some presentation materials to be unavailable in advance of a meeting.

Each director is expected to attend all regular and special meetings of the full Board, of the independent directors, and of the committee or committees of which the director is a member. In addition, each director is expected to attend each annual meeting of shareholders. The Board recognizes that occasional meetings may need to be scheduled on short notice when the participation of a director is not possible and that conflicts may arise from time to time that will prevent a director from attending a regularly scheduled meeting. However, the Board expects that each director will make every possible effort to keep such absences to a minimum. Failure of a director to attend 75% of the aggregate of (a) the total number of meetings of the Board held during the calendar year (or such shorter period if less than a full calendar year) for which he or she has been a director and (b) the total number of meetings held by all committees of the Board on which he or she served during the calendar year (or such shorter period if less than a full calendar year) will be considered by the Corporate Governance Committee in deciding whether to recommend the director to the Board for re-election as a director.

## **7. Board Access to Senior Management**

Board members may initiate contact with the Company's management.

The CEO is encouraged to invite key members of management to Board meetings on a regular basis so that they may provide additional insight into the items being discussed. The Board believes it is important for independent directors to know the Company's key senior officers and welcomes their attendance at and

participation in Board meetings. The Board also expects that management will use this process to give exposure to managers with senior management potential.

## **8. Board Access to Independent Advisors**

The Board and each of its committees have the authority to seek legal or other expert advice from a source independent of management. When seeking such outside advice, the Board intends to select advisors whose corporate responsibility values align with those of the Company whenever possible. Among other things, the Board should look for advisors with a commitment to good corporate governance, a diverse employee pool, policies to support and engage employees and other stakeholders, and a strategy to help protect the environment.

## **9. Lead Director; Executive Sessions of Independent Directors**

When the Chairman of the Board is a member of Company management, the Independent Directors will also annually elect an independent director as the Lead Director of the Board (the "Lead Director"). The Lead Director will serve as the chairperson of the Corporate Governance Committee. The Lead Director will preside at all meetings of the Board at which the Chairman is not present. The Lead Director will serve as liaison between the Chairman and the independent directors; will approve information sent to the Board; and will approve meeting agendas and schedules to assure that there is sufficient time for discussion of all agenda items. The independent directors meet in executive session at each quarterly Board meeting, and at other times as they deem appropriate, without management. Executive sessions may also be scheduled between the directors and the CEO as appropriate. When independent directors meet in executive session, the Lead Director acts as chairperson of the session.



# CORPORATE GOVERNANCE GUIDELINES

## **10. Standing Committees of the Board**

The Board has the following standing committees: the Corporate Governance Committee (which serves as the nominating committee for the Board), the Audit Committee, the Compensation and Human Capital Committee, and the Finance Committee. Committee membership consists solely of independent directors.

Each committee maintains a charter which is posted on the Company's website. The Board at any time may form a new committee.

## **11. Committee Meetings**

Regular meetings of each committee are scheduled to coincide with regular Board meetings. Each committee is scheduled to meet at least four (4) times a year. Each committee chairperson may call additional meetings, as needed.

## **12. Committee Agendas**

Each committee chairperson, in consultation with the appropriate officers and staff of the Company, develops the committee's agenda. Agendas are distributed to all committee members in advance of the meeting. Independent directors may suggest additional agenda items and may raise at any committee meeting subjects that are not on the agenda.

## **13. Assignment and Rotation of Committee Members**

The Corporate Governance Committee recommends to the Board, and the independent directors and the Board designate, the members and the chairpersons of the Board's committees, taking into account the preferences and experience of the individual directors.

The Board annually reviews committee membership and considers whether membership of any committee should be changed with a view toward balancing the benefits derived from continuity against the benefits derived from the



# CORPORATE GOVERNANCE GUIDELINES

diversity of experience and viewpoints of the various directors. Consideration is given to rotating committee members periodically, but the Board does not believe that rotation should be mandated as a policy.

## **14. Director Qualification Standards**

The Corporate Governance Committee recommends nominees for election to the Board and considers candidates recommended by the directors, management, and the Company's shareholders. The Corporate Governance Committee recommends nominees who are highly qualified and have broad experience which demonstrates wisdom, integrity, ability to make independent analytical inquiries, understanding of the Company's business and environment, and capability and willingness to devote adequate time to Board and committee duties. Above all, the principal qualification for a director is the ability to act on behalf of all shareholders.

The Corporate Governance Committee is responsible for reviewing with the Board on a regular basis and at least annually the professional qualifications, skills, and characteristics that would be desirable in potential Board members in the context of the then current make-up of the Board.

In addition, the Corporate Governance Committee reviews and assesses the independence, experience, and financial literacy of nominees for the Audit Committee in accordance with regulatory requirements and the independence of nominees for the Compensation and Human Capital Committee in accordance with regulatory requirements.

## **15. Majority Voting Policy for Director Elections**

In any non-contested election of directors, any nominee for director who does not receive at least a majority of the votes entitled to vote thereon present in person or by proxy (an "Against Vote") shall promptly tender his or her resignation following certification of the shareholder vote. The Corporate



# CORPORATE GOVERNANCE GUIDELINES

Governance Committee shall consider the resignation offer and recommend to the Board the action to be taken with respect to such offer of resignation. Within 90 days following certification of the shareholder vote, the Board will act on the recommendation of the Corporate Governance Committee.

Any director who tenders his or her resignation pursuant to this provision shall not participate in the Corporate Governance Committee recommendation or Board action regarding whether to accept the resignation offer.

However, if each member of the Corporate Governance Committee received an Against Vote at the same election, then the independent directors who did not receive an Against Vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them.

However, if the only directors who did not receive an Against Vote in the same election constitute three or fewer directors, all directors may participate in the action regarding whether to accept the resignation offers.

## **16. Extending the Invitation to a New Potential Director to Join the Board**

An invitation to join the Board may be extended by the Board itself or, with the Board's authorization, by the Chairperson of the Corporate Governance Committee or by the Chairman of the Board. Such invitation may include an invitation to become an advisory Board member, with such duties and privileges as the Board may determine from time to time.

## **17. Orientation of New Directors**

The Board and the Company have an appropriate orientation process for new directors that includes background material on the Company's business, industry, and corporate governance practices, as well as meetings with senior management and visits to Company properties. In addition, on a regular basis,

management makes in-depth presentations to the Board on particular aspects of the Company's business.

## **18. Director's Ownership of Shares**

Each independent director is subject to the Company's Director and Executive Stock Ownership Guidelines, which require a director, over time, to accumulate and retain a minimum number of the Company's common shares equal in value to approximately five (5) times the director's annual retainer, measured upon the director's initial election.

## **19. Directors Who Change Their Present Job Responsibilities or Are No Longer Considered Independent**

Directors who change their principal employment or other responsibilities or who cease to be independent are required to tender their resignation from the Board to the Corporate Governance Committee.

While such a resignation may not be accepted, the practice provides an opportunity for the Board, acting initially through the Corporate Governance Committee, to review the appropriateness of the director's continued membership on the Board.

## **20. Term Limits**

The Board has not established term limits for directors. On an annual basis, the Corporate Governance Committee, in consultation with the Chairman, considers the issue of continuing director tenure and takes such steps as may be deemed appropriate to ensure that the Board maintains an openness to new ideas and a willingness to critically re-examine the status quo.



## **21. Board Compensation**

Management reports annually to the Compensation and Human Capital Committee the status of the Company's Board compensation in relation to that of peer companies.

To strengthen the linkage between the compensation of independent directors and the Company's performance, a significant portion of each independent director's total compensation is provided in the form of equity in the Company.

## **22. Assessing the Board's Performance**

The Corporate Governance Committee recommends criteria for assessment of the performance of the Board. Based on these criteria, the Board, acting through the Corporate Governance Committee, conducts an annual self-assessment of its performance as a whole. In connection with the annual nomination process, the Corporate Governance Committee reviews the incumbent directors and recommends that the Board take appropriate action if, in the Committee's opinion after discussion with the Chairman of the Board, any director has failed to make an adequate and constructive contribution to the work of the Board.

## **23. Resignations or Retirement of Officers as Board Members**

The Board expects that when the CEO resigns from that position, he or she will resign from the Board at the same time or, if agreed to by the independent directors, on a date not later than one (1) year following the effective date of his or her resignation.

Similarly, the Board expects any director who is also an officer of the Company or of any of its subsidiaries will retire from the Board when he or she retires as an officer.

## 24. Succession Planning

The CEO reports annually or more frequently, as may be requested, to the Corporate Governance Committee and the independent directors on succession planning and management development for senior executive officers.

The CEO also communicates to the Corporate Governance Committee and the independent directors his or her current recommendation as to a successor in case the CEO becomes unable to perform his or her duties.

## 25. Board Interaction with Stakeholders

The CEO is responsible for establishing effective communications with the Company's stakeholder groups, including shareholders, customers, Company associates, communities, suppliers, creditors, governments, and corporate partners. The Company believes that management should speak for the Company. From time to time, individual directors may receive requests for comment from various constituencies who are involved with the Company. Any such request should be forwarded to the CEO or his or her designee. If comments from the Board are appropriate, they should come from the CEO, the Chairman, or the Company's other designated spokespersons.

## 26. Shareholder Rights Plans

The Board shall obtain shareholder approval prior to adopting any shareholder rights plan; provided, however, the Board may act on its own to adopt a shareholder rights plan if, under the then current circumstances, in the reasonable business judgment of the independent directors, the fiduciary duties of the Board would require it to adopt a rights plan without prior shareholder approval. The retention of any rights plan so adopted by the Board will be submitted to a vote of shareholders as a separate ballot item at the next annual meeting of shareholders and, if not approved, such rights plan will expire within one (1) year after such meeting.



# CORPORATE GOVERNANCE GUIDELINES

## **27. Communications from Shareholders**

As required by the listing standards established by the New York Stock Exchange, the Company provides a procedure for the Board to accept communications from shareholders of the Company that are reasonably related to protecting or promoting legitimate shareholder interests. The Company believes that providing a method for interested parties to communicate with the independent directors of the Board and/or the entire Board provides a more confidential, candid, and efficient method of relaying any interested parties' concerns or comments. Such communications should be directed to the independent directors by writing to: Independent Directors, c/o Corporate Secretary, Duke Realty Corporation, 8711 River Crossing Boulevard, Indianapolis, Indiana 46240. Communications should be directed to the entire Board by writing to: Board of Directors, c/o Corporate Secretary, Duke Realty Corporation, 8711 River Crossing Boulevard, Indianapolis, Indiana 46240.

## **28. Director Service on Concurrent Boards and Board Committees**

Directors are encouraged to limit the number of other company boards and committees of those boards on which they serve, taking into account potential board and committee attendance, participation, and effectiveness on those boards and committees. Directors should also advise, in writing, the Chairperson of the Corporate Governance Committee in advance of accepting an invitation to serve on another board or board committee of (1) any public company or (2) any private or not-for-profit company, but with respect to a private or not-for-profit company, only in circumstances in which the concurrent service could create a conflict of interest or scheduling conflicts with respect to attendance at the Company's Board or Board Committee meetings. The Corporate Governance Committee shall make a determination as to whether such concurrent service on an applicable board or board committee will impair the ability of the director to effectively serve in the best interests of the Company and its shareholders.



# CORPORATE GOVERNANCE GUIDELINES

## **29. Complaints Regarding Accounting, Internal Controls and Auditing**

The Audit Committee has established and reviews on an annual basis procedures for complaints regarding accounting, internal controls, and auditing matters, including procedures for the confidential and anonymous submission of complaints by employees.

## **30. Code of Business Ethics**

The Board believes that the Company's Code of Business Ethics reflects the Company's commitment to operate its business with honesty and integrity. The Code of Business Ethics applies to all directors, associates, and officers, including the CEO and senior financial officers. The Board reviews the Code of Business Ethics periodically and at least annually to ensure that it calls upon the Company's senior financial officers to demonstrate the highest level of ethical conduct in connection with the Company's financial reporting obligations.

## **31. Corporate Governance**

Decisions on matters of corporate governance are approved by the Board upon the recommendation of the Corporate Governance Committee and the independent directors, and after such consultation with senior management (including the CEO), as appropriate.

These Corporate Governance Guidelines will be reviewed periodically and at least annually and will be publicly disclosed and posted on the Company's website.