



22 September 2017  
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## NOTICE OF ANNUAL GENERAL MEETING OF STOCKLAND CORPORATION LIMITED AND MEETING OF UNIT HOLDERS OF STOCKLAND TRUST

Stockland has lodged today the following documents with ASX:

1. Notice of Meetings (Annual General Meeting of Stockland Corporation Limited and Meeting of Unit Holders of Stockland Trust); and
2. Proxy Form.

The meetings will be held at 2.30pm (Sydney time) on Wednesday 25 October 2017 in the Heritage Ballroom, The Westin Sydney, 1 Martin Place, Sydney. The meetings will also be webcast live on the Stockland website.

Documents will be despatched to securityholders today.

**ENDS**

**Stockland**

Stockland (ASX: SGP) was founded in 1952 and has grown to become Australia's largest diversified property group – owning, developing and managing a large portfolio of shopping centres, residential communities, logistic centres, business parks, office assets and retirement living villages. Stockland is rated as one of the most sustainable real estate companies in the world by the Dow Jones Sustainability World Index (DJSI). Stockland is also an Employer of Choice for Gender Equality, as recognised by the Workplace Gender Equality Agency.

# Strength in diversity

## NOTICE OF MEETING



Stockland

Dear Securityholder,

I am pleased to invite you to Stockland's 2017 Annual General Meeting ("AGM") to be held at 2.30pm on Wednesday 25 October in The Westin Sydney, Heritage Ballroom, 1 Martin Place, Sydney. The meeting will also be webcast live on the Stockland website.

Our AGM provides an occasion to meet the Board, hear from the Managing Director, and ask any questions you may have. You are welcome to submit questions in advance by mail or via our website.

The AGM also provides the opportunity to vote on the four resolutions for securityholder approval. If you are unable to attend the meeting I encourage you to vote prior to the meeting online or using the forms that are included.

### ELECTION AND RE-ELECTION OF DIRECTORS

The first two resolutions seeking approval are for the election of our new director, Mr Andrew Stevens, to the Board and for my re-election to the Board.

Mr Stevens joined the Board in July 2017. He is a highly regarded director with extensive expertise in the technology sector and significant commercial experience. This makes him an excellent addition to our team.

It has been an honour to serve as a Stockland Board member and as Chairman this past year. I believe my experience as a senior finance executive, as well as my substantial experience in the retailing sector, supply chain logistics, and property development and management has positioned me well for this responsibility. I look forward to continuing to do so should you support the resolution to re-elect me.

The Board unanimously recommends the re-election of both directors.

### REMUNERATION REPORT, PERFORMANCE RIGHTS AND TERMINATION BENEFITS

Two further resolutions seek approval of the Remuneration Report and the grant of performance rights to the Managing Director as part of his 2018 financial year remuneration. The Board is committed to ensuring that Stockland's executive pay is commensurate with the Group's business outcomes and achievements, and our executives must achieve stretch goals in order to earn annual bonuses and long-term incentives.

The Board unanimously recommends the approval of these two resolutions.

### ADOPTION OF THE ATTRIBUTION MANAGED INVESTMENT TRUST (AMIT) REGIME

The AMIT regime is an amendment by the Australian Government to part of Australia's tax system relevant to Stockland. The ATO has stated that the new regime seeks to reduce complexity, increase certainty and minimise compliance costs for eligible managed investment trusts and their members.

Recognising the greater certainty and legislative protection afforded under the AMIT regime, Stockland has adopted the AMIT regime for the year ending 30 June 2018. This has required us to make some changes to the Stockland Trust constitution in accordance with the regulatory framework for implementing AMIT. For more information please refer to the enclosed AMIT notice and Stockland's website at [www.stockland.com.au/investor-centre/securityholder-information/taxation/amt](http://www.stockland.com.au/investor-centre/securityholder-information/taxation/amt).

I look forward to speaking with you at the AGM.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tom Pockett'.

**TOM POCKETT**  
CHAIRMAN

## Annual General Meeting of Stockland Corporation Limited and Meeting of Unit Holders of Stockland Trust

**STOCKLAND  
CORPORATION LIMITED**  
ABN 43 000 181 733

**STOCKLAND TRUST  
MANAGEMENT LIMITED**  
ABN 86 001 900 741  
AFSL No. 241190

as the Responsible Entity  
for Stockland Trust  
ARSN 092 897 348

**DATE**  
Wednesday  
25 October 2017

**TIME**  
2.30pm  
(Sydney time)

**PLACE**  
Heritage Ballroom  
The Westin Sydney  
1 Martin Place  
Sydney NSW 2000

# Getting there

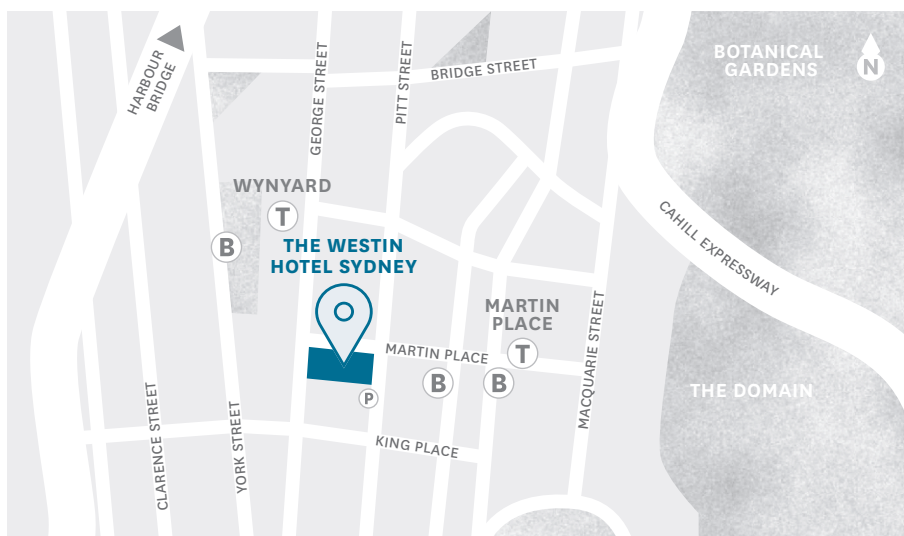
## Annual General Meeting of Stockland Corporation Limited and Meeting of Unit Holders of Stockland Trust

Notice is given that the Annual General Meeting of Shareholders of Stockland Corporation Limited (“the Company”) will be held in conjunction with a meeting of Unit Holders of Stockland Trust (“the Trust”) on:

**Date:** Wednesday, 25 October 2017

**Time:** 2.30pm (Sydney time)

**Place:** Heritage Ballroom  
The Westin Sydney  
1 Martin Place  
Sydney NSW 2000



### TRAIN

The closest train station is Martin Place. Wynyard and Town Hall stations are also nearby.



### BUS

State Transit buses stop along York, Castlereagh and Elizabeth Streets.



### FERRY

The Circular Quay ferry station is located closest to The Westin Sydney.



### PARKING

There is paid parking available in Pitt Street.

For more information about transit routes please call 131 500 or visit [www.transportnsw.info](http://www.transportnsw.info) to plan your trip.

## FURTHER INFORMATION

If you would like any further information regarding the AGM, please contact the Company's Share Registry, Computershare, on 1800 804 985 if calling from within Australia or +61 3 9415 4000 from outside Australia.

## WEBCAST

If you are unable to attend the AGM, you may view a live webcast of it on the Stockland website via [www.stockland.com.au](http://www.stockland.com.au)

## INFORMATION ABOUT STOCKLAND

You can read about Stockland's FY17 performance in the Shareholder Review, Annual Review and Financial Report available via [www.stockland.com.au/investors](http://www.stockland.com.au/investors)

## CONTACT DETAILS

### Head office

Stockland  
Level 25, 133 Castlereagh Street  
Sydney NSW 2000

Toll free: 1800 251 813  
T: (61 2) 9035 2000

### Corporation/Responsible Entity

Stockland Corporation Limited  
ACN 000 181 733

Stockland Trust Management Limited  
ACN 001 900 741  
AFSL 241190

### Share registry

Computershare Investor  
Services Pty Ltd

Level 4, 60 Carrington Street  
Sydney NSW 2000

Toll free: 1800 804 985  
T: (61 3) 9415 4000  
E: [stockland@computershare.com.au](mailto:stockland@computershare.com.au)



## GO ELECTRONIC FOR CONVENIENCE AND SPEED

Did you know you can opt to receive all or part of your securityholder communication electronically. You can change your communication preferences at any time by logging into [www.investorcentre.com/ecomms](http://www.investorcentre.com/ecomms) or by contacting Computershare on 1800 804 985.

# Ordinary Business

## OF THE COMPANY AND THE TRUST

### 1 FINANCIAL STATEMENTS AND REPORT

As required by section 317 of the Corporations Act, the Annual Financial Report, including the Directors' Report and Financial Statements for the year ended 30 June 2017, together with the Independent Auditor's Report will be laid before the meetings. The combined reports of the Company and the Trust for the year ended 30 June 2017 will also be laid before the meetings. No resolution is required for this item of business.

### 2 ELECTION OF DIRECTOR – MR ANDREW STEVENS

*To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:*

"That Mr Andrew Stevens is eligible and having offered himself for election, is elected as a Director of the Company."

Mr Stevens is currently a Non-Executive Director of MYOB Group Limited and Thorn Group Limited. He is also Chairman of Advanced Manufacturing Growth Centre Limited, Director of Committee for Economic Development Australia, and a Board Member of the Greater Western Sydney Giants.

Mr Stevens has some 30 years' experience in business and technology, most notably holding senior leadership roles at IBM for 12 years. As the Managing Director, Australia and New Zealand at IBM from 2011 to 2014, Mr Stevens led the transformation of the business to become a leader in cloud-based computing, helping blue chip clients to derive business benefits from new and emerging technologies. Prior to this, Mr Stevens was the COO of PwC Consulting in Asia Pacific.

Mr Stevens is also a member of the Advisory Board of the Australian School of Business at the University of New South Wales, a Member of the Professional Conduct Oversight Committee of Chartered Accountants Australia and New Zealand, a Member of the Chief of Defence's Gender Equity Advisory Board and a Member of the Male Champions of Change.

Mr Stevens is a Fellow of the Chartered Accountants and Member of the Australian Institute of Chartered Accountants. Mr Stevens is a member of the Stockland Audit and Sustainability Committees.

*The election of Mr Stevens is unanimously recommended by the Board.*

### 3 RE-ELECTION OF DIRECTOR – MR TOM POCKETT

*To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:*

"That Mr Tom Pockett, who retires in accordance with the Company's Constitution and, being eligible and having offered himself for re-election, is re-elected as a Director of the Company."

Mr Pockett was appointed to the Board on 1 September 2014 and became Non-Executive Chairman on 26 October 2016. He is the Chairman of Autosports Group Limited (appointed 26 October 2016) and a Non-Executive Director of Insurance Australia Group Limited (appointed 1 January 2015), O'Connell Street Associates Limited (appointed 1 November 2014) and Sunnyfield, a not for profit disability services provider in New South Wales. Mr Pockett was Chief Financial Officer of Woolworths Limited from August 2002 to February 2014. He was an Executive Director of Woolworths Limited from November 2006 to 1 July 2014. He previously held the position of Deputy Chief Financial Officer at the Commonwealth Bank of Australia and prior to that held several senior finance roles within the Lend Lease Group following a successful career with Deloitte. Mr Pockett was formerly Chairman of The Quantum Group Holdings Pty Limited (September 2014 to February 2016) and a Director of ALH Group Pty Ltd (September 2014 to February 2016) and Hydrox Holdings Pty Ltd (September 2014 to December 2015). Mr Pockett was a member of the Financial Reporting Council from March 2003 to March 2006 and National President of G100 from August 2000 to January 2003.

Mr Pockett is a member of the Stockland Human Resources Committee and Chairman of the Sustainability Committee. Mr Pockett is the former chair of the Stockland Audit Committee and the Stockland Capital Partners Limited Audit Committee, and a former member of the Stockland Risk Committee. Mr Pockett is a Chartered Accountant.

*The re-election of Mr Pockett is unanimously recommended by the Board.*

# Ordinary Business

## OF THE COMPANY AND THE TRUST

### 4 APPROVAL OF REMUNERATION REPORT

*To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:*

“That the Company’s Remuneration Report for the financial year ended 30 June 2017 be approved.”

Note – the vote on this resolution is advisory only and does not bind the Directors of the Company.

*The Directors unanimously recommend that securityholders vote in favour of this resolution.*

### 5 GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR

*To consider and, if thought fit, to pass the following resolution as separate ordinary resolutions of each of the Company and the Trust:*

“That approval is given for all purposes, including under the Corporations Act and the Listing Rules of ASX Limited, for:

- (a) the participation in the Stockland Performance Rights Plan by Mr Mark Steinert, Managing Director as to 702,166 performance rights as part of his 2018 financial year remuneration; and
- (b) the issue to and acquisition by Mr Mark Steinert, Managing Director of those performance rights and, in consequence of vesting of those performance rights, of Stockland Stapled Securities,

in accordance with the Stockland Performance Rights Plan Rules as amended from time to time and on the basis described in the Explanatory Statement on Items of Business accompanying the Notice of Meeting convening these meetings.”

*The Directors, other than Mr Steinert, unanimously recommend that securityholders vote in favour of this resolution.*

Information concerning Resolutions 4 and 5 are set out in the Explanatory Statement accompanying this Notice of Meeting.

By order of the Board



**KATHERINE GRACE**  
SECRETARY  
22 September 2017



# Background information

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## QUORUM AND VOTING

The constitution of the Company provides that at least five securityholders present in person or by proxy constitute a quorum. The constitution of the Trust provides that at least five securityholders present in person or by proxy who together hold at least 20% of all Units entitled to vote represent a quorum. The quorum must be present at all times during the meetings.

If a quorum is not present within 30 minutes after the scheduled time for the meetings, the meetings will be adjourned. The Directors of the Company and of Stockland Trust Management Limited ("**STML**"), as Responsible Entity for the Trust, have decided that the adjourned meetings will be held immediately after the adjournment. Members present (being at least two) in person or by proxy 30 minutes after the commencement of the adjourned meetings will constitute a quorum.

On a show of hands each securityholder present in person or by proxy has one vote. On a poll:

- (a) in the case of a resolution of the Company, each shareholder has one vote for each share held in the Company; and
- (b) in the case of a resolution of the Trust, each unit holder has one vote for each \$1.00 of the value of the Units held in the Trust.

All of the resolutions to be put to the meetings are **ordinary resolutions** which must be passed by more than 50% of the total votes cast on the resolution by securityholders present in person or by proxy and entitled to vote.

## STAPLED SECURITIES

The Company and the Trust only have Stockland Stapled Securities ("**Stapled Securities**") on issue. A Stapled Security consists of a share in the Company and a unit in the Trust. These securities are "stapled" together and quoted jointly on the ASX.

## INDIVIDUALS

If you plan to attend the meetings, we ask that you arrive at the meeting venue at least 30 minutes prior to the designated time so we may validate the number of votes you hold, record your attendance and provide you with your voting cards.

## CORPORATIONS

In order to attend and vote on a show of hands at the meetings, a securityholder which is a corporation must appoint a person to act as its representative or appoint a proxy. The appointment of a corporate representative must comply with Sections 250D and 253B of the Corporations Act. The representative should bring to the meetings evidence of his or her appointment including any authority under which it is signed.

## VOTING ENTITLEMENTS

Pursuant to Corporations Regulations 7.11.37 and 7.11.38, and the ASTC operating rules, the Directors of the Company and of STML have determined that subject to the voting exclusions set out below, the holding of each securityholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting of the Company and the meeting of unit holders of the Trust will be as it appears in the Share/Unit Register at 7pm (Sydney time) on Monday, 23 October 2017.

# Background information

## VOTING EXCLUSIONS – RESOLUTION 4

A vote must not be cast (in any capacity) on Resolution 4 by or on behalf of the Company's key management personnel (including the Directors), details of whose remuneration are included in the Remuneration Report ("KMP") or their closely related parties, whether as a securityholder or as a proxy. However, a vote may be cast on Resolution 4 by a KMP, or a closely related party of a KMP ("voter"), if either:

- the voter is appointed as a proxy in writing that specifies how the proxy is to vote on Resolution 4 by a person who is not also a KMP or a closely related party of a KMP; or
- the voter is the chair of the meeting casting the vote as a proxy and their appointment expressly authorises the chair to exercise the proxy even though Resolution 4 is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

## VOTING EXCLUSIONS – RESOLUTION 5

A vote must not be cast on Resolution 5 by a KMP, or a closely related party of a KMP, acting as proxy, if their appointment does not specify the way the proxy is to vote on Resolution 5. However, this voting exclusion does not apply if the person is the chairman of the meeting acting as proxy and their appointment expressly authorises the chairman of the meeting to exercise the proxy even though Resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP.

In accordance with the Listing Rules of ASX, the Company and STML will disregard any votes cast on Resolution 5 by any Director of the Company or STML who is eligible to participate in the employee incentive scheme in relation to the Company or STML, in respect of which the approval is sought, and any associate of those persons.

However, the Company and STML need not disregard a vote if:

- (i) it is cast by a person referred to above as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the person chairing the meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with Section 253E of the Corporations Act, STML and its associates are not entitled to vote on any resolution of the Trust if they have an interest in the resolution other than as a member of the Trust.

## PROXIES

If you are unable or do not wish to attend the meetings, you may appoint a proxy to attend and vote on your behalf. A proxy need not be a securityholder.

If a securityholder is entitled to two or more votes they may appoint two proxies and may specify the number or percentage of votes each proxy is appointed to exercise. If no such number or percentage is specified, each proxy may exercise half the securityholder's votes.

If you appoint a body corporate as your proxy, the body corporate will need to appoint an individual as its corporate representative to exercise its powers at the meetings and provide satisfactory evidence of the appointment of its corporate representative prior to the commencement of the meetings.

If a securityholder appoints the Chairman of the Meeting as their proxy or the Chairman of the Meeting is appointed as the securityholder's proxy by default, and the securityholder does not mark a voting box for Resolution 4 or Resolution 5, then by signing and returning the Proxy Form the securityholder will be expressly authorising the Chairman of the meeting to exercise the proxy in respect of the relevant resolution even though the resolution is connected with the remuneration of the KMP.

The chairman of the meeting intends to vote all undirected proxies in favour of Resolutions 2 to 5.

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### LODGING PROXY FORMS

Securityholders are able to lodge proxies by electronic means, by facsimile, or by mail. If securityholders wish to lodge their proxies by electronic means, they should do so through Stockland's Registry website ([www.investorvote.com.au](http://www.investorvote.com.au)).

Alternatively, securityholders may complete the enclosed proxy form and return it in the reply paid envelope provided. The proxy form must be lodged at Stockland's registered office or with Stockland's registry using the reply paid envelope or by posting, delivery or facsimile to:

#### **Stockland Security Registry**

c/- Computershare Investor Services Pty Limited  
Level 4, 60 Carrington Street,  
Sydney NSW 2000

GPO Box 242, Melbourne VIC 3001  
Facsimile No. (03) 9473 2555

#### **Stockland**

Level 25  
133 Castlereagh Street  
Sydney NSW 2000  
Facsimile No. (02) 8988 2687

Proxy forms must be received no later than 2.30pm (Sydney time) on Monday, 23 October 2017.

The proxy form enables a securityholder to vote for or against, or abstain from voting on a resolution. A securityholder may direct the proxy holder how to vote in respect of each resolution.

### SUBMISSION OF WRITTEN QUESTIONS TO THE COMPANY, TRUST OR AUDITOR

A securityholder who is entitled to vote at the meetings may submit a written question to the Company, Trust or Auditor in advance of the meetings:

1. about the business of the Company or Trust;
2. about the Remuneration Report (see Explanatory Statement); or
3. if the question is directed to the Auditor, provided it relates to:
  - (a) the content of the Auditor's Report to be considered at the meetings;
  - (b) the conduct of the audit or the Auditor's independence; or
  - (c) the accounting policies adopted by Stockland in relation to the preparation of the Financial Statements.

All questions must be sent to and received by the Company no later than five (5) business days before the date of the Annual General Meeting. Any questions should be directed to [www.stockland.com.au/contact-stockland](http://www.stockland.com.au/contact-stockland).



# Explanatory Statement

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This Explanatory Statement contains further information about the resolutions that will be considered at the Annual General Meeting of the Company and the meeting of the Trust to be held on Wednesday, 25 October 2017.

The meetings are important. You should read this Explanatory Statement and the enclosed Notice of Meetings carefully and, if necessary, seek your own independent advice on any aspect about which you are not certain.

## ORDINARY BUSINESS OF THE COMPANY

### Resolution 4 – Approval of Remuneration Report

The Company is required by the Corporations Act to submit its Remuneration Report to securityholders for consideration and adoption by way of a non-binding resolution at the Meeting. This resolution is advisory only and does not bind the Directors of the Company.

Stockland's Remuneration Report can be found on pages 37 to 52 of the 2017 Annual Report via the Stockland website.

If the Remuneration Report receives a "no" vote of at least 25% at the Meeting (constituting a first strike), and then again at the 2018 Annual General Meeting (constituting a second strike), a resolution must be put to securityholders at the 2018 Annual General Meeting (spill resolution) as to whether another meeting of securityholders should be held within 90 days at which all Directors (other than the Managing Director) who were in office at the date of the relevant Directors' Report must stand for re-election. Stockland's Remuneration Report was approved by approximately 99% of securityholders who voted at the 2016 Annual General Meeting.

The Board views setting remuneration policies as one of its most important responsibilities – ensuring that Stockland's remuneration policies and practices are fair, responsible and competitive.

During this financial year there were no significant changes to Stockland's remuneration policies and practices.

The Chairman of the Meeting will give securityholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report. Although this vote does not bind the Company, the Board intends to take into account securityholder feedback and the outcome of the vote when considering Stockland's future Remuneration Policy.

The Directors unanimously recommend that securityholders vote in favour of this resolution.

### Resolution 5 – Managing Director participation in the Performance Rights Plan ("PRP") as part of his 2018 financial year remuneration

The Board proposes to offer participation in the PRP to the Managing Director, Mr Mark Steinert, who is eligible to participate in the PRP as an Executive Director. Mr Steinert's participation in the PRP forms part of his usual remuneration arrangements and is consistent with his remuneration arrangements since commencing his role as Managing Director in 2013. Under Listing Rule 10.14, ASX requires that securityholders approve any acquisition of securities under an employee incentive scheme by a Director. Accordingly, securityholder approval is sought for the grant of 702,166 performance rights to Mr Steinert and in consequence of vesting of those performance rights, the acquisition of Stapled Securities by Mr Steinert, in accordance with the PRP Rules and on the terms and conditions summarised in this Explanatory Statement.

### Stockland remuneration policy

Stockland's remuneration policy aims to ensure executive remuneration is commensurate with the executive's position and responsibilities, competitive with market practice, linked with Stockland's strategic goals and performance, and aligned with the interests of securityholders. Remuneration consists of a fixed annual component and a performance related component (including participation in the PRP). The Directors of the Company and of STML (excluding Mr Steinert) believe that participation in the PRP by Mr Steinert, on the terms and conditions described below, is an appropriate equity based incentive given his responsibilities and commitment. In the Board's view, participation by Stockland senior executives in the PRP is an important part of the Board's strategy for retaining key talent and motivating them to improve Stockland's profit performance.

### Level of participation

The level of participation offered to Mr Steinert under the PRP has been determined with reference to market practice and within the framework of Stockland's remuneration philosophy as set out in the Remuneration Report. The Long Term Incentive ("LTI") amount for the Managing Director is 200% of fixed pay (which includes salary, superannuation and other employee benefits). The number of rights allocated to all participants in the Performance Rights Plan was determined by dividing their LTI amount by the volume weighted average price of Stapled Securities for the 10 trading days post 30 June 2017 (which was \$4.2725), rounded to the nearest thousand. The grant value for Mr Steinert for the 2018 financial year is \$3.0 million.

### Performance conditions of proposed grants

1. The performance conditions will be measured over a three year period from 1 July 2017 to 30 June 2020 ("performance period").
2. The measures used to determine performance are Earnings Per Security Growth ("EPS Growth") and Total Securityholder Return ("TSR"). The vesting of one half of the performance rights granted to the Managing Director in respect of his remuneration for any financial year will be subject to the applicable EPS Growth condition, while the remaining half will be subject to the applicable TSR condition.

### Earnings Per Security Growth (EPS Growth)

Stockland announced in 2016 that Funds From Operations ("FFO") would be its primary reporting metric. For new grants from 1 July 2016, earnings per security ("EPS") will be based on FFO per security. For grants made in previous years, EPS was based on Underlying Earnings.

EPS Growth is measured as the compound average growth rate ("CAGR") for EPS (with respect to the year prior to grant) over the three year performance period. The actual CAGR for Stockland's EPS over the three year performance period is then compared to the prospective CAGR EPS target set and advised by the Board in the first year of the applicable performance period.

As part of the Board's review of Stockland's reward framework in 2012, it was agreed that for LTI grants after 1 July 2012, a three year compound annual growth rate for EPS will be set. The Board believes this approach will provide a more transparent basis for communicating the EPS performance hurdle to both securityholders and PRP participants. The prospective target for maximum or full vesting of the EPS Growth component of FY18 LTI awards is 6.2% CAGR ("EPS Target") or 40.0 cents per Stapled Security over the same period. The threshold hurdle for vesting to commence is a CAGR of 4.5% or 38.1 cents per Stapled Security over the same period.

The proportion of the EPS grant that vests will be as follows:

Compound Annual Growth Rate in EPS based on FFO over a 3 year period	Proportion of EPS related rights
Less than or equal to 4.5% CAGR	0%
Greater than 4.5% CAGR (threshold hurdle)	50%
Up to 6.2% CAGR	Proportion of EPS grant vesting increases in a straight line between 50% and 100%
6.2% (or more) CAGR (maximum target)	100%

# Explanatory Statement

## Total Securityholder Return (TSR)

TSR measures the growth in the price of securities plus cash distributions notionally reinvested in securities. In order for the TSR grant to vest, Stockland's TSR must be greater than the growth in the applicable TSR hurdle. The TSR hurdle is a weighted, composite TSR benchmark for a peer group comprising the 15 companies in the ASX/ Australian Real Estate Investment Trust Index other than Westfield, Iron Mountain and Stockland ("Peer Benchmark"). Each of the six largest capitalised companies from the Peer Benchmark has been allocated a 13.33% weighting, while each of the other nine smaller capitalised companies has been allocated a 2.22% weighting.

TSR growth for Stockland and the companies in the Peer Benchmark will be calculated as follows:

- TSR will be measured over the performance period and calculated by an independent third party;
- For the purpose of this measurement, Stockland's security price and the Index will be averaged over the 30 days preceding the start and end date of the performance period;
- Dividends or distributions will be assumed to have been re-invested on the ex-dividend date; and
- Tax and any franking credits (or equivalent) will be excluded.

The proportion of the TSR grant that vests will be as follows:

TSR of Stockland compared to Index growth over the 3 year period	Proportion of TSR grant vesting
Less than or equal to the TSR Peer Index	0%
Greater than the TSR Peer Benchmark (threshold hurdle)	50%
Up to 10% greater than the TSR Peer Benchmark	Proportion of TSR grant vesting increases in a straight line between 50% and 100%
10% or more greater than the TSR Peer Benchmark (maximum target)	100%

## Other terms of the proposed grants

1. The number of rights which convert to Stapled Securities is determined at the end of the three year performance period based on the Board's assessment of actual performance against the applicable performance hurdles. 50% of securities immediately vest with the remaining 50% of securities subject to an additional 12 month vesting requirement post the performance period dependent on continued employment with Stockland.
2. Disposal of Stapled Securities once released from the PRP will be subject to Stockland's security trading policy.
3. If an employee leaves Stockland, any unvested performance rights lapse and are forfeited, except at the discretion of the Board in circumstances such as death, disability, retirement or redundancy. Where the Managing Director is terminated by Stockland other than for cause or retires by mutual agreement, unvested performance rights are pro-rated as a proportion of service during the vesting period, with the subsequent pro-rated unvested rights allowed to remain on foot and continue to vest on the due dates with vesting determined in accordance with original hurdles (subject to clawback under the Stockland clawback policy) and provided the Managing Director complies with the non-compete provisions in his executive service agreement.
4. The Board will not accelerate the vesting of any performance right in the event of a change in control of Stockland except to the extent that applicable performance conditions (determined as at the date of the change in control) have been satisfied.
5. Performance rights will not attract dividends/distributions and voting rights until they vest and Stapled Securities are allocated whether or not the Stapled Securities are subject to non-disposal restrictions.

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**Grant Value**

The grant value of \$4.2725 for each FY2018 Performance Right is based on the volume weighted average price for Stapled Securities for the 10 trading days post 30 June 2017.

The use of this face value methodology from FY2017 replaces the accounting or fair value methodology used for past LTI awards and is in line with the existing approach for deferred Short Term Incentive ("STI") awards.

**Maximum number of Stapled Securities**

Subject to adjustment, each vested performance right will translate into one Stapled Security. Accordingly, the maximum number of Stapled Securities that may be acquired by Mr Steinert, for which securityholder approval under Resolution 5 is sought, is 702,166. The number of Stapled Securities to which a performance right relates will only be adjusted in the event of a bonus issue or reorganisation of Stapled Securities and only in accordance with the Listing Rules of ASX.

**Price payable on grant or exercise of performance rights**

Mr Steinert will not be required to pay any amount on the grant or vesting of his performance rights. The performance rights are not transferable. The Company may fund a plan company or plan trust to acquire Stapled Securities on-market or to subscribe Stapled Securities at market value and transfer those Stapled Securities to executives in order to satisfy the Company's obligations under the PRP. Alternatively, the Company may procure the direct issue of Stapled Securities to executives for no payment in satisfaction of its obligations under the PRP.

**Name of the Executive Director who received Performance Rights under the last approval**

Mr Steinert is the only person referred to in Listing Rule 10.14 who is entitled to participate in the PRP. Since approval was last obtained under Listing Rule 10.14 at Stockland's 2016 meeting, 619,579 performance rights were granted to Mr Steinert for nil consideration shortly after the 2016 meeting.

**Date by which grants of performance rights may be made**

The proposed grants of performance rights to Mr Steinert will be made as soon as practicable after securityholder approval is obtained, and in any event no later than 12 months after this meeting.

**Current remuneration of the Executive Director**

Details of the remuneration of Mr Steinert for the year ended 30 June 2017 and his holding of Stapled Securities is set out in the Remuneration Report section of the 2017 Annual Report on pages 37 to 52.

**Requirements for approval**

Securityholder approval of the above participation in the PRP by Mr Steinert and his acquisition of performance rights, and of Stapled Securities on vesting of those performance rights is sought for all purposes under the Corporations Act and the Listing Rules of ASX including under Listing Rule 10.14, as an entity must not permit securities to be acquired by a related party (such as a Director or a company controlled by a Director) under an employee incentive scheme without the approval of securityholders. Accordingly, approval of securityholders is sought for the purpose of Listing Rule 10.14 to enable Mr Steinert to acquire performance rights, and, on vesting of those performance rights, Stapled Securities, by the issue or transfer of Stapled Securities to Mr Steinert.

**Recommendations of the Directors of the Company and STML**

The Directors of the Company and STML, excluding Mr Steinert, unanimously recommend that securityholders vote in favour of Resolution 5 for the reasons set out below:

- (i) the Directors believe the proposed equity incentives are necessary to attract and retain key executive talent;
- (ii) the Directors believe the total remuneration arrangements are fair and reasonable and consistent with ASX Corporate Governance Guidelines – Principle 8; and
- (iii) the equity incentives proposed align the interests of the Managing Director with the interests of securityholders.

Copies of the PRP Rules are available on the Stockland website [www.stockland.com.au](http://www.stockland.com.au).

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**Stockland Corporation Ltd**

ACN 000 181 733

**Stockland Trust  
Management Limited**

ACN 001 900 741; AFSL 241190

**As responsible entity  
for Stockland Trust**

ARSN 092 897 348

**Head Office**

Level 25, 133 Castlereagh Street  
Sydney NSW 2000

**Sydney**

Telephone 02 9035 2000

**Melbourne**

Telephone 03 9095 5000

**Brisbane**

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[www.stockland.com.au](http://www.stockland.com.au)



# Stockland

Stockland Corporation Limited  
ABN 43 000 181 733  
Stockland Trust Management Limited  
ABN 86 001 900 741  
AFSL 241190  
As Responsible Entity for Stockland Trust  
ARSN 092 897 348

SGP

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### Online:

[www.investorvote.com.au](http://www.investorvote.com.au)



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

### In Person:

Computershare Investor Services Pty Limited  
Level 4, 60 Carrington Street  
Sydney NSW Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1800 804 985  
(outside Australia) +61 3 9415 4000

## Proxy Form

XX



Vote online or view the annual report, 24 hours a day, 7 days a week:

**[www.investorvote.com.au](http://www.investorvote.com.au)**



**Cast your proxy vote**



**Access the annual report**



**Review and update your securityholding**

### Your secure access information is:

**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 2.30pm (Sydney time) on Monday, 23 October 2017**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

If the Chairman of the Meeting is your proxy or is appointed your proxy by default, and you do not direct your proxy how to vote on Items 4 and 5 overleaf, you expressly authorise the Chairman of the Meeting to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a member of the key management personnel of the Group.

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box, then subject to any voting exclusion, your proxy may vote as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission.

A form of the certificate may be obtained from Computershare or online at [www-au.computershare.com/investor](http://www-au.computershare.com/investor) under the help tab, "Printable Forms".

**GO ONLINE TO VOTE,  
or turn over to complete the form →**



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

# Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Stockland Corporation Limited and Stockland Trust hereby appoint

☐ the Chairman of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Stockland Corporation Limited and Meeting of Unit Holders of Stockland Trust to be held at The Westin Sydney, 1 Martin Place, Sydney NSW 2000 on Wednesday, 25 October 2017 at 2.30pm (Sydney time) and at any adjournment or postponement of the meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 4 and 5 (except where I/we have indicated a different voting intention below) even though Items 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 4 and 5 by marking the appropriate box in step 2 below.

STEP 2

Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
2 Election of Mr Andrew Stevens as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Tom Pockett as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of Performance Rights to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /