

ASX ANNOUNCEMENT

18 October 2017

2017 Notice of Meetings and Proxy Form

Attached are copies of the Notice of Meetings and Proxy Form for the 2017 Annual General Meeting of shareholders of Lendlease Corporation Limited and General Meeting of Unitholders of Lendlease Trust (together Lendlease Group).

The meetings will be held in the Grand Ballroom, Hyatt Regency Hotel, 161 Sussex Street, Sydney New South Wales on Friday 17 November commencing at 10:00am (AEDT).

Ends

For further information, please contact:

Investors:

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Lendlease Corporation Limited ABN 32 000 226 228 and
Lendlease Responsible Entity Limited ABN 72 122 883 185 AFS Licence 308983
as responsible entity for **Lendlease Trust** ABN 39 944 184 773 ARSN 128 052 595

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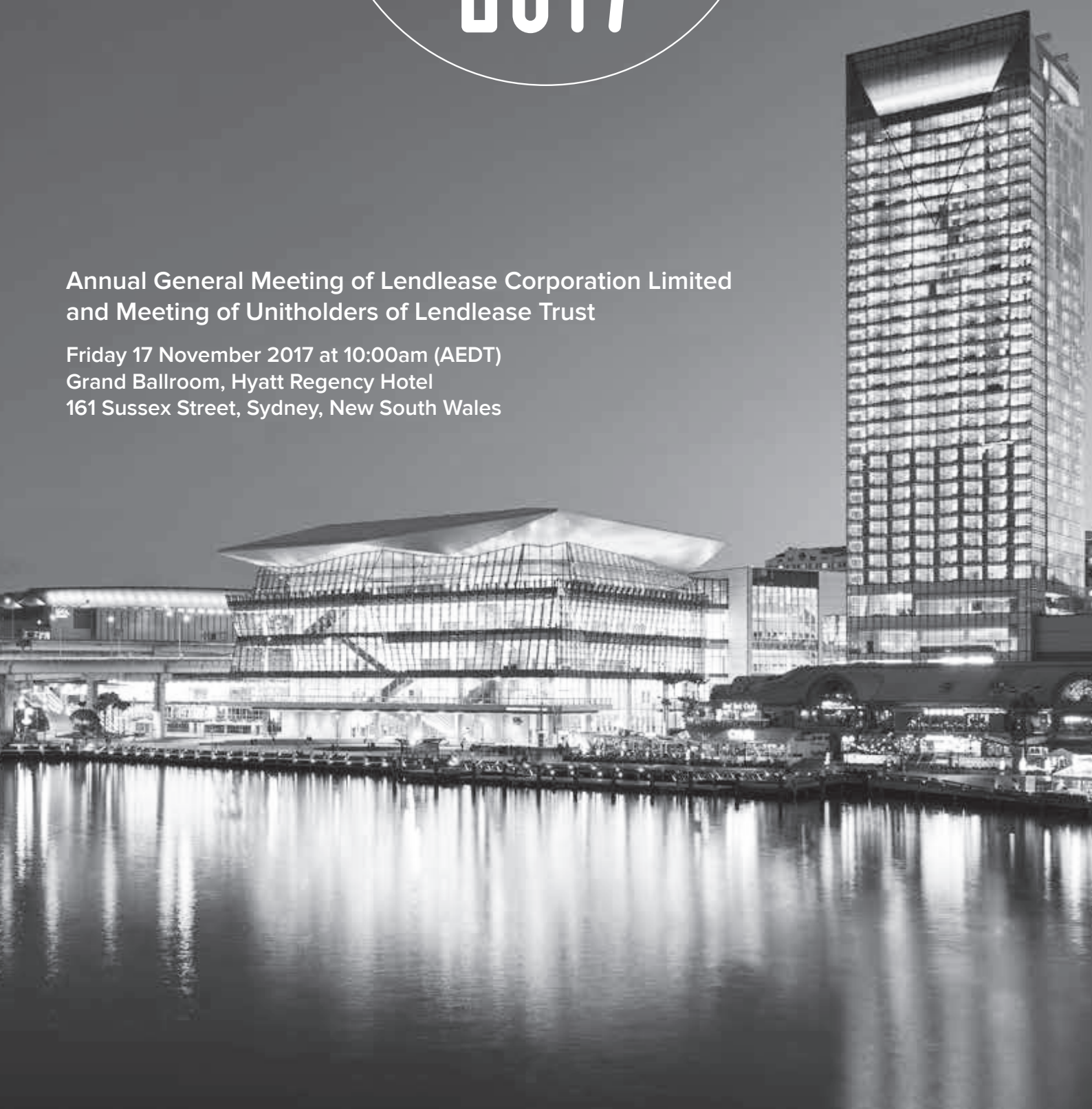
lendlease

Notice of Meetings

2017

**Annual General Meeting of Lendlease Corporation Limited
and Meeting of Unitholders of Lendlease Trust**

Friday 17 November 2017 at 10:00am (AEDT)
Grand Ballroom, Hyatt Regency Hotel
161 Sussex Street, Sydney, New South Wales



Notice of Meetings

The Annual General Meeting of shareholders of Lendlease Corporation Limited (the **Company**) will be held in conjunction with a general meeting of unitholders of Lendlease Trust (the **Trust**) (together, **Lendlease Group**) in the Grand Ballroom, Hyatt Regency Hotel, 161 Sussex Street, Sydney on Friday 17 November 2017 at 10:00am (AEDT).

Items of Business

Financial Reports

1. To consider and receive the Financial Statements, the Directors' Report and the Independent Auditor's Report within the Lendlease Group Annual Report for the year ended 30 June 2017.

No resolution is required for this item of business.

Election and Re-election of Directors

2. To consider and, if thought fit, pass the following resolutions as separate ordinary resolutions of the Company:
 - a) That Philip Coffey being a Director of the Company who retires in accordance with Rule 6.1(e) of the Constitution of the Company, being eligible, is elected as a Director of the Company.
 - b) That Colin Carter being a Director of the Company who retires in accordance with Rule 6.1(f) of the Constitution of the Company, being eligible, is re-elected as a Director of the Company.
 - c) That Stephen Dobbs being a Director of the Company who retires in accordance with Rule 6.1(f) of the Constitution of the Company, being eligible, is re-elected as a Director of the Company.
 - d) That Jane Hemstrich being a Director of the Company who retires in accordance with Rule 6.1(f) of the Constitution of the Company, being eligible, is re-elected as a Director of the Company.

Remuneration Report

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

That the Company's Remuneration Report for the year ended 30 June 2017 be adopted.

In accordance with section 250R of the *Corporations Act 2001* (Cth) (Corporations Act) the vote on resolution 3 will be advisory only.

Approval of Allocations of Performance Securities and Deferred Securities to the Managing Director

4. To consider and, if thought fit, pass the following resolution as an ordinary resolution of each of the Company and Trust:

That approval is given to issue to the Managing Director of Lendlease Group, Mr Stephen McCann:

- a) Performance Securities; and
- b) Deferred Securities,

on the terms and conditions described in the Explanatory Notes accompanying this Notice of Meetings.

Voting Exclusion Statements

Item 3 – Remuneration Report

The Company will disregard any votes cast on item 3:

- a) in any capacity by or on behalf of a member of the key management personnel (KMP) named in the Remuneration Report for the year ended 30 June 2017 or their closely related parties (such as close family members and any companies the person controls); and
- b) as a proxy by a member of the KMP at the date of the meetings or their closely related parties.

However, a vote will not be disregarded if it is cast as proxy for a person entitled to vote on item 3:

- in accordance with a direction on the Proxy Form; or
- by the Chairman of the meetings in accordance with an express authorisation to exercise the proxy even though item 3 is connected with the remuneration of the Company's KMP.

Item 4 – Approval of Allocations of Performance Securities and Deferred Securities to the Managing Director

The Company and Trust will disregard any votes cast on item 4:

- a) in any capacity by or on behalf of Mr McCann (being the only director eligible to participate in any of the Group's employee incentive schemes) and any of his associates; and
- b) as a proxy by a member of the KMP at the date of the meetings or their closely related parties.

However, a vote will not be disregarded if it is cast as proxy for a person entitled to vote on item 4:

- in accordance with a direction on the Proxy Form; or
- by the Chairman of the meetings in accordance with an express authorisation to exercise the proxy even though item 4 is connected with the remuneration of the Company's KMP.

Other information

Further information concerning each item of business is set out in the Explanatory Notes which accompany and form part of this Notice of Meetings.

All items of business will be determined by poll.

By order of the Boards of Lendlease Corporation Limited and Lendlease Responsible Entity Limited as responsible entity of Lendlease Trust.

Wendy Lee

Company Secretary

18 October 2017

Background Information

Determination of Right to Vote

For the purposes of determining entitlement to vote at the meetings, Lendlease Group stapled securities will be taken to be held by those registered as holders at 7.00pm on Wednesday, 15 November 2017 (AEDT). Transactions registered after that time will be disregarded in determining securityholders' entitlements to attend and vote at the meetings.

Proxies

If you are unable to attend the meetings, you are encouraged to appoint a proxy to attend and vote on your behalf. You may appoint a person (either an individual or body corporate) to act as your proxy at the meetings by completing the attached Proxy Form. A securityholder entitled to attend and cast at least two votes may appoint not more than two proxies. Where two proxies are appointed, each proxy may be appointed to represent a specified proportion of the securityholder's voting rights. If no proportion is specified, each proxy may exercise half of the securityholder's voting rights. A proxy need not be a securityholder of Lendlease Group. A securityholder may direct the proxy how to vote in respect of each resolution. Any directions given to proxies must be followed. You are encouraged to direct your proxy how to vote on each resolution.

Proxy Voting by Members of the KMP

With the exception of the Chairman, the KMP (which includes each of the Directors) and their closely related parties will not be able to vote your proxy on item 3 (Remuneration Report) and item 4 (Approval of Allocations of Performance Securities and Deferred Securities to the Managing Director) unless you direct them how to vote. If you intend to appoint a member of the KMP (such as one of the Directors), or one of their closely related parties, as your proxy, please ensure that you direct them how to vote on items 3 and 4 by marking the boxes for the relevant items (for example to vote "for", "against" or to "abstain" from voting).

If you appoint the Chairman of the meetings as your proxy, or the Chairman of the meetings is appointed as your proxy by default, and you do not mark a box for items 3 and 4, then by completing and submitting the Proxy Form you will be expressly authorising the Chairman of the meetings to exercise the proxy in respect of items 3 and 4 even though these items are connected with the remuneration of the KMP.

Chairman's Voting Intention

The Chairman of the Meeting intends to vote undirected proxies in favour of all items.

Submitting your Proxy Form

To be valid, voting forms, proxies or electronic voting instructions must be received by the Company's share registry, Computershare Investor Services Pty Limited, before 10.00am on Wednesday, 15 November 2017 (AEDT).

Proxy Forms may be submitted in one of the following ways:

- Online at www.investorvote.com.au; or
- Online at www.intermediaryonline.com for intermediary online subscribers (custodians) only; or
- By mail to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Victoria 3001 Australia; or
- By facsimile to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Corporate Securityholders or Proxies

A corporate securityholder or proxy wishing to appoint a person to act as its representative at the meetings must provide that person with an authority executed in accordance with the company's constitution and the Corporations Act, authorising him or her to act as the company's representative. The authority must be sent to the Share Registry, Computershare Investor Services Pty Limited, in advance of the meetings, or handed in at the meetings when registering as a corporate representative.

Voting by Attorney

Where a securityholder appoints an attorney to act on his or her behalf at the meetings, the appointment must be made by a duly executed power of attorney. A securityholder entitled to attend and cast at least two votes may appoint not more than two attorneys. A securityholder may, in the power of attorney appointing an attorney, direct the attorney how to vote in respect of each resolution. Any directions given in this manner must be followed.

The powers of attorney appointing an attorney, or a certified copy of the powers of attorney, must be sent to the Share Registry, Computershare Investor Services Pty Limited and received by 10.00am on Wednesday, 15 November 2017 (AEDT). Attorneys should also bring a copy of the power of attorney to the meetings.

Securityholder Questions

Securityholders who are entitled to vote at the meetings may submit written questions to the Company, the Trust or the Auditor in advance of the meetings. Questions may be submitted on-line through www.investorvote.com.au or on the form included with this Notice of Meetings.

Questions must be received by Friday, 10 November 2017. Questions should relate to matters that are relevant to the business of the meetings, as outlined in the Notice of Meetings and the attached Explanatory Notes or, if directed to the Auditor, must relate to the content of the Auditor's reports or the conduct of the audit of the Financial Reports for the year ended 30 June 2017.

Questions will be collated, and during the meetings, the Chairman will seek to address as many of the more frequently raised topics as possible having regard to available time. Please note that answers will not be sent to enquirers on an individual basis. A list of qualifying questions to the Auditor will be made available to securityholders attending the meetings.

Registration

Registration will commence at 9.00am on Friday, 17 November 2017. For ease of registration, please bring your Proxy Form to the meetings.

Explanatory Notes to the Notice of Meetings

Item 1 – Financial Reports

As required by section 317 of the Corporations Act, the Annual Financial Report, including the Directors' Report, Independent Auditor's Report and the Financial Statements for the year ended 30 June 2017, will be laid before the meetings. There is no requirement for a formal resolution on this item. However, during this item of business, securityholders will be given a reasonable amount of time to ask questions about or make comments on the Annual Financial Report and on the management of the Company.

Securityholders who elected to receive a hard copy of the Lendlease Group Annual Report for the year ended 30 June 2017 were provided with a copy of the accounts with that report. A copy of the Annual Report is also available on the Lendlease website at www.lendlease.com.

Item 2 – Election and Re-election of Directors

The following information is provided in respect of each candidate:

a) P M Coffey (Independent Non Executive Director)

Mr Coffey joined the Board in January 2017. He is a member of the Nomination Committee.

Skills, Experience and Qualifications

Mr Coffey served as the Deputy Chief Executive Officer (CEO) of Westpac Banking Corporation from April 2014 until his retirement in May 2017. As the Deputy CEO, Mr Coffey had the responsibility of overseeing and supporting relationships with key stakeholders of Westpac including industry groups, regulators, customers and government. He was also responsible for the Group's Mergers & Acquisitions function. Prior to this role, Mr Coffey held a number of executive positions at Westpac including Chief Financial Officer and Group Executive, Westpac Institutional Bank. He has successfully led operations based in Australia, New Zealand, the United States, the United Kingdom and Asia, and has extensive experience in financial markets, funds management, balance sheet management and risk management. He began his career at the Reserve Bank of Australia and also held executive positions at Citibank.

Mr Coffey holds a Bachelor of Economics (Hons) from the University of Adelaide and has completed the Executive Program at Stanford University Business School. He is a graduate member of the Australian Institute of Company Directors and Senior Fellow of the Financial Services Institute of Australasia.

Other Current Appointments

- Chairman of the Westpac Bicentennial Foundation
- Non Executive Director of Hastings Management Pty Ltd

Recommendation

The Board (with Mr Coffey abstaining) recommends that securityholders vote in favour of Mr Coffey's election.

b) C B Carter, AM (Independent Non Executive Director)

Mr Carter joined the Board in April 2012. He is Chairman of the Nomination Committee and a member of the People & Culture Committee and the Sustainability Committee.

Skills, Experience and Qualifications

Mr Carter is one of the founding partners of The Boston Consulting Group in Australia, retiring as a Senior Partner in 2001 and continues as an advisor with that company. He has over 30 years of experience in management, consulting and advising on organisational strategy and governance issues. His career has included major projects in Australia and overseas. Mr Carter has wide industry knowledge on corporate governance issues and has carried out Board performance reviews for a number of companies. He has co-authored a book on Boards, 'Back to the Drawing Board'.

Mr Carter holds a Bachelor of Commerce from Melbourne University and a Master of Business Administration from Harvard Business School, where he graduated with Distinction and as a Baker Scholar. He is a Fellow of the Australian Institute of Company Directors.

Listed Company Directorships (held within the last three years)

- Non Executive Director of SEEK Limited (appointed March 2005)
- Non Executive Director of Wesfarmers Limited (appointed October 2002, retired November 2014)

Other Current Appointments

- President of Geelong Football Club
- Director of the Australian Ballet Foundation Board

Recommendation

The Board (with Mr Carter abstaining) recommends that securityholders vote in favour of Mr Carter's re-election.

c) S Dobbs (Independent Non Executive Director)

Mr Dobbs joined the Board in January 2015. He is a member of the Nomination Committee, the Risk Management & Audit Committee and the Sustainability Committee.

Skills, Experience and Qualifications

Mr Dobbs was Senior Group President, Industrial and Infrastructure at Fluor Corporation until his retirement in June 2014. Since joining Fluor in 1980, Mr Dobbs was responsible for a wide diversity of markets including infrastructure, mining, telecommunications, transportation, heavy manufacturing, healthcare, water and alternative power. He served the company in numerous locations including the United States, China, Europe and Southern Africa. Mr Dobbs is an industry expert in Public Private Partnerships and Private Finance Initiatives and has served as an advisor on these issues to a number of Government ministries. He was a Governor of industry forums related to engineering and construction at the World Economic Forum from 2008 to 2014 and served as Vice Chair of the Forum's Global Agenda Council on Infrastructure in 2013 and 2014.

Mr Dobbs holds a Doctorate in Engineering from Texas A&M University and is a registered professional engineer (retired).

Listed Company Directorships (held within the last three years)

- Non Executive Director of Cummins Inc (appointed October 2010)

Recommendation

The Board (with Mr Dobbs abstaining) recommends that securityholders vote in favour of Mr Dobbs's re-election.

d) J S Hemstritch (Independent Non Executive Director)

Ms Hemstritch joined the Board in September 2011. She is Chairman of the People & Culture Committee and a member of the Nomination Committee.

Skills, Experience and Qualifications

Ms Hemstritch has extensive senior executive experience in information technology, communications, change management and accounting. She also has broad experience across the financial services, telecommunications, government, energy and manufacturing sectors and in business expansion in Asia. During a 25 year career with Accenture and Andersen Consulting, Ms Hemstritch held a number of leadership positions within the company and was Managing Director Asia Pacific for Accenture from 2004 until her retirement in 2007. Ms Hemstritch was a member of Accenture's Global Executive Leadership Team and oversaw the management of Accenture's business in the Asia Pacific region which spanned 12 countries and included 30,000 personnel.

Ms Hemstritch has a Bachelor of Science in Biochemistry and Physiology from the University of London and is a Fellow of the Institutes of Chartered Accountants in Australia, New Zealand and in England and Wales. She is a Member of Chief Executive Women Inc.

Listed Company Directorships (held within the last three years)

- Non Executive Director of Telstra Corporation Limited (appointed August 2016)
- Non Executive Director of Tabcorp Holdings Ltd (appointed November 2008. Ms Hemstritch will be retiring at the conclusion of the Tabcorp AGM in October 2017.)
- Non Executive Director of the Commonwealth Bank of Australia (appointed October 2006, retired March 2016)
- Non Executive Director of Santos Limited (appointed February 2010, retired May 2016)

Other Current Appointments

- Non Executive Member of the Global Council of Herbert Smith Freehills Global LLP
- Chairman of the Victoria Opera Company Ltd
- Deputy Chairman of the Council of the National Library of Australia
- Deputy President of the Board of the Walter and Eliza Hall Institute of Medical Studies

Recommendation

The Board (with Ms Hemstritch abstaining) recommends that securityholders vote in favour of Ms Hemstritch's re-election.

Item 3 – Remuneration Report

The Company's Remuneration Report for the financial year ended 30 June 2017 is set out on pages 92 to 119 of the 2017 Annual Report and can also be found on the Company's website at www.lendlease.com. The Remuneration Report explains how performance has been linked to reward outcomes for Key Management Personnel (KMP) at Lendlease this year. It sets out the remuneration policy for the Company and discloses the remuneration arrangements in place for the Managing Director and CEO, Senior Executive KMP and the Non Executive Directors. The Remuneration Report meets Australian disclosure requirements.

Lendlease produced a strong result in the 2017 financial year and maintained a disciplined approach to delivering on the 'Focus and Grow' strategy, which is now fully operational.

The Executive Reward Strategy, which consists of a framework and policy that governs how the key senior employees in the organisation are remunerated, has supported the achievement of Lendlease's strategy by:

- Driving strong individual and team performance;
- Emphasising medium to long term performance, which recognises the investment cycle of a group such as ours;
- Forging clear alignment between Senior Executives and securityholders; and
- Considering the interests of both internal and external stakeholders.

For securityholders, this performance has been illustrated in Lendlease's Total Securityholder Return (TSR) of 188.9 per cent over the past five years, compared to 91.5 per cent for the S&P ASX 100 accumulation index over the same period. This has been supported by the design of incentives for the Chief Executive Officer (CEO) and Senior Executives.

The Board considers that the outcomes disclosed in the Remuneration Report are appropriate and reflect the alignment of the Executive Reward Strategy with securityholder outcomes.

In FY17, no major changes to the Executive Reward Strategy were introduced, however the Board has been actively reviewing the framework and policy to see if enhancements can be made to further support the 'Focus & Grow' Strategy and drive continued success.

We are also pleased to report that we received 98.1 per cent of votes cast in favour of our Remuneration Report at the 2016 Annual General Meeting.

Securityholders will be given a reasonable opportunity to ask questions about or make comments on the Remuneration Report at the meetings.

Recommendation

The Board recommends that securityholders vote in favour of this Resolution.

Item 4 – Approval of Allocations of Performance Securities and Deferred Securities to the Managing Director

Securityholder approval is being sought to allocate to the Managing Director and CEO (MD) of Lendlease, Stephen McCann:

1. Performance Securities – as his FY18 long term incentive (LTI) award, which seeks to align the interests of executives with securityholders over a three to four year period; and
2. Deferred Securities – as the deferred portion of any short term incentive (STI) award for FY18. The STI award, rewards achievement against agreed financial and non-financial targets and seeks to align the interests of executives and securityholders over a one and two year period.

It is intended that the above awards will be made to the MD on the following dates:

- a) Performance Securities – within 1 month of the meeting; and
- b) Deferred Securities – on or about 1 September 2018,

but in any event no later than 12 months after the date of the meeting.

Why is securityholder approval being sought?

ASX Listing Rule 10.14 requires that securityholders approve awards of securities issued to Directors. Securityholder approval is required only if new securities are issued to a Director and not if awarded securities are purchased on market. The intention of Listing Rule 10.14 is to protect securityholders from dilution in the value of securities that may occur as a result of securities issued under employee incentive plans. No such dilution occurs if securities are purchased on market.

The Board may determine whether securities awarded will be purchased on market or new securities issued. The Board's current intention is to purchase all Lendlease securities required to satisfy the vesting of Performance Securities and Deferred Securities for the MD on market as this would cause no dilution to securityholders' interests. However, the Board considers it good governance to seek approval from securityholders for equity awards made to the MD under Lendlease's employee incentive schemes. Subject to securityholder approval being obtained, the Board reserves the right to issue new securities instead of purchasing securities on market.

In the event that the awards are not approved by securityholders, in order to meet the Company's contractual obligations under the MD's employment contract, it will be necessary for the Board to instead pay to the MD a cash amount equivalent to the value of those awards and, to the extent that they are relevant, on the same terms as set out below (including the satisfaction of applicable performance hurdles and service conditions).

Background

Each year the Board reviews and approves the remuneration of the MD. The MD's remuneration is set in accordance with the Executive Reward Strategy and with consideration of market benchmarks provided by an external remuneration consultant, currently PricewaterhouseCoopers. The MD's remuneration package includes:

- (a) Fixed remuneration (salary, superannuation and benefits);
- (b) STI award delivered in cash and Lendlease securities if key performance indicators are achieved;

- (c) A right to receive Lendlease securities as part of any STI award, which are subject to a one and two year service condition (Deferred Securities); and
- (d) LTI in the form of Performance Securities, which vest subject to achievement of two performance-based hurdles over a three and four year period.

a) Performance Securities (FY18 LTI award)

Overview: The MD's LTI arrangements involve an annual grant of 'Performance Securities' to the MD.

Performance Securities are subject to a performance-based hurdle over a three and four year period.

Performance Securities are rights to receive Lendlease securities (or a cash equivalent amount) at no cost, subject to the satisfaction of performance conditions. Each vested Performance Security will generally be settled with one fully paid Lendlease security (comprising one fully paid ordinary share in the Company stapled to one fully paid ordinary unit in Lendlease Trust). The terms of the MD's LTI arrangements provide for the Board, at its discretion, to settle any vesting in Lendlease securities or cash with an equivalent value on vesting.

Relative TSR performance hurdle: Half of the Performance Securities will be subject to Lendlease's Total Securityholder Return (TSR) compared to a comparator group of companies comprising the S&P ASX 100 Index, subject to any inclusions or exclusions determined by the Board.

50% of the Performance Securities subject to the relative TSR hurdle will be assessed over a three year performance period. The remaining 50% of the Performance Securities will be assessed over a four year performance period. Any Performance Securities that do not vest at the relevant test date will lapse and there is no retesting.

The table below shows how the vesting of each 50% tranche will occur based on Lendlease's relative TSR ranking at the end of the relevant performance period.

Percentile achieved	Percentage of tranche that vests
Below 50 th percentile	Nil vesting
At 50 th percentile	50% vesting
At or above the 51 st percentile but below the 75 th percentile	Prorated vesting on a straight line basis between 52% and 98% vesting
At the 75 th percentile or greater	100% vesting

The Board believes that relative TSR is an appropriate performance hurdle as it aligns the MD's interests with securityholder outcomes and provides a direct comparison of Lendlease's performance against other listed companies.

Average ROE performance hurdle: Half of the Performance Securities will be subject to Lendlease's average Return on Equity (ROE) performance. ROE is a percentage derived from Lendlease's annual statutory profit after tax divided by the weighted average equity for the year, as set out in Lendlease's Annual Report. Assessment of average ROE performance will be based on the average of ROE results over the relevant performance period.

50% of the Performance Securities subject to the average ROE hurdle will be assessed over a three year performance period and the remaining 50% will be assessed over a four year performance period. Any Performance Securities that do not vest at the relevant test date will lapse and there is no retesting.

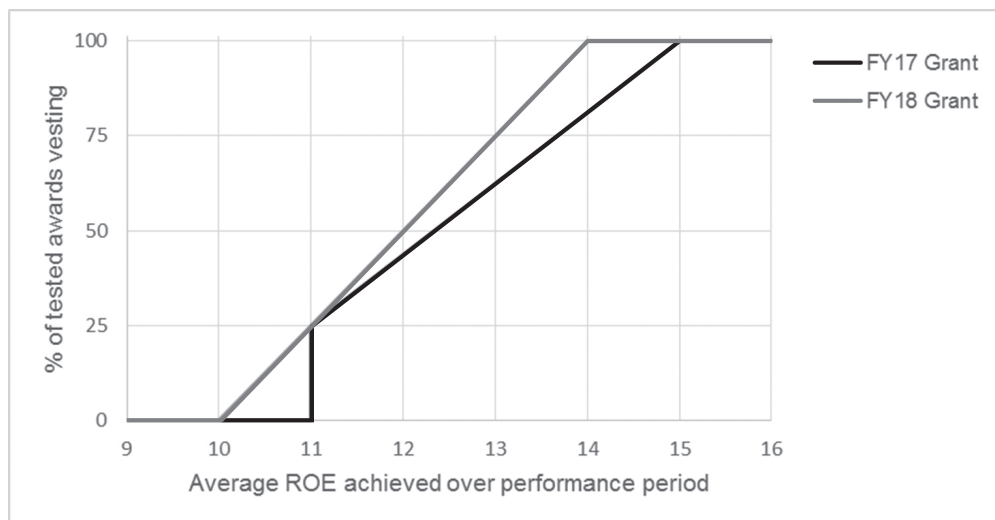
Following the refresh of the Group's Portfolio Management Framework in October 2016 the Group's stated ROE target range changed from 11-15% to 10-14%, reflecting:

- 1) a heavier weighting towards the Investments segment going forward – which generally delivers more stable but lower rates of return than the Development segment; and
- 2) a long-term decline in the risk free rate of return.

Having regard to the Group's stated ROE target range, and after reviewing Lendlease's average historical ROE against ASX benchmarks and internal and market consensus forecasts, the Board has set the average ROE performance hurdle and vesting schedule as follows:

Average % ROE performance	Percentage of tranche that vests
At 10% or less	No vesting
Above 10% but below 14%	Prorated vesting (i.e. on a straight line basis) between 0% and 100% vesting
14% or greater	100% vesting

For example, if average ROE is 11% over a performance period, 25% of Performance Securities in that tranche will vest. This is the same proportion of the award that would have vested (with average ROE of 11%) under the FY17 LTI award where the vesting range provided for 25% vesting at 11% ROE and 100% vesting at 15% ROE (with prorated vesting for outcomes between 11% and 15%). The vesting schedules of the FY17 award and the FY18 award are illustrated below:



The Board considers that the vesting range for the FY18 LTI award provides a realistic goal at the lower end of the range and a challenging stretch at the upper end.

ROE was selected as a performance measure because many of Lendlease's activities are capital intensive, for example, major urban redevelopment projects. The Board considers it appropriate to incentivise the MD (and other Senior Executives) to manage an appropriate portfolio of projects for the long term, with timely execution of capital recycling. This is reflected in the average ROE approach, focused on sustained performance over the performance period.

Quantum of award: During the year ending 30 June 2018, subject to securityholder approval, Mr McCann will be granted 200,776 Performance Securities.

This LTI grant is approximately 38% of Mr McCann's total target remuneration, in line with the target remuneration mix agreed with Mr McCann for FY18.

Following stakeholder feedback during 2016, the Board resolved to allocate and disclose future LTI awards using face value (a change from the previous approach of allocating on a fair value basis).

The face value of the FY18 LTI grant is \$3,300,000 which is slightly less than the face value of the FY17 LTI grant (\$3,302,600).

To determine the number of Performance Securities to be granted, the face value of the LTI grant was divided into 4 equal tranches. The value of each tranche is then divided by the volume weighted average price of Lendlease securities traded on the ASX over the twenty trading days prior to the release of the full year results for the year ended 30 June 2017, being \$16.4363. Each tranche is rounded up to the nearest whole security.

The LTI grant is divided into 4 equal tranches allocated to each of the performance hurdles and performance periods, illustrated below:

Average ROE 3 year performance period 50,194 Performance Securities (25%)	Average ROE 4 year performance period 50,194 Performance Securities (25%)
Relative TSR 3 year performance period 50,194 Performance Securities (25%)	Relative TSR 4 year performance period 50,194 Performance Securities (25%)

Distributions: For each Performance Security that vests, the MD will also be entitled to an amount equal to the distributions that would have been declared or paid on the Lendlease securities referable to those Performance Securities in the period from the grant date to the vesting date. This will (subject to Board discretion) be settled on the same basis as the relevant Performance Securities (that is, either in cash or in additional Lendlease securities). The number of additional Lendlease securities will be the amount equal to the distributions declared or paid divided by the closing price of a Lendlease security on the trading day immediately preceding the relevant vesting date (rounded up to the nearest whole security).

Cessation of employment: If Mr McCann resigns in circumstances which breach his non-compete obligations, or is terminated for cause, any unvested Performance Securities will lapse. In all other circumstances including where Mr McCann is terminated or resigns as a 'good leaver', Mr McCann's unvested Performance Securities will remain subject to the original performance conditions and will be tested at the original testing dates (subject to the forfeiture provisions described below). The Board also retains the discretion to lapse all or part of any unvested Performance Securities where Mr McCann resigns and a mutually co-operative separation cannot be agreed.

Malus and forfeiture: Prior to vesting, in certain circumstances the Board may determine that Mr McCann will forfeit any right or interest in, or entitlements relating to, some or all of his Performance Securities. This includes if Mr McCann breaches any obligation to the Group or the Board reasonably determines that vesting of the Performance Securities would result in Mr McCann receiving a benefit that was unwarranted or inappropriate.

Change of control: The early vesting of the Performance Securities may be permitted by the Board in other limited circumstances such as a change in control of Lendlease, in which case Mr McCann will be entitled to a pro-rata award or other amount as determined by the Board.

Additional information provided under ASX Listing Rule 10.15:

- If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the Performance Securities granted to the MD and any Lendlease securities issued pursuant to this approval will not use up part of the 15% available under ASX Listing Rule 7.1.
- No amount is payable by Mr McCann upon the grant of these Performance Securities or to acquire Lendlease securities at vesting.
- No loan will be provided to Mr McCann in relation to the LTI award.
- Other than Mr McCann, no director (or associate of a director) is currently entitled to participate in the Group's LTI arrangements.
- In accordance with the approval obtained at the 2016 Annual General Meeting, Mr McCann was issued 244,880 Performance Securities at no cost in November 2016. These will vest in September 2019 and 2020 subject to achievement of the performance hurdles as described in the Notice of Meetings last year.

b) Deferred Securities (FY18 deferred STI award)

Overview: A portion of any award of STI (which is dependent on the MD's achievement against targets determined by the Board) may include a "Deferred Security" component. A Deferred Security is a right to receive a Lendlease security (or a cash equivalent amount) at no cost, subject to service-based conditions.

For FY18, up to half of target STI may be provided as Deferred Securities. For 'above target' STI awarded to the MD, up to two-thirds may be provided as Deferred Securities. Within these parameters, the Board retains the right to determine an alternative split between cash and Deferred Securities. Any STI that is not provided in the form of Deferred Securities will be provided in cash.

Scorecard: Part of Mr McCann's FY18 individual scorecard objectives are financial, including targets in relation to profit after tax. For commercial reasons, the specific details of these individual financial targets are not yet able to be disclosed. The remaining part of Mr McCann's scorecard includes goals in relation to health and safety, the business strategy, people management and leadership, and sustainability. In addition to the above goals, the Board will also assess Mr McCann against Lendlease's defined leadership capabilities, values and behaviours. As the scorecard is currently commercially sensitive, the Board will provide further information on Mr McCann's scorecard and the Board's assessment in the FY18 Remuneration Report. The 2017 Remuneration Report includes a detailed scorecard in respect of the FY17 year.

Target and Maximum Opportunity: Mr McCann's target STI for FY18 is \$1,750,000. This remains unchanged from FY17. In exceptional circumstances where Lendlease and the MD have significantly performed in excess of the targets set by the Board, Mr McCann may be awarded up to 150% of his target or \$2,625,000. Although an award of this amount will only be made in exceptional circumstances, to allow for that possibility, approval is sought for the maximum amount. The maximum possible amount will only be awarded if Lendlease exceeds the budgeted profitability for FY18 approved by the Board by a material amount and Mr McCann is also evaluated by the Board at the highest level on the objectives in his individual scorecard, and his leadership capabilities, values and behaviours.

Quantum of securities: For the year ending 30 June 2018, the maximum value of Deferred Securities which could make up any award to Mr McCann is \$1,458,334. This remains unchanged from FY17. The maximum number of Deferred Securities which will make up any award of STI is shown in the formula below.

$$DS = ((\text{half of target STI}) + (\text{two-thirds} \times \text{above target STI})) / L$$

Where:

DS = the maximum number of Deferred Securities which could make up any award of STI to Mr McCann.

Target STI = the dollar value of the MD's target STI opportunity (including both cash and securities), being \$1,750,000.

Above target STI = the maximum additional dollar value that the MD can earn under his STI arrangements (including both cash and securities) as a result of significant over-performance, being \$875,000.

L = the volume weighted average price of Lendlease securities traded on the ASX over the twenty trading days prior to the release of the full year results of the Group for the year ending 30 June 2018 (or if the Board considers that this period does not reflect a realistic price having regard to the recent trading history, such other period as determined by the Board).

The formula represents the **maximum** number which could be granted. The actual number of Deferred Securities to be awarded to Mr McCann will be determined after consideration by the Board.

As an illustrative example, assuming that the Board's assessment of the MD's performance against agreed targets leads to a total STI award of \$2,050,000 comprising \$1,750,000 for target STI, and an award of \$300,000 for above-target performance, then up to \$1,075,000 would be delivered as Deferred Securities (that is, up to 50% of \$1,750,000 and up to two-thirds of \$300,000). If the volume weighted average price of Lendlease securities during the 20 trading days prior to release of the full year results was \$16.50 per security and the Board determined to deliver \$1,075,000 as Deferred Securities, the number of Deferred Securities granted to Mr McCann would be 65,152 (that is, \$1,075,000 / \$16.50, rounded up to the nearest whole Deferred Security).

Deferral Period: In order to ensure continued alignment to securityholder interests and to support the retention of Mr McCann, the Deferred Securities are subject to a service condition over the following vesting periods (subject to forfeiture as set out below):

- 50% of the Deferred Securities (Tranche 1) will vest one year after the grant date of the Deferred Securities (the grant date will be a date determined by the Board and is expected to be on or about 1 September 2018); and
- 50% of the Deferred Securities (Tranche 2) will vest two years after the grant date of the Deferred Securities.

Cessation of employment: If Mr McCann resigns in circumstances which breach his non-compete obligations, or is terminated for cause, any unvested Deferred Securities will lapse. In all other circumstances including where Mr McCann is terminated or resigns as a 'good leaver', Mr McCann's entitlement to Deferred Securities will continue until the original vesting date (subject to the forfeiture provisions described below). The Board also retains the discretion to forfeit all or part of any unvested Deferred Securities where Mr McCann resigns and a mutually co-operative separation cannot be agreed.

Malus and forfeiture: Prior to vesting, the Board may determine that Mr McCann will forfeit any right or interest in, or entitlements relating to, some or all of his Deferred Securities where it transpires that vesting would provide Mr McCann with a benefit that was unwarranted, or inappropriate. The Board may exercise this discretion if, for instance:

- there has been a material misstatement in the Group's consolidated financial statements or those of any company in the Group including any misstatement which may be required to be disclosed to the ASX or any relevant regulator or other authority; or
- Mr McCann engages in misconduct, or other dereliction of duty which the Board considers either has, had or may have a serious impact for the Group, whether financial, reputational, operational or otherwise.

The Board may delay vesting in order to review whether to exercise this discretion.

Distributions: For each Deferred Security that vests, the MD will also be entitled to an amount equal to the distributions that would have been declared or paid on the Lendlease securities referable to those Deferred Securities in the period from the grant date to the vesting date. This will (subject to Board discretion) be settled on the same basis as the relevant Deferred Securities (that is, either in cash or in additional Lendlease securities). The number of additional Lendlease securities will be the amount equal to the distributions declared or paid divided by the closing price of a Lendlease security on the trading day immediately preceding the relevant vesting date (rounded up to the nearest whole security).

Change of control: The early vesting of some or all of the Deferred Securities component of any STI award may be permitted by the Board in other limited circumstances such as a change in control of Lendlease.

Additional information provided under ASX Listing Rule 10.15:

- If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the Deferred Securities granted to the MD and any Lendlease securities issued pursuant to this approval will not use up part of the 15% available under ASX Listing Rule 7.1.
- Other than Mr McCann, no director (or associate of a director) is currently entitled to participate in the STI (including the Deferred Securities component).
- In accordance with the approval obtained at the 2016 Annual General Meeting, Mr McCann was allocated 53,236 Deferred Securities at no cost in September 2017 in relation to the year ended 30 June 2017.
- No loan will be provided to Mr McCann in relation to the STI award (including in respect of the Deferred Securities).
- No amount is payable by Mr McCann upon grant of the Deferred Securities.

Recommendation

The Board (with Mr McCann abstaining) recommends that securityholders vote in favour of this Resolution.

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Lendlease Corporation Limited ABN 32 000 226 228
and Lendlease Trust ARSN 128 052 595

Lodge your vote:

Online:
www.investorvote.com.au



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



By Fax
1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)



For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Proxy Form

For your vote to be effective it must be received by 10:00am (AEDT) on Wednesday 15 November 2017

How to Vote on Items of Business

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

Appointing a proxy: If you wish to appoint the Chairman of the Meetings as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meetings please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the Meetings, the Chairman of the Meetings will be your proxy. If your named proxy attends the Meetings but does not vote on a poll on an item of business in accordance with your voting directions, the Chairman of the Meetings will become your proxy in respect of that item.

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 your proxy may vote or abstain 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 Meetings 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 Lendlease Group.

Voting restrictions applying to key management personnel:

If you appoint a member of the key management personnel of Lendlease Corporation Limited (which includes each of the Directors) (KMP) or one of their closely related parties as proxy, the KMP will not be able to cast your votes on items 3 and 4 unless you direct them how to vote or the Chairman of the Meetings is your proxy.

If you appoint the Chairman of the Meetings as your proxy or the Chairman of the Meetings is appointed as your proxy by default, and you do not mark a voting box for items 3 and 4 then by completing and submitting this form you will be expressly authorising the Chairman of the Meetings to exercise the proxy in respect of the relevant item even though the item is connected with the remuneration of the KMP. The Chairman of the Meetings intends to vote all available proxies in favour of each item of business.

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 this form is signed under Power of Attorney and 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 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. Delete titles as applicable. Your securities will be voted in accordance with your directions.

Attending the Meetings

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the Meetings, 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.investorcentre.com under the help tab, "Printable Forms".

GO ONLINE TO LODGE YOUR FORM,
or turn over to complete the form



**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.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

I/we being a member/s of Lendlease Group 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 Meetings, as my/our proxy to act generally at the Meetings on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Lendlease Corporation Limited (the **Company**) and General Meeting of Lendlease Trust (Meetings) to be held in the Grand Ballroom, Hyatt Regency Hotel, 161 Sussex Street, Sydney on Friday 17 November 2017 at 10:00am (AEDT) and at any adjournment or postponement of the Meetings.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meetings as my/our proxy (or the Chairman becomes my/our proxy by default), by signing and returning this form, I/we expressly authorise the Chairman to exercise my/our proxy on items 3 and 4 (except where I/we have indicated a different voting intention below) even though the relevant item is connected directly or indirectly with the remuneration of the key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meetings is (or becomes) your proxy you can direct the Chairman to vote for or against or to abstain from voting on an item 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 a)	Election of Mr Philip Coffey as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 b)	Re-election of Mr Colin Carter as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 c)	Re-election of Mr Stephen Dobbs as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 d)	Re-election of Ms Jane Hemstrich as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval of Allocations of Performance Securities and Deferred Securities to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meetings intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meetings 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

Contact _____

Securityholder 2

Director

Daytime
Telephone _____

Securityholder 3

Director/Company Secretary

Date ____ / ____ / ____



LLC

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