



Stockland

# A year in focus

## Notice of Meetings

### DEAR SECURITYHOLDER,

I am pleased to invite you to Stockland's 2014 Annual General Meetings to be held at 2.30pm on Tuesday 28 October in The Menzies Hotel Ballroom, Sydney. The meeting will also be webcast live on the Stockland website.

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

### Election and re-election of directors

This year, we have four resolutions for securityholder approval. These include the re-election of Peter Scott and the election of our new director, Tom Pockett, to the Board. Tom joined the Board in September and has deep experience as a senior finance executive, as well as extensive experience in the retailing sector, supply chain logistics, and property developments and management.

### Remuneration report and performance rights

The remaining two resolutions seek approval of the Remuneration Report and the grant of performance rights to the Managing Director as part of his 2015 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 all four resolutions.

If you haven't yet changed your mailing preferences to electronic I encourage you to elect for more secure and timely communications online. While online you can also place your votes for each resolution.

I look forward to speaking with you at the Annual General Meeting.

Yours sincerely,

**Graham Bradley AM**  
Chairman

### Annual General Meeting of Stockland Corporation Limited and Meeting of Unitholders 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

Tuesday  
28 October 2014

#### Time

2.30pm  
(Sydney time)

#### Place

Ballroom  
Menzies Hotel  
14 Carrington Street  
Sydney NSW 2000

# Getting there



## NOTICE OF MEETING

### Annual General Meeting of Stockland Corporation Limited and Meeting of Unitholders 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 Unitholders of Stockland Trust (“the Trust”) on:

Date: Tuesday, 28 October 2014  
 Time: 2.30 pm  
 Place: Ballroom  
 Menzies Hotel  
 14 Carrington Street  
 Sydney NSW 2000



#### Train

The closest train station is Wynyard. Circular Quay is also nearby. For information about train times, please call 131 500.



#### Bus

State Transit buses stop along George and York Streets. For more information about bus routes and times please call 131 500.



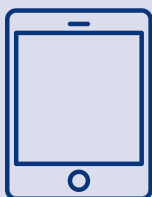
#### Ferry

The Circular Quay ferry station is located nearby. For more information on ferry times please call 131 500.



#### Parking

Limited valet parking is available at the Menzies Hotel. There is also paid parking available at Wynyard Lane Car Park located directly behind The Menzies Hotel.



### RECEIVE YOUR SHAREHOLDER COMMUNICATIONS FASTER AND MORE SECURELY

We encourage you to change your report preferences to electronic delivery. To change your preferences or update your details please contact Computershare on the details provided below or by the flyer included with the Notice of Meetings.

### 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 FY14 performance in the Shareholder Review, Annual Review, Financial Report and sustainability reporting available via [www.stockland.com.au/corporatereporting2014](http://www.stockland.com.au/corporatereporting2014)

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

# Ordinary Business of the Company and the Trust

## 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 2014, together with the Independent Auditor's Report will be presented at the meetings. The combined reports of the Company and the Trust for the year ended 30 June 2014 will also be presented at the meetings. No resolution is required for this item of business.

### 2 Election of Director – Tom Pockett

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

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

Tom Pockett joined Woolworths Limited as Chief Financial Officer in August 2002. He previously held the position of Deputy Chief Financial Officer at Commonwealth Bank of Australia (CBA). Prior to his role with CBA, he was with Lend Lease Corporation. Whilst at Lend Lease he held several senior finance roles in different companies across the Lend Lease Group, including Property and Financial Services, with his last position before moving being General Manager Finance for Lend Lease Corporation. Prior to Lend Lease, he was with chartered accounting firm Deloitte.

Mr Pockett was the National President of the Group of 100 from August 2000 to January 2003 and retired as a member in December 2013. He is a Fellow of the Institute of Chartered Accountants in Australia (FCA) and was a member of the Financial Reporting Council from March 2003 to March 2006. In 2011 he was appointed Chairman of the Business Coalition for Tax Reform.

Mr Pockett is also a director of Sunnyfield, a not for profit disability services provider in New South Wales.

Mr Pockett was appointed a director of Woolworths Limited in November 2006. Mr Pockett retired as Chief Financial Officer on 1 February 2014 and as a director of

Woolworths Limited on 1 July 2014. Mr Pockett is a director of ALH Group Pty Ltd, Hydrox Holdings Pty Ltd and The Quantum Group Holdings Pty Limited.

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

### 3 Re-election of Director – Peter Scott

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

"That Mr Peter Scott, 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 Scott was appointed to the Board on 9 August 2005. He is Chairman of Perpetual Limited, where he was appointed a Director on 31 July 2005. Mr Scott is a Director of Igniting Change, a not-for-profit making organisation and O'Connell Street Associates Pty Limited. He was Chairman of Sinclair Knight Mertz Holdings Limited until December 2013 and a member of the Advisory Board of Laing O'Rourke Australia from August 2008 to August 2011. Mr Scott was the Chief Executive Officer of MLC and Executive General Manager, Wealth Management of National Australia Bank until January 2005. Prior to this, he held a number of senior positions with Lend Lease, following a successful career as a consulting engineer in Australia and overseas. Mr Scott is the Chairman of the Risk Committee and the former Chairman of the Human Resources Committee.

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

### 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 2014 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 M Steinert, Managing Director as to 811,000 performance rights as part of his 2015 financial year remuneration; and
- (b) the issue to and acquisition by Mr M Steinert, Managing Director of those performance rights and, in consequence of vesting of those performance rights, of Stockland Staped Securities,

in accordance with the Stockland Performance Rights Plan Rules as amended from time to time and on the basis described in the Explanatory Notes 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  
23 September 2014

# Background information

## 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 Stockland 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 Stockland 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 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 and the meeting of unitholders will be as it appears in the Share/Unit Register at 7pm (Sydney time) on Sunday, 26th October 2014.

## 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, if:

- the vote is cast as a proxy;
- appointed in writing that specifies how the proxy is to vote on Resolution 4 and
- appointed by a person who is not also a KMP or a closely related party of a KMP; or
- the KMP 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 EXCLUSION – RESOLUTIONS 5

In accordance with the ASX Listing Rules, the Company and STML will disregard any votes cast on Resolution 5 by any Director of the Company or STML (except one who is ineligible to participate in any employee incentive scheme in relation to the Company or STML), 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.

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 on Sunday, 26 October 2014. As a practical matter, if you are posting or hand delivering your proxy form, the proxy form would need to be received by 5.00 pm on Friday, 24 October 2014.

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 <http://www.stockland.com.au>

# Explanatory Statement

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 Tuesday, 28 October 2014. 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 30 to 51 of the 2014 Financial Report via the Stockland website.

Under changes to the Corporations Act which came into effect on 1 July 2011, if the Remuneration Report receives a "no" vote of at least 25% at the Meeting, and then again at the 2015 Annual General Meeting, a resolution must be put to securityholders at the 2015 Annual General Meeting 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 over 99% of securityholders who voted at the 2013 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 following the thorough review undertaken in 2012 which was endorsed by securityholders at the 2012 Annual General Meeting.

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 2015 financial year

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 KMP is the Chairman of the Meeting acting as proxy and their appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if though Resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP of the Group.

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. Under Listing Rule 10.14, the 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 811,000 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 summarised in this Notice of Meetings.

### Stockland remuneration policy

Stockland's remuneration policy aims to ensure executive remuneration is commensurate with the executive's position and responsibilities, competitive with market standards, 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 100% 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 grant value of a performance right at 30 June 2014 which was \$1.85, rounded to the nearest thousand. The grant value for Mr Steinert for the 2015 financial year is \$1.5 million.

### Performance conditions of proposed grants

- 1 The performance conditions will be measured over a three year period from 1 July 2014 to 30 June 2017 ("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)

Earnings per security ("EPS") is the base earnings per security adjusted for significant items and other items determined by the Board, as disclosed in the Notes to Stockland's Financial Statements.

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 FY15 LTI awards is 6.25% CAGR ("EPS Target"). The threshold hurdle for vesting to commence is a CAGR of 4.5% or 27.4 cents per Stapled Security over the same period.

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

Compound Annual Growth in EPS over a 3 year period	Proportion of EPS related rights
Less than or equal to EPS Target	0%
Greater than EPS Target	50%
Up to 5% greater than EPS Target	Proportion of EPS grant vesting increases in a straight line between 50% and 100%
5% (or more) greater than EPS Target (stretch target)	100%

## 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 ASX/Australian Real Estate Investment Trust Index ("Index") reconstituted to exclude Stockland ("TSR Target").

TSR growth for Stockland and the companies in the Index 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 ignored.

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 Target	0%
Greater than the TSR Target	50%
Up to 10% greater than the TSR Target	Proportion of TSR grant vesting increases in a straight line between 50% and 100%
10% or more greater than the TSR Target (stretch target)	100%

## Other terms of the proposed grants

- 1 The number of rights which convert to Stockland 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 twelve month vesting requirement post the performance period subject to 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.

**Grant Value**

The grant value of \$1.85 for each FY2015 Performance Right is based on the average of the grant value of the respective performance hurdles of relative Total Shareholder Return ("TSR") and EPS Growth of \$1.74 and \$1.96 respectively.

The grant value of the portion of performance rights subject to the TSR performance hurdle is based on the fair value calculated by a qualified independent consultant, Deloitte Touche Tohmatsu ("Deloitte") who has been engaged by the Board. In determining the grant value of rights subject to the TSR performance hurdle, Deloitte has used a Monte Carlo simulation based model. The grant value for the EPS Growth performance hurdle is based on the volume weighted average price for Stockland over the 10 days post 30 June 2014 adjusted for the probability of vesting which the Board has determined to be 50%.

In preparing its valuation for the FY15 Performance Rights TSR performance hurdle, Deloitte has made the following assumptions as at 30 June 2014:

- the volume weighted average price of Stapled Securities traded on the ASX up to and including 30 June 2014 of \$3.99;
- a risk free interest rate of 2.67% equal to the three year zero coupon bond yield;
- brokers' consensus estimates of the dividend yield of the Stapled Securities over the vesting period being 6.5% per annum;
- volatility over the expected life of the instrument and of the relevant index are a reasonable proxy for prospective volatility measures over the performance rights' vesting period; and
- correlation over the last three years between the Stapled Security price and of the relevant index is a reasonable proxy for prospective correlation over the performance rights' vesting period.

**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 811,000. 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.

**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 2013 meetings, 1,443,000 performance rights were granted to Mr Steinert for nil consideration shortly after the 2013 meetings.

**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 2014 and his holding of Stapled Securities is set out in the Remuneration Report section of the 2014 Annual Financial Report on pages 30 to 51.

**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 Limited 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, to issue or transfer Stapled Securities to Mr Steinert.

**Recommendations of the Directors of the Company**

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:

- the Directors believe the proposed equity incentives are necessary to attract and retain key executive talent;
- the Directors believe the total remuneration arrangements are fair and reasonable and consistent with ASX Corporate Governance Guidelines – Principle 8; and
- 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)