

Notice of meetings

21 September 2020



Letter from the Chairman

Dear Securityholder,

I am pleased to invite you to Stockland's 2020 Annual General Meetings (**AGM**) to be held on Tuesday, 20 October 2020, commencing at 2.30pm (Sydney time).

We are actively monitoring the impact of the COVID-19 pandemic in Australia and closely following guidance from the Australian Federal and State governments. In the interests of your health and safety there will not be a physical meeting this year. The meeting will be a virtual event only with login details provided in this Notice of Meetings (**NOM**).

Your views are important to us and we encourage you to participate in the meeting by watching the event and asking questions via the 'Lumi' online meeting platform, by phone or by sending your questions prior to the meeting. This is detailed on page 3. We are confident that these channels will provide all securityholders with the ability to comment and ask questions of the Board, executives and our auditor.

We also encourage securityholders to vote using the AGM online platform, Lumi. There are five resolutions, as detailed in this NOM, for your consideration and vote.

Board renewal

Resolutions 2, 3 and 4 relate to the election or re-election of non-executive directors. As previously disclosed, Kate McKenzie was appointed as a non-executive director effective 2 December 2019. Kate is a highly respected and experienced executive, with a strong background in the telecommunications and government sectors. Kate's appointment was the outcome of a structured approach to Board succession and the consideration of her wide range and depth of skills and expertise in a number of important areas relevant to our business, including customer, innovation, infrastructure and process improvement. In addition, both myself and Andrew Stevens, are experienced directors who continue to add value to the Board and will stand for re-election.

Remuneration

Resolutions 5 and 6 relate to remuneration. Resolution 5 seeks your approval of the Remuneration Report for FY20. The Remuneration Report sets out how our executive remuneration framework supports the business strategy and includes details of short-term and long-term incentive outcomes for key management personnel for FY20.

The Board recognises that executive remuneration outcomes need to be sensitive to the experiences and expectations of our many stakeholders, given the impact of COVID-19 on the financial returns of our securityholders and the businesses and lives of many of our customers and communities.

We are in a period of significant and continuing uncertainty due to COVID-19 and setting appropriate long-term financial targets for incentive purposes is challenging. With this, and the transition to a new Managing Director and Chief Executive Officer in FY21, the Board is seeking to align FY21 long-term incentive (**LTI**) awards with an emphasis on execution of strategy in a COVID-19 impacted environment to drive superior securityholder returns. Further details of changes to the remuneration structure for FY21 will be disclosed in the FY21 Remuneration Report.

Resolution 6 relates to the approval of benefits made to employees on termination of employment under employment agreements, short term incentive arrangements, long term incentive arrangements and superannuation arrangements. This resolution is a refresh of the one first approved by securityholders in 2012, and again in 2016 when it was last refreshed.

Leadership succession

After more than seven years as our Managing Director and Chief Executive Officer, Mark Steinert announced in June 2020 his intention to retire from the Company. The Board is undertaking a comprehensive internal and external search, drawing on the succession planning we have undertaken over recent years, and has engaged a leading executive search firm to ensure that we identify and appoint the best possible candidate. Given Mark's impending retirement, he will not receive an LTI award for FY21 and as such there is no LTI resolution required at this AGM.

Mark and the Executive Committee will continue to manage our business and have the full support of the Board during this period of transition to new leadership.

I will speak more about remuneration, succession and other important matters at the AGM. My remarks, together with those of the Managing Director and Chief Executive Officer, will be available on the Stockland website following the conclusion of the AGM.

Yours sincerely,



Tom Pockett
Chairman

How to participate in the meeting

The Stockland Corporation Limited (**Stockland**) Annual General Meeting (**AGM**) will be held in conjunction with a meeting of unitholders of Stockland Trust (**the Trust**) at **2:30pm** (Sydney time) on **Tuesday, 20 October 2020** as a virtual meeting.

There are a number of ways to participate in the AGM:

- **Online:** securityholders and proxyholders are encouraged to participate in the AGM online, which will allow them to view a live webcast, ask questions in writing and vote
- **Teleconference:** for securityholders and proxyholders who are unable or do not wish to access the meeting online, this will allow them to listen to the meeting live and ask questions on the telephone, but not vote
- **Webcast:** for viewing the meeting live however it does not provide for asking questions or voting.

Live online participation (including voting)

Securityholders and proxyholders will be able to participate in the meeting online by visiting web.lumiagm.com/317619874 on a smartphone, tablet or computer (using the latest version of Chrome, Safari, Internet Explorer 11, Edge or Firefox).

Online registration will open at **1:30 pm** (Sydney time) on **Tuesday 20 October 2020** (one hour before the meeting). Information on how to log on, ask questions and vote online are set out below.

For further detail, please refer to the user guide on our website at www.stockland.com.au/investor-centre/agm.

Proxy voting and proxyholder participation

Stockland encourages all securityholders to submit a proxy vote online ahead of the meeting. Proxy votes can be lodged at www.investorvote.com.au.

Further information on lodging a proxy vote ahead of the meeting is available on page 9 of this NOM booklet.

To receive your unique username and password, please contact Computershare Investor Services on **+61 3 9415 4024** during the online registration period which will open one hour before the start of the meeting.

Webcast

The meeting will be webcast live on the Stockland website.

Non-securityholders may view the webcast by registering online as a guest.

The meeting will be recorded and will be available on the Stockland website shortly after the event.

As the webcast is view only, those viewing the webcast through the Stockland website will not be able to vote or ask questions.

Questions

Please note, only securityholders may ask questions online and on the telephone. It may not be possible to respond to all questions.

Securityholders may also lodge questions prior to the meeting by emailing their question to InvestorRelations@stockland.com.au by **Thursday, 15 October 2020**.



For Assistance

If you require assistance before or during the meeting please call Computershare +61 3 9415 4024

1. HOW TO PARTICIPATE LIVE ONLINE



Login

Securityholders and proxyholders are encouraged to watch and participate in the AGM virtually via the online platform by using your **smartphone, tablet or computer** enter the following URL in your browser

web.lumiagm.com/317619874



Voting online

Once polls are open, securityholders and proxyholders can vote by clicking on the bar chart icon.



Ask a question online

Click the question icon to submit a question.

Questions may be moderated or amalgamated if there are multiple questions on the same topic.

The meeting ID for Stockland's AGM is: 317 619 874

- You will then need to enter your SRN/HIN which is located on your Proxy Form
- Then enter your postcode or country code (country codes are located in the online meeting user guide) available at www.stockland.com.au/investor-centre/agm

Proxyholders will need to contact Stockland's share registry, Computershare Investor Services Pty Limited (Computershare), on **+61 3 9415 4024** to obtain their login details to participate live online.

Non-securityholders may login using the guest portal on the Lumi AGM platform.

2. HOW TO PARTICIPATE BY TELECONFERENCE



Dial in details

Securityholders and proxyholders who are unable or do not wish to access the meeting online can dial into the teleconference and will be able to listen to the meeting live and ask questions on the telephone. Participants cannot vote using the teleconference facility.

The dial in number for securityholders in Australia is **1300 264 803** and for international securityholders **+61 3 8687 0650**



Asking a question on the teleconference

Once you have dialled into the teleconference please follow the prompts to ask a question.



For Assistance

If you require assistance before or during the meeting please call Computershare on **+61 3 9415 4024**

Notice of meetings

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**).

Securityholders may participate in the meetings online with registration commencing on **20 October 2020** at **1.30pm** (Sydney time) or via phone. If you choose to participate via the online meetings, you will be able to watch online, cast an online vote during the meetings and ask questions online. Participation via phone will allow you to hear the meetings and ask questions via the moderator however voting will need to be by proxy or online.

Date

Tuesday, 20 October 2020

Time

2.30pm (Sydney time)

Place

Virtual meetings online at web.lumiagm.com/317619874 or via phone at **1300 264 803** (in Australia) or **+61 3 8687 0650** (international). Members of the Stockland Board and Executive Committee will attend the meetings at Stockland's Head Office, Level 25, 133 Castlereagh Street, Sydney, NSW with others attending online to accommodate social distancing requirements.



(From left to right) Kate McKenzie, Barry Neil, Christine O'Reilly, Stephen Newton, Mark Steinert, Tom Pockett, Andrew Stevens, Melinda Conrad

Ordinary Business of the Company and the Trust

1. Financial Statements and Report

As required by section 317 of the Corporations Act 2001 (Cth), the Annual Financial Report, including the Directors' Report and Financial Statements for the year ended 30 June 2020, 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 2020 will also be laid before the meetings. No resolution is required for this item of business.

2. Election of Director – Kate McKenzie

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

“That Ms Kate McKenzie, being eligible and having offered herself for election, is elected as a Director of the Company.”

Kate McKenzie was appointed to the Board on 2 December 2019. Ms McKenzie's executive career included over 30 years' experience in the telecommunication and government sectors in Australia, New Zealand and Hong Kong. She was most recently the Chief Executive Officer of Chorus, New Zealand's largest provider of telecommunications infrastructure, a top 50 New Zealand Stock Exchange listed company.

Prior to this, Ms McKenzie held several senior roles at Telstra from 2004 – 2016, including Chief Operating Officer, where she oversaw the group's extensive property portfolio, and seven years in senior roles in NSW Government, including the Department of Commerce and Department of Industrial Relations.

Ms McKenzie is currently a Director of NBN Co Limited.

Ms McKenzie is a member of the Audit Committee and Sustainability Committee.

The election of Ms McKenzie is unanimously recommended by the Board.

3. Re-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 being eligible and having offered himself for re-election, is re-elected as a Director of the Company.”

Tom Pockett was appointed to the Board on 1 September 2014 and became Non-Executive Chairman on 26 October 2016. Mr Pockett has extensive experience in both the property and financial sectors having held a number of senior executive positions including Chief Financial Officer and Executive Director of Woolworths Limited, Deputy Chief Financial Officer at the Commonwealth Bank of Australia and several senior finance roles at Lendlease.

He is the Chairman of Autosports Group Limited and a Director of Insurance Australia Group Limited.

In addition to his role as the Chair of the Stockland Board, Mr Pockett is Chair of the Sustainability Committee and a member of the People and Culture Committee. Mr Pockett is also Chairman of the Stockland CARE Foundation Board.

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

4. Re-Election of Director – Andrew Stevens

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

“That Mr Andrew Stevens, being eligible and having offered himself for re-election, is re-elected as a Director of the Company.”

Andrew Stevens was appointed to the Board on 1 July 2017.

Mr Stevens’ executive career at Price Waterhouse, PricewaterhouseCoopers and IBM, has provided him with experience in change management and in business and information and communications technology programme design and risk evaluation, governance and delivery, and in business transformation and regional/global expansion.

Mr Stevens is Chairman of the Board of Innovation and Science Australia and the Chairman of the Data Standards Body for the Consumer Data Right implementation in Australia. Mr Stevens also serves as a Director of Western Sydney Football Club.

Mr Stevens is a member of the Male Champions of Change.

Mr Stevens is a member of the Risk Committee, People and Culture Committee and the Sustainability Committee and a former member of the Audit Committee.

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

5. 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 2020 be adopted.”

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

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

6. Renewal of Termination Benefits Framework

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

“That approval is given for all purposes under the Corporations Act 2001 (Cth) for the giving of benefits under the Company’s employment agreements, short-term incentive arrangements, long-term incentive arrangements and superannuation arrangements to a person by any of the Company, its related bodies corporate, or their associates or any superannuation fund in connection with that person ceasing to be a director or ceasing to hold a managerial or executive office or position of employment with the Company or any of its subsidiaries as described in the Explanatory Statement accompanying the Notice of Meetings convening this meeting.”

The Directors, other than the Managing Director and Chief Executive Officer, unanimously recommend that securityholders vote in favour of this resolution.

Information concerning Resolutions 5 and 6 are set out in the Explanatory Statement accompanying this Notice of Meetings.

By order of the Board.



Katherine Grace
Company Secretary
21 September 2020

Background information

Participating in the meeting

Given the ongoing public health considerations relating to the COVID-19 pandemic, the Company and the Trust have implemented some new initiatives to enable all securityholders to have the opportunity to participate in the meetings remotely. Securityholders, who are unable to attend by proxy, have the option of viewing the meetings, voting and asking questions in real-time using the online platform.

Online voting will open between the commencement of the meetings at **2:30pm** (Sydney time) on **Tuesday, 20 October 2020** and the time at which the Chairman announces the closure of voting.

Online registration will commence on **20 October 2020** at **1:30pm** (Sydney time) with online voting commencing with the start of the meeting at **2:30pm**. We recommend logging into the online platform at least 15 minutes prior to the scheduled start time for the meetings using the instructions found in the Annual General Meeting Online Guide which is available on Stockland's website at www.stockland.com.au/investor-centre/agm.

Securityholders may also listen to, and ask questions in the meetings by phone using **1300 264 803** (in Australia) or **+61 3 8687 0650** (international). Phone lines will be open at least 15 minutes prior to the scheduled start time for the meetings. Securityholders that join the meetings by phone will have the option of asking questions in real-time using the moderated phone line. However, securityholders that join the meetings by phone will not be able to vote by phone. Instead, securityholders will need to vote using the online platform or by proxy.

As each meeting is a virtual meeting, technical issues may arise. In that event, the Company will have regard to the impact of the technical issue on the securityholders and the Chairman of the Meeting may, in exercising his powers as the Chairman, issue any instructions for resolving the issue and may continue the meeting if it is appropriate to do so.

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:

- in the case of a resolution of the Company, each shareholder has one vote for each share held in the Company; and
- in the case of a resolution of the Trust, each unitholder 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 join the meetings online, online registration will commence at **1:30pm** (Sydney time). We recommend logging into the online platform or dialling into the phone line at least 15 minutes prior to the scheduled start time for the meetings using the instructions found in the Annual General Meeting Online Guide which is available on Stockland's website at www.stockland.com.au/investor-centre/agm.

Corporations

In order to attend and vote by poll at the virtual 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 2001 (Cth). The representative should be able to provide evidence of his or her appointment including any authority under which it is signed if requested.

Voting entitlements

Pursuant to Corporations Regulation 7.11.37 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 **7:00pm** (Sydney time) on **Sunday, 18 October 2020**.

Voting exclusions – Resolution 5

A vote must not be cast (in any capacity) on Resolution 5 by or on behalf of the Company's key management personnel (**KMP**) (including the Directors), details of whose remuneration are included in the Remuneration Report or their closely related parties, whether as a securityholder or as a proxyholder. However, a vote may be cast on Resolution 5 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 5 by a person who is not also a KMP or a closely related party of a KMP; or
- the voter is the Chairman of the meetings casting the vote as a proxy, their appointment as proxy does not specify the way the proxy is to vote on Resolution 5 and their appointment expressly authorises the Chairman to exercise the proxy even though Resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP of the Group.

Voting exclusions – Resolution 6

A vote must not be cast on Resolution 6 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 6. 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 though Resolution 6 is connected directly or indirectly with the remuneration of a member of the key management personnel of the Group.

The Chairman of the meetings intends to vote undirected proxies in favour of Resolution 6.

In addition, a vote on Resolution 6 must not be cast (in any capacity) by or on behalf of a person who may be entitled to receive a benefit in connection with that person's retirement from office, or position of employment, the subject of Resolution 6 (a **relevant person**), or an associate of that relevant person. However, a person is entitled to cast a vote if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
- it is not cast on behalf of a relevant person or an associate of a relevant person.

Proxies

If you are unable or do not wish to attend the meetings online, 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 completing the form located at www.investorcentre.com.

If a securityholder appoints the Chairman of the meetings as their proxy or the Chairman of the meetings is appointed as the securityholder's proxy by default, and the securityholder does not mark a voting box for Resolutions 5 and 6, then by signing and returning the proxy form the securityholder will be expressly authorising the Chairman of the meetings to exercise the proxy in respect of the relevant resolution even though the resolution is connected directly or indirectly with the remuneration of the KMP of the Group.

The Chairman of the meetings intends to vote all undirected proxies in favour of Resolutions 2 to 6.

Voting at the meetings

Voting on each of the proposed resolutions at the meetings will be conducted by poll.

Securityholders participating online may vote by submitting an online vote in accordance with any voting instructions communicated by Stockland at or prior to the meetings.

Further information as to how to participate online and the terms and conditions of online participation can be found on page 4 of this NOM booklet or in the Annual General Meeting Online Guide, which is available on Stockland's website at www.stockland.com.au/investor-centre/agm.

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.

To use the online lodgement facility, securityholders will need their Voting Access Code as shown on your proxy form.

You will be taken to have signed the proxy appointment if you lodge it in accordance with the instructions on the website.

A proxy cannot be appointed online if they are appointed under a power of attorney or similar authority.

Please read the instructions for the online proxy facility carefully before you submit your proxy appointment using this facility.

If you receive shareholder communications by email, your Notice of Meeting email will include a link to the online proxy appointment site and your Voting Access Code.

Alternatively, securityholders may complete the enclosed proxy form and return it in the reply paid envelope provided. The proxy form must be received at Stockland's registered office or by 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 3, 60 Carrington Street, Sydney NSW 2000
GPO Box 242, Melbourne VIC 3001
Facsimile No. +61 3 9473 2555

Proxy forms must be received no later than **2.30pm** (Sydney time) on **Sunday, 18 October 2020**. As a practical matter, if you are posting or hand delivering your proxy form, the proxy form needs to be received by **5:00pm** on **Friday, 16 October 2020**.

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

Submission of written questions to the Company, Trust or Auditor prior to the meetings

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:

- about the business of the Company or Trust;
- about the Remuneration Report (see Explanatory Statement); or
- 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 written questions must be sent to and received by the Company no later than five business days before the date of the Annual General Meeting.

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, 20 October 2020**.

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 5 –

Approval of Remuneration Report

The Company is required by the Corporations Act 2001 (Cth) 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 or the Company.

Stockland's Remuneration Report can be found on pages 69 to 90 of the 2020 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 2021 Annual General Meeting (constituting a second strike), a resolution must be put to securityholders at the 2021 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 and Chief Executive Officer) 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 97.16% of securityholders who voted at the 2019 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.

The Chairman of the meetings 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 6 –

Termination Benefits Framework

The Company is seeking securityholder approval for the benefits that may be provided to the Managing Director and Chief Executive Officer, Senior Executives, General Managers and Senior Managers (**executives**) of Stockland when they cease to hold an office or position of employment with Stockland.

The following information sets out the retirement benefits that may be provided to executives in the event they cease to hold office as a director or their employment with Stockland, how the retirement benefits will be provided, and the matters, events and circumstances that may affect the calculation of the value of the retirement benefits. Securityholder approval of the benefits that may be provided to executives when they cease to hold an office or position of employment with Stockland was previously obtained at the 2012 AGM (**2012 Approval**) and the 2016 AGM (**2016 Approval**). The 2016 Approval was expressed to be for a period of four years, expiring at the end of the 2020 AGM. The approval sought under this resolution is to seek the approval of Stockland's retirement benefits framework for a further four years.

Who this resolution affects

Approval is sought for the retirement entitlements or benefits of persons who either now or in the future hold a “managerial or executive office” (as defined in section 200AA(1) of the Corporations Act 2001 (Cth)) in Stockland which includes a person:

- who is a director of any Stockland entity; or
- whose remuneration details are included in Stockland’s Remuneration Report

and includes any person who held such an office in the three years prior to ceasing employment with, or ceasing to be a director of, any Stockland company. As at the date of the NOM, approximately 130 employees of Stockland hold a managerial or executive office within the meaning of the Corporations Act 2001 (Cth).

Remuneration framework

This section describes the key features of the Stockland’s current remuneration framework to provide background for the retirement benefits which may be received by executives. Stockland’s remuneration structure has three components:

- Fixed remuneration (**Fixed Pay**). Includes salary, superannuation and packaged benefits.
- Performance based pay, or short-term incentives (**STI**). STI is typically awarded in two forms:
 - (a) Cash Awards – Cash payment provided in the August following the relevant performance year. A maximum of one-half of the Managing Director’s and two-thirds of the executives’ STI awards are to be in the form of cash with the balance being Deferred STI.
 - (b) Deferred STI Awards – Stockland stapled securities granted under the Employee Securities Plan (ESP) which vest over two years following the performance year. At least one-half of the Managing Director and Chief Executive Officer’s and one-third of executives’ STI awards are to consist of Deferred STI awards.

For FY20 STI awards made to the Managing Director and Senior Executives the full award was made in the form of deferred Stockland stapled securities which vest over two years with no cash component.

- Long-term incentives (**LTI**) – LTI awards are provided in the form of performance rights granted under Stockland’s Performance Rights Plan (**PRP**). Performance rights will ordinarily vest or lapse based on Stockland’s performance against specified performance and/or service hurdles over a three year performance period. For the Managing Director and Chief Executive Officer and Senior Executives, all LTI is subject to performance hurdles, for General Managers, LTI is subject to a combination of performance and service hurdles and for Senior Managers LTI is subject to service only hurdles.

Further details of Stockland’s remuneration framework are provided in the Remuneration Report.

Termination benefit approval – Part 2D.2.2 of the Corporations Act 2001 (Cth)

The **Corporations Amendment (Improving Accountability on Termination Payments) Act 2009** introduced significant changes to the Corporations Act 2001 (Cth) with effect from 24 November 2009. Under Part 2D.2.2 of the Corporations Act 2001 (Cth), the Company, its associates and any prescribed superannuation fund in connection with the Company are prohibited from giving a person who holds a managerial or executive office a benefit in connection with their retirement from an office or position of employment in Stockland unless securityholders approve the giving of the benefit or an exemption applies.

Benefits that require securityholder approval and benefits that are exempt

Benefit is defined broadly in the Corporations Act 2001 (Cth) to include most forms of valuable consideration. Retirement benefits under the Corporations Act include a range of payments or benefits given in connection with a person ceasing to hold an office or position of employment including termination payments or other benefits such as an accelerated or automatic vesting of share-based payments at or due to retirement.

There is an exception to the prohibition on the provision of benefits where the value of the benefits do not exceed one year’s fixed pay (as calculated in accordance with the Corporations Act 2001 (Cth)) (**Exempt Benefits Cap**). In addition, there are certain benefits which are excluded from the definition of benefit under the Corporations Act 2001 (Cth) and will not require securityholder approval. These include:

- certain types of deferred bonuses, including a bonus which is attributable to the release of a deferred bonus from a restriction due to death or incapacity;
- genuine superannuation contributions paid by an employer or employee on or after 24 November 2009;
- genuine accrued benefits, such as accrued untaken annual leave, payable under an Australian law; and
- reasonable payments made in accordance with a policy that applies to all employees as a result of a genuine redundancy having regard to a person’s length of service.

Reasons why securityholder approval is being sought

Securityholder approval is sought for certain benefits under Stockland's remuneration framework which will be defined as retirement benefits for the purposes of the termination benefits legislation.

In some circumstances where a person ceases to hold an office or position of employment in Stockland, their benefits will be within the payment limits or otherwise exempt from the termination benefits provisions under the Corporations Act 2001 (Cth). However, it is not possible to determine in advance the monetary value of the potential benefits that would be received by any particular executive at some point in the future.

The securityholder approval sought will cover the following benefits which executives may potentially receive under their contracts of employment with Stockland companies and the policies and incentive plans of Stockland:

- (i) payment in lieu of notice of termination under individual executive contracts of employment;
- (ii) in the case of a Managing Director and Chief Executive Officer, a Senior Executive or General Manager, where employment terminates unrelated to performance or conduct, a termination payment (which also satisfies any entitlement to notice in lieu of termination and redundancy payment) and in the case of a Senior Manager, any redundancy benefits under Stockland's redundancy policy which forms part of individual executive contracts of employment;
- (iii) the cash component of STI awards (in exceptional circumstances see below);
- (iv) the vesting of some or all of the securities granted under the ESP (ordinarily unvested deferred STI awards will lapse on an executive ceasing to be an employee, however, the Board retains discretion to review this in certain circumstances where termination is initiated by Stockland, such as in the case of redundancy);
- (v) the vesting of some or all of the performance rights granted under the PRP, and any release of securities under the Stockland \$1,000 Plan; and
- (vi) superannuation benefits.

Approval is sought for a four-year period

As with the 2012 Approval and the 2016 Approval, if securityholder approval is obtained by Resolution 6 being passed, it will be effective for a period of four years from the meeting. That is, the securityholder approval will be effective:

- in relation to any performance rights granted under the PRP or Stockland securities granted under the ESP; or
- if Stockland or the Board exercises certain discretions under the rules of the PRP or ESP; or
- an executive ceases employment with Stockland,

during the period beginning at the conclusion of the meetings and expiring at the conclusion of the Stockland Annual General Meetings in 2024. If considered appropriate, the Board will seek a new approval from securityholders at the Stockland Annual General Meetings in 2024. This approval would be effective to cover benefits provided to the current Managing Director and Chief Executive Officer on his retirement by mutual agreement announced on 22 June 2020.

The relevant percentage of total remuneration of an executive which is awarded as STI and LTI awards is important in assessing the potential value of the executive's termination benefits on termination of that executive's employment relative to their Exempt Benefits Cap. Full details of the application of total remuneration to fixed pay, STI and LTI awards for Managing Director and Chief Executive Officer and Senior Executives is set out on pages 81 to 87 of the 2020 Annual Report.

Securityholders should reasonably anticipate that aspects of the Company's employment arrangements, including executives' LTI and STI opportunities as a percentage of their fixed pay, will be amended from time to time during the four year period to which this approval relates. This is in line with market practice and changing governance standards and, where relevant, these changes will be reported in the Company's Remuneration Report. However, it is intended that the approval set out in Resolution 6 will remain valid throughout the four year period of the approval for as long as the employment arrangements provide for the treatment on cessation of employment as set out in these explanatory notes.

Details of termination benefits

This section describes the manner in which the amount or value of the potential termination benefits of executives of Stockland who hold a managerial or executive office are to be calculated and the matters, events or circumstances that will, or are likely to, affect the calculation of the value of that benefit.

(a) Payment in lieu of notice of termination

Notice of termination is a contractual entitlement provided for in each executive's employment contract. The required notice period for the Managing Director and Chief Executive Officer is six months, for Senior Executives it varies between six and three months and for other executives it varies between four weeks and three months.

Notice of termination may be given by either the executive or Stockland at any time. During any period of notice, whether the notice has been given by either Stockland or the executive, Stockland has discretion to make a payment in lieu of all or part of the notice period.

Payment will only be made in lieu of notice in appropriate circumstances.

Where an executive is terminated as a consequence of their misconduct or serious or persistent breach of contract (termination for cause), Stockland may terminate their employment immediately without notice or any payment in lieu of notice.

The amount of the payment in lieu of notice, if any, will be calculated on the executive's fixed pay (as at the termination date) for any part of the notice period the executive is not required to continue to be employed by Stockland. The amount of these payments can only be determined once notice is given. Accordingly, the amount of any payment in lieu of notice cannot be ascertained as at the date of the NOM as neither the period nor the particular executive's fixed pay at the termination date are currently known. However, in all cases the notice period will not exceed the contractual periods described above.

Key matters, events or circumstances which will, or are likely to affect the calculation of the payment in lieu of notice include:

- the executive's fixed pay at the time of termination which will be reviewed annually in accordance with Stockland's remuneration policy (fixed pay details for the KMP for FY20 are disclosed in the Company's Remuneration Report);
- the length of the notice period for which payment is being made;
- who gave the notice of termination and the executive's future employment plans - for instance, an executive who presents a business risk by working through their notice period will most likely receive payment in lieu of notice; and
- whether Stockland's operational requirements at the time notice is given require the executive to work through part or all of their notice period.

(b) Termination payment/ Redundancy payment

If the employment of the Managing Director and Chief Executive Officer, a Senior Executive or a General Manager is terminated by Stockland other than for reason of their performance or conduct, they are entitled to a single termination payment under their individual contract of employment. This termination payment also satisfies any entitlement the executive may have to any unpaid payment in lieu of notice and any entitlement to a redundancy payment. The termination payment for the Managing Director and Chief Executive Officer is 12 months' fixed pay, for a Senior Executive is either 12 months' or six months' fixed pay and for a General Manager is either six or nine months' fixed pay (varies by individual employee). In addition, in this circumstance, the executive will be entitled to a pro-rata cash STI payment for the then current financial year subject to an assessment of performance against key performance indicators.

Given the termination payment arrangement applicable to the Managing Director and Chief Executive Officer, Senior Executives and General Managers, the Stockland redundancy policy only applies to Senior Managers (and other employees).

Senior Managers are entitled to a redundancy payment (in addition to notice of termination) in accordance with Stockland policy where their role is made redundant and Stockland does not offer, or procure an offer of, comparable alternative employment for the executive. A redundancy occurs where a Senior Manager's position ceases to exist due to operational requirements and is not due to any fault on the part of the individual executive.

The redundancy policy provides for a severance payment equal to two weeks' pay for each six months of service or part thereof in the event of redundancy, calculated by reference to the executive's fixed pay as at the date of redundancy. Severance payments for redundancy are capped at a maximum of 52 weeks fixed pay.

Accordingly, because the amount of the redundancy payment is determined by reference to the employee's period of service with Stockland and their fixed pay at the redundancy date, the amount of any redundancy payment cannot be ascertained as at the date of the NOM.

The key matters, events or circumstances which will, or are likely to affect the calculation of the redundancy payment include:

- the length of an employee's period of service with Stockland at the time of redundancy; and
- the employee's fixed pay as at the date of redundancy which will be reviewed annually in accordance with Stockland's remuneration policy.

(c) Short-term incentives – Cash STI awards and Deferred STI awards

All executives who have greater than three months' service with Stockland are entitled to be considered for an STI award. STI awards are made on an annual basis with any cash STI awards provided in August/September. The maximum amount an individual may receive as an STI award (i.e. their STI Opportunity) is based on a percentage of Fixed Pay and varies by job level. The current Target STI and maximum STI Opportunity percentages for executives are set out below. The Board may adjust these Target STI and STI Opportunity percentages for executives in the future.

| Job Band | Target STI (as percentage of Fixed Pay) | Maximum STI Opportunity as a % of target |
|-------------------|---|--|
| Managing Director | 100% | 0% to 150% |
| Senior Executives | 80% to 90% | 0% to 150% |
| General Managers | 45% | 0% to 200% |
| Senior Managers | 30% | 0% to 200% |

A proportion of an executive's STI must be compulsorily deferred into Stockland securities (granted under the ESP as Deferred STI awards which will ordinarily vest 50% one year after grant and the remaining 50% two years after they are granted). This is designed to further align remuneration outcomes with securityholders as follows:

Prior to FY21:

| Job Band | Percentage of STI awarded as Deferred STI | |
|-------------------|---|------------------|
| | Up to and including target STI | Above target STI |
| Managing Director | 50% | 100% |
| Senior Executives | 33.3% | 100% |
| General Managers | 33.3% | 50% |
| Senior Managers | 33.3% | 33.3% |

For FY20 STI awards made to the Managing Director and Senior Executives the full award was made in the form of deferred Stockland stapled securities which vest over two years with no cash component.

From FY21:

| Job Band | Percentage of STI awarded as Deferred STI |
|-------------------|---|
| Managing Director | 50% |
| Senior Executives | 33.3% |
| General Managers | 33.3% |
| Senior Managers | 33.3% |

The total amount of all STI awards granted to Stockland employees is subject to the size of the STI pool. The size of the STI pool is based on the Board's assessment of Stockland's performance against its Corporate Balanced Scorecard which relate to business and financial outcomes and measures of business and financial value-drivers.

The recommended STI pool is reviewed and approved by the Board having regard to an assessment of overall performance.

STI outcomes for individual executives are recommended by the executive's manager (or in the case of the Managing Director, the People & Culture Committee) after consideration of their performance against their predetermined objectives and the size of the relevant year's STI pool.

Recommendations are calibrated across the businesses to ensure consistency and are subject to review and approval by the Executive Committee and People & Culture Committee and for the Managing Director by the Board.

Cash based STI awards are normally only provided where the executive remains employed and has not submitted notice of resignation until the applicable date of payment for the relevant financial year. However, the Board retains discretion to award an executive a portion or all of their cash STI payment in certain limited circumstances, such as redundancy.

Unvested Deferred STI awards will ordinarily lapse on an executive ceasing to be an employee; however, the Board retains discretion to review this in circumstances where termination is initiated by Stockland. The Board may exercise its discretion to vest all Deferred STI awards in the event of retirement, death or total and permanent disablement. Other circumstances where the Board may consider that the vesting of the deferred STI award to the executive is reasonable and warranted in all of the circumstances include where the executive's position is made redundant or where other personal or business circumstances exist. The amount of any deferred STI award that vests in these circumstances cannot be ascertained as at the date of the Notice of Meeting.

In the case of the Managing Director and Chief Executive Officer, a Senior Executive or General Manager, where Stockland terminates their employment unrelated to performance or conduct or the executive retires, they may be awarded a STI (based on the completed months of service for the relevant STI period, and in the case of the Managing Director and Chief Executive Officer a minimum of six months equivalent to their notice period and determined by Stockland based on their performance in the financial year to the time of ceasing employment).

In the case where the Managing Director and Chief Executive Officer is terminated by Stockland other than for cause or retires by mutual agreement, all Deferred STI awards will remain on foot and continue to vest on the due dates (subject to clawback under the Stockland clawback policy) and provided the Managing Director and Chief Executive Officer complies with the non-compete provisions in his or her executive service agreement.

Key matters, events or circumstances which will, or are likely to affect the calculation of the cash STI payment made to an executive, or the value of the Deferred STI award that will vest on an executive's termination, include:

- executive's seniority level, role, responsibilities and performance;
- the circumstances in which the executive leaves Stockland;
- the achievement by the executive of their relevant objectives;
- the executive's fixed pay which will be reviewed annually in accordance with Stockland's remuneration policy;
- the executive's target STI opportunity for the relevant year which will be set each year by the Board in accordance with Stockland's remuneration policy; and
- the proportion of the financial year or, in the case of Deferred STI awards, the deferral period served by the executive.

(d) Long-term incentives – Performance Rights under the PRP and any participation in the Stockland \$1,000 Plan

Under the PRP, Stockland grants performance rights to participating employees. Each performance right constitutes a right to have a Stockland security registered in the name of the relevant participating employee. Further details of the PRP are provided in the Remuneration Report.

The LTI participation is set by reference to fixed pay and varies by job level and is currently as follows:

| Job Band | LTI participation (as percentage of Fixed Pay) |
|-------------------|--|
| Managing Director | Up to 200% |
| Senior Executives | Up to 120% |
| General Managers | Up to 35% |
| Senior Managers | Up to 10% |

The Board may adjust the LTI participation percentage of the Managing Director and Chief Executive Officer, Senior Executives, General Managers and Senior Managers in the future.

The number of rights awarded to executives is determined using the volume weighted average price of Stockland securities for the 10 days after 30 June in the year of award.

The potential retirement benefits which may be received by executives under the PRP include the accelerated vesting of performance rights or the non-lapse of performance rights approved by the Board in accordance with the rules of the PRP.

Under the PRP, on the termination of an executive's employment¹ the Board may, in its absolute discretion, decide that all or a portion of the unvested performance rights held by an executive:

- are to vest in certain circumstances specified in the PRP; or
- remain outstanding, and not lapse (i.e. the performance rights will vest or lapse at the end of the original performance and/or service period as if the executive's employment had not been terminated).

The Board will usually only exercise its discretion to vest all unvested performance rights in the event of death or total and permanent disablement. In other circumstances, the Board will generally only exercise its discretion such that any unvested performance rights will vest on a prorata basis based on the period of service to the date of termination. In the case of performance rights subject to performance hurdles (**hurdled rights**), the performance rights may be allowed to remain on foot for the remainder of the measurement period, with subsequent vesting determined in accordance with the original hurdles.

LTI awards for Senior Managers and a portion of LTI awards for General Managers include performance rights whose only hurdle is ongoing service (**Restricted Rights**). In the case of restricted rights, the Board may exercise its discretion to vest all Restricted Rights awards in the event of retirement, death or total and permanent disablement.

¹ This would include where the Stockland entity which employs the executive ceasing to be an entity in Stockland or its business being transferred to a non-Stockland entity.

Other circumstances where the Board may consider that the vesting of the Restricted Rights award to the executive is reasonable and warranted in all of the circumstances include where the executive's position is made redundant or where other personal or business circumstances exist. The amount of any Restricted Rights award that vests in these circumstances cannot be ascertained as at the date of the NOM.

In the case where a Managing Director and Chief Executive Officer 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 (subject to clawback under the Stockland clawback policy) and provided the Managing Director complies with the noncompete provisions in their executive service agreement.

The exercise of a discretion by the Board to accelerate the vesting of performance rights, or for performance rights to remain outstanding, on the termination of an executive is potentially a termination benefit to which the termination benefits provisions of the Corporations Act 2001 (Cth) apply. The value of any such benefit cannot be ascertained as at the date of the NOM. The value of the benefit will depend on:

- the number of performance rights granted and held by the participant under the PRP;
- the number of performance rights held by the participant which the Board determines should vest (which may be a portion or all of the performance rights determined at the Board's absolute discretion);
- the number of performance rights held by the participant which the Board determines should remain outstanding (which may be a portion or all of the performance rights determined at the Board's absolute discretion); and
- the market price of the Stockland securities.

Key matters, events or circumstances which will, or are likely to affect the calculation of the value of any accelerated vesting, or non-lapse, of performance rights (including the number of performance rights that vest, remain outstanding and lapse) include:

- the financial performance of Stockland and the business or support area in which the participant works;
- the personal performance of the relevant participant each year;
- the seniority level and geographic location of the participant; and
- the circumstances in which the participant leaves Stockland.

It is possible that an executive may have participated in the Stockland Tax Exempt Employee Security Plan (**\$1,000 Plan**) prior to being appointed as an executive. Under that plan an employee may receive up to \$1,000 of Stockland stapled securities which are automatically

released from the \$1,000 Plan on the earlier of three years from the date of acquisition or termination of employment for any reason.

(e) Superannuation

Stockland makes the compulsory superannuation contributions required by law (currently 9.5% subject to the maximum contribution base which is indexed annually) on behalf of executives into complying funds plus additional contributions by way of salary sacrifice as instructed by any executive. Currently, Stockland does not contribute more than the statutory contribution of an executive's base salary as an employer superannuation contribution although executives may choose to salary sacrifice additional employer contributions.

There is potential for the payment of superannuation benefits to a person holding a managerial or executive office to be regarded as a retirement benefit provided in connection with the person ceasing to hold an office or position of employment in Stockland, and thus the payment of those superannuation benefits may be subject to the approval requirements in Part 2D.2.2 of the Corporations Act 2001 (Cth).

The value of an executive's superannuation benefit on retirement (at least to the extent these are referable to Stockland) will be equal to the superannuation contributions made by Stockland to the executive's nominated superannuation fund plus, in relation to these contributions, any earnings and any capital growth or loss, less taxes and fees. The value of any such benefit cannot be ascertained as at the date of the NOM.

Key matters, events or circumstances which will, or are likely to affect the value of superannuation benefits include:

- legal requirements regarding the minimum compulsory superannuation contributions which may increase over time;
- the executive's fixed pay which will be reviewed annually in accordance with Stockland's remuneration policy;
- any voluntary salary sacrifice contributions made by the executive; and
- any earnings and capital growth or loss, less taxes and fees, on Stockland's compulsory superannuation contributions.

The Directors, other than the Managing Director and Chief Executive Officer, unanimously recommend that securityholders vote in favour of this resolution.

Stockland Corporation Limited

ACN 000 181 733

**Stockland Trust
Management Limited**

ACN 001 900 741; AFSL 241190

**As responsible entity
for Stockland Trust**

ARSN 092 897 348

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