

# Conflicts of Interest and Related Party Transactions Policy

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## 1. Purpose

Stockland does business on the strength of its reputation and believes in the importance of acting in accordance with our values and with integrity at all times.

We therefore have an obligation to manage any conflicts of interest that arise in our business operations so that the interests of our investors, capital partners, financiers, and customers are protected.

The Conflicts of Interest and Related Party Transactions Policy (“**Policy**”) demonstrates our commitment to the way we do business and outlines our processes to identify, report, assess, manage and monitor conflicts of interest that may arise.

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## 2. Scope

This Policy applies to Stockland Corporation Limited, Stockland Trust and their related companies and trusts (collectively “**Stockland**”) and all Stockland employees (including, but not limited to non-executive directors, permanent, casual, fixed term employees and temporary workers) (“**Employees**” or “**you**”).

Adherence with this Policy is mandatory.

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## 3. Conflicts of Interest Principles

Stockland’s principles for managing conflicts of interest are as follows:

- **Employees** must never place their own interests above those of Stockland;
- where a Stockland entity is a responsible entity, trustee or manager, it must act in the best interests of the members of the relevant trust or scheme; and
- where conflicts exist between the interests of the members of a managed investment scheme and the interests of the relevant Stockland Responsible Entity, Stockland must give priority to the members’ interests.

The presence of a conflict of interest does not necessarily prohibit a transaction or circumstance but rather requires the management and monitoring of the conflict of interest.

All **Employees** have a responsibility to behave with integrity and to understand and follow Stockland’s approach to managing conflicts of interest so that they are identified, addressed and managed in a timely and transparent manner.

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## a. What is a Conflict of Interest?

The two types of conflicts of interests covered by this Policy are:

- **Personal Conflicts:** where the interests of a **Director** or **Employee** conflicts with the interests of Stockland or its Capital Partnerships; or
- **Stockland Group Conflicts:** where a Stockland entity acts as a fiduciary for a Capital Partnership or Stockland enters into a joint ownership arrangement and this role causes conflict with:
  - Stockland Group and its obligations to its investors; or
  - the interests of other investors that Stockland acts on behalf of.

Conflicts of interest can be:

- **Actual:** where there is a real conflict of an individual's or entity's position being influenced by their personal interests.
- **Perceived:** where there could be a reasonable perception by a third party that a conflict exists.
- **Potential:** where there is no current conflict however there is a reasonable possibility of an actual or perceived conflict arising in the future.

The mechanisms that Stockland has in place to identify conflicts include:

- declarations of personal conflicts made by Directors, Employees, consultants and suppliers.
- declarations of interest from capital partners or their representatives.
- due diligence processes and analysis of transactions undertaken when entering into new capital partnerships or undertaking transactions with an existing capital partnership.
- the ongoing management of property and investment portfolios, including the application of the Conflicts of Interest Protocols.
- regular internal and external audit activities.
- **Employees** raising a conflict to the attention of the Group Risk Officer or senior management (who will determine the appropriate course of action).

## b. Personal Conflicts of Interest

For the purpose of this Policy, personal conflicts are those that relate to either a **Director** or an **Employee**.

Personal conflicts of interest may arise where the interests of a **Director** or **Employee** conflict (or could be perceived as conflicting) with the interests of Stockland or its Partners.

### Employees

**Employees** must make sure:

- that any personal or outside business relationships with third parties, family members, clients or suppliers have been appropriately declared and do not influence or prejudice their obligations to Stockland or its customers;
- they behave with integrity and understand and follow Stockland's approach to identifying conflicts of interest so that they are addressed promptly and transparently;
- Gifts and Hospitality over the relevant internal threshold are approved and reported in accordance with the **Gifts & Hospitality Policy**;

- disclosure of any actual or potential conflicts:
  - at commencement of employment;
  - when involved in a tender or transaction;
  - on an ongoing basis whenever they regard themselves as conflicted;
  - on an annual basis as part of their Annual Employee Declaration; and
- they notify Group Risk when a previously reported matter no longer represents a conflict.

The Code of Conduct, the Gifts & Hospitality Policy and the Internal Conflicts of Interest Management Procedures (“**Internal COI Procedures**”) provide further guidance on circumstances, interests and relationships of an employee that require disclosure.

The provision or gifts or hospitality to a public or government official is expressly forbidden in accordance with the **Fraud, Bribery and Corruption Prevention Policy**.

### **Directors**

A **Director** of a Stockland Group entity who has an interest in any matter that relates to the affairs of that company should:

- give the Board of that company notice of the interest unless the interest is expressly exempted<sup>1</sup>.

In addition they should not:

- be present while matters are being considered at a board meeting that are subject to that interest; and/or
- vote on the matter unless resolved by the Board that they may do so or by ASIC<sup>2</sup>.

A **Director** does not need to give notice of an interest at a Board meeting if the director has given a standing notice of the nature and extent of the interest, and the notice and any mitigating measures are still effective in relation to the interest.<sup>3</sup>

## **Stockland Group Conflicts of Interest**

Stockland Group conflicts of interest may arise where a Stockland entity acts as a fiduciary for a Capital Partnership or Stockland enters into a Joint Ownership arrangement and this role causes conflict with

- Stockland Group and its obligations to its investors or
- the interests of other investors that Stockland acts on behalf of.

The Conflicts of Interest Protocols should be referred to for further information on how Stockland will manage conflicts pertaining to key investment opportunities, leasing and sales management.

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<sup>1</sup> s191 of the Corporations Act 2001 (Cth)

<sup>2</sup> section 195 of the Corporations Act 2001 (Cth)

<sup>3</sup> section 191 of the Corporations Act 2001 (Cth)

## Suppliers

Stockland's suppliers are expected to act in an ethical and professional manner at all times, and disclose to Stockland any actual, potential or perceived conflicts in accordance with the "**What Stockland Expects from its Suppliers Policy.**"

### Protected Disclosures

Anonymous disclosures relating to undeclared conflicts or conflict management plans can be made utilising one of the reporting channels specified in Stockland's Whistleblower Policy.

[www.stockland.com.au/about-stockland/corporate-governance/whistleblower-channel](http://www.stockland.com.au/about-stockland/corporate-governance/whistleblower-channel)

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## 4. Managing Conflicts of Interest

Conflicts are required to be declared as soon as possible following identification so that they may be assessed and managed appropriately in accordance with this and other related policies.

Different types of conflicts of interest need to be managed according to specific legislative, regulatory, or fiduciary requirements.

Conflicts of interest may be managed through:

- Controlling the conflict – where measures are put in place to control the conflict.
- Disclosing the conflicts – disclosing the conflict to the affected parties (provided that the disclosure is deemed appropriate).
- Avoiding the conflict – putting measures in place to avoid the conflict. This is the preferred option in circumstances where the conflict cannot be reasonably controlled, may have a material impact on customers, investors or Stockland's reputation, or the conflict will result in non-compliance with the law or the breach of an AFSL condition.

**Employees** should consult their line manager in the first instance to discuss how a conflict may be appropriately managed.

Where a conflict relates to a material transaction or may affect Stockland's reputation, the Conflict Owner (who is responsible for managing the conflict) should contact the Group Risk Officer for assistance in determining the appropriate way to manage the conflict.

Please refer to the **Internal COI Procedures** for further guidance on managing conflicts.

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## 5. Monitoring Conflicts of Interest

All personal conflicts declared by **Employees** are recorded in the Employee Conflicts of Interest Register (Register). The Register:

- includes a summary of the nature of the conflict;
- assigns a Conflict Owner (which may be the conflicted Employee, their Line Manager or another nominated person); and
- specifies how the conflict will be managed.

Group Risk maintain the Register and provides regular reporting to the Stockland Leadership Team and the Risk Committee.

Personal conflicts declared by General Managers, Executive General Managers and Stockland Leadership Team members are reviewed by Group Risk at least annually to reaffirm the status of the conflict and that any agreed conflict management plans remain appropriate.

Group Legal maintains a register of Director conflicts of interest and provide regular reporting to the Board and their respective committees.

Stockland Group conflicts relating to capital partnerships are reviewed, managed and disclosed in accordance with relevant capital partnership agreements and the Conflicts of Interest Protocols.

Please refer the **Internal COI Procedures** for further guidance on monitoring conflicts.

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## 6. Related Party Transactions

A related party transaction ("**RPT**") is any transaction or arrangement entered into by a Stockland Group entity with a "related party" that confers a financial benefit to that party.

### Who are "related parties" of Stockland?

- (a) any person or entity that controls Stockland;
- (b) a director or Stockland or an entity in the Stockland Group, or of an entity that controls Stockland;
- (c) the spouses, parents or children of the persons referred in (b) above;
- (d) any entity:
  - i. Controlled by a person referred to in (a), (b) or (c) above; or
  - ii. In which a person referred to in (a), (b) or (c) above has a material personal interest; and
- (e) any other person or entity whose relationship with Stockland or a Stockland Group entity is, in the opinion of the Board, such that this policy should apply to that person or entity.

The rules regarding related party transactions also apply to any person who:

- (a) has been involved with a related party at any time in the last six months (even if they are not a related party at the time of the relevant transaction); and
- (b) the Board believes, or has reasonable grounds to believe, is likely to become a related party at any time in the future.

The Corporations Act generally requires securityholder approval for financial benefits provided to related parties. Some exceptions do apply, and these exceptions are outlined below.

### The 'arm's length' exception

Stockland is not required to obtain securityholder approval for the giving of a financial benefit to a related party if the proposed transaction is on arm's length terms, or on terms that are less favourable to the related party.

In determining whether the arm's length exception applies to a transaction, the board and/or committees will have regard to the following factors:

- (a) the terms of the transaction and in particular, how those terms compare with those of any

comparable transaction Stockland has entered into;

- (b) the nature and content of the negotiations of the transaction, including whether any protocols were adopted by Stockland to ensure that conflicts of interest were appropriately managed;
- (c) the impact of the proposed transaction on Stockland and its shareholders;
- (d) any other options that may be available; and
- (e) any expert advice received in relation to the proposed transaction.

### Other exceptions

Other exceptions to the requirement in the Corporations Act to obtain securityholder approval for the giving of a financial benefit to a related party include:

- (a) where a financial benefit represents reasonable remuneration payable to the related party as an officer or employee, or the reimbursement of expenses;
- (b) the giving of an indemnity, exemption or insurance policy in respect of liability incurred as an officer or employee;
- (c) benefits given to a securityholder of Stockland that do not discriminate unfairly against other securityholders of Stockland; and
- (d) benefits given by Stockland to a wholly owned subsidiary.

### Managing RPTs

Any RPT or proposed RPT is to be notified to the Chief Legal and Risk Officer prior to the transaction occurring.

Contracts and commercial arrangements are only entered into with related parties if they are undertaken on arm's length commercial terms and conditions, and/or if required relevant approvals are obtained and are not detrimental to unitholders.

RPTs that may arise in the event of the acquisition or disposal of a property, are subject to review by the Investment Committee, Stockland Leadership Team and Board (depending on the size of the transaction). RPTs are disclosed in relevant financial statements.

Please refer to the **Internal COI Procedures** for further guidance.

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## 7. Policy Compliance

Failure to comply with this Policy may result in a breach of the Corporations Act, ASX Listing Rules or Capital Partnership agreements and may:

- result substantial fines and penalties being imposed upon Stockland
- expose Stockland and/or its employees to civil or criminal liability or other financial penalties
- have a negative impact on Stockland's reputation; and
- impact on the business licences supporting Stockland's activities.

**Employees** who breach this Policy may face disciplinary action up to and including dismissal.

You must adhere to Stockland's Escalation Policy in reporting any breach of this Policy that you are involved in or become aware of and do so in a timely manner.

## 8. Approval, Ownership and Review

This Policy (and any material changes) are approved by the Stockland Board with non-material changes approved by the Chief Legal & Risk Officer.

The Group Risk Officer is the Policy Owner and is required to review the Policy:

- when applicable and appropriate including when there are relevant changes in business practice, legislation and compliance obligation; or
  - at least every 2 years.
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## 9. Related Policies & Procedures

- Code of Conduct
  - Conflicts of Interest Protocols
  - Internal Conflicts of Interest Management Procedures
  - Gifts & Hospitality Policy
  - Escalation Policy
  - Fraud, Bribery and Corruption Prevention Policy
  - Whistleblower Policy
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## 10. Contact for Questions

Please contact Group Risk at [compliance@stockland.com.au](mailto:compliance@stockland.com.au) with any questions on this document.

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## 11. Responsibilities

Role	Responsibilities
<b>Line Manager</b>	<ul style="list-style-type: none"><li>• Accountable for ensuring implementation and adherence to this Procedure in their team.</li><li>• Act as escalation point for issues and questions on the Procedure.</li></ul>
<b>Employees</b>	<ul style="list-style-type: none"><li>• Comply with this Procedure and encourage others to do so.</li><li>• Reporting any observed non-compliance</li></ul>
<b>Conflict Owner</b>	<ul style="list-style-type: none"><li>• Employee assigned with primary responsibility for the ongoing management of a conflict. This may be an Employee or their Line Manager.</li></ul>

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