

## 1. Purpose

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This Charter sets out the objectives, responsibilities and framework for operation of the Board as established under the constitutions of Stockland Corporation Limited, Stockland Trust and Stockland Trust Management Limited. To the extent of any conflict between the terms of this Charter and a constitution, that constitution prevails.

## 2. Interpretation

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ASX means ASX Limited.

Board means the Board of Directors of each of Stockland Corporation Limited and Stockland Trust Management Limited.

Constitutions means the constitutions of Stockland Corporation Limited, Stockland Trust and Stockland Trust Management Limited.

Directors means the directors of the Board from time to time.

Members means the members of Stockland.

Stockland means Stockland Corporation Limited, Stockland Trust Management Limited as responsible entity of Stockland Trust and their respective controlled entities.

## 3. Objectives

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The Board is accountable to Members and responsible for demonstrating leadership and oversight so that the operations of Stockland are effectively managed in a manner that is properly focussed on its economic, social and community objectives.

The Board has overall responsibility for the good governance of Stockland and:

- oversees the development and implementation of Stockland's corporate strategy, operational performance objectives and management policies with a view to creating sustainable long term value for Members;
- oversees the development and implementation of Stockland's overall framework of governance, risk management, internal control and compliance which underpins the integrity of management information systems, financial reporting and fosters high ethical standards throughout Stockland;
- appoints the Directors (subject to the approvals required at annual general meetings), appoints the Managing Director, approves the appointment of the Company Secretary and Executive Committee members reporting to the Managing Director and determines the level of authority delegated to the Managing Director;
- sets Executive remuneration policy, monitors Executive Committee members' performance and approves the performance objectives and remuneration of the Managing Director and his or her direct reports and reviews Executive and Board succession planning and Board performance;
- approves and monitors the annual budget, business plans, financial statements, financial policies and financial reporting and major capital expenditure, acquisitions and divestitures;
- determines and adopts dividend and distribution policies for Stockland;
- oversees compliance with laws and regulations which apply to Stockland and its businesses; and
- appoints and monitors the independence of Stockland's external auditors.

## 4. Composition of the Board

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### (a) Structure of the Board

The membership of the Board is reviewed by the Board from time to time having regard to the ongoing needs of Stockland. The Board will comprise a majority of non-executive independent directors and the Chair of the Board must be an independent director.

Subject to the Constitutions, the Board may determine the number of Directors from time to time up to a maximum number of ten Directors. When determining the optimal number of Directors the Board has regard to the importance of maintaining the right mix of skills, professional experience and Director tenure on the Board, the expected future workload of Directors, Board succession planning and cost.

When a casual vacancy occurs, the Board undertakes a structured process for considering both the general qualifications and specific skills and experience sought for a new Director and to identify qualified candidates. Directors appointed to fill casual vacancies are formally nominated for election by members at the next annual general meeting.

## Board Charter

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### **(b) Independence**

The Board must regularly assess the independence of each Director in light of the interests that they have disclosed and such other factors as the Board determines are appropriate to take into account in determining whether the Director is independent of management and free of any business or other relationship that could materially interfere with or could be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

A non-executive Director will be regarded as an independent non-executive Director if that Director:

- is not a substantial securityholder of Stockland or of a company holding more than 5% of Stockland's voting securities, or an officer of a company directly or indirectly associated with a securityholder holding more than 5% of Stockland's voting securities;
- is not, and has not within the last three years been an employee of Stockland;
- is not a principal of a material professional adviser of Stockland or a substantial holder of Stockland;
- is not, or has not within the last three years been, a material supplier or customer of Stockland or an officer of a company directly or indirectly associated with a material supplier or customer of Stockland
- has no material contractual relationship with Stockland or any of its associates other than as a Director of Stockland;
- does not receive performance based remuneration (including options or performance rights) from, or participate in a Stockland employee equity scheme;
- has been a director of Stockland for such a period that their independence from management and substantial holders may have been compromised; and
- has no other interest or relationship that could interfere with the Director's ability to act in the best interests of Stockland and independently of management.

The Board considers any Director-related business relationship that is or is likely in the future to be more than 10% of the Director-related business's revenue to be material.

## **5. Proceedings**

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The Board should meet regularly (not less than six times a year) and hold special meetings as required. Prior notice of meetings for the Board and the Board Committees will be given in a manner which, so far as possible, facilitates attendance by all Directors.

Any Director may convene a meeting of the Board or require the Company Secretary to convene a meeting of the Board.

The quorum for any Board meeting will be two Directors.

All meetings of the Board will be in accordance with the constitutions of Stockland Corporation Limited and Stockland Trust Management Limited.

Directors should have access to the Managing Director, Chief Financial Officer, and the General Counsel and Company Secretary for the purposes of seeking information or asking questions.

In the event that any Director wishes to take professional advice in relation to any aspect of performance of their duties as a Director of Stockland, the Director may do so at Stockland's expense. The Director should first contact the Chairperson and the Company Secretary who will, if required by the Director, assist in the procuring of that professional advice.

## **6. Committees and Delegations**

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The Board has delegated certain responsibilities to standing Committees which operate in accordance with the Charters approved by the Board.

The majority of members of each Committee of the Board are required to be independent non-executive Directors. All non-executive Directors may attend any meeting of a Committee. The Board and Committees may meet with external advisors with, or in the absence of management.

The Board has delegated the day to day management of the business of Stockland to management through the Managing Director and Chief Financial Officer subject to authority limits applicable to the Executive Committee. The Board has, however reserved certain matters for the Board of a strategic, sensitive or extraordinary nature or which exceeds the thresholds set in the delegation of authorities framework to management pursuant to which it has control.

## Board Charter

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### 7. Reserved Matters

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The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated to a Committee, the Chairperson, the Managing Director or another nominated member of the Executive Committee.

- (a) Strategy and Direction
- policies regarding Stockland's purpose, overall strategic direction, key business and financial objectives, dividend and distribution policies; and
  - approval of any dividends of distributions pursuant to dividend and distribution policies.
- (b) Financial Controls, compliance and risk management
- annual operating and capital expenditure budgets for Stockland;
  - treasury policies including foreign currency exposure and financial derivatives;
  - Stockland's financial statements and published reports;
  - establishment and review of the effectiveness of Stockland's systems of internal control, governance and risk management processes;
  - matters impacting on compliance with statutory and regulatory obligations which, if not complied with, would have a material effect on Stockland; and
  - any significant changes in accounting policies or procedures and the delegation of authority framework.
- (c) Capital structure – changes to Stockland's capital structure including security buy-backs, issue of new securities (other than in accordance with the terms of Stockland's equity-based incentive plans) and reductions of capital.
- (d) Appointments
- appointments to the Board and the Chairs of the Board Committees;
  - appointment and review of the performance of the Managing Director;
  - appointment of external auditors; and
  - appointment of the members of the Executive Committee and the Company Secretary.
- (e) Delegation of Authority – changes to the charter or membership of any committee of the Board, changes to the authority delegated to the Managing Director, Chief Financial Officer and senior management and any matters which exceed the authority delegated to management.
- (f) Policies – instigation of significant external policies (being policies publicly available on Stockland's website) which affect Stockland as a whole and underpin the desired culture of the organisation including:
- codes of conduct;
  - security trading policies;
  - work health and safety policies;
  - risk management and oversight policies;
  - whistleblower policies; and
  - continuous disclosure and communications policies.
- (g) Corporate Governance
- determining the independence of non-executive Directors;
  - determining the remuneration of non-executive Directors including committee and chair fees;
  - determining the remuneration policies for the organisation are aligned with Stockland's purpose, values, strategic objectives and risk appetite;
  - determining the process of evaluation and performance of the Board, its committees and Directors;

## Board Charter

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- monitoring and evaluating the necessary and desirable competencies of Directors including the range of skills and experiences of the Directors;
- considering succession planning for the Board;
- resolutions and related documentation to be laid before members in general meetings; and
- monitoring continuous disclosure and approving material price sensitive announcements and press releases in accordance with the Continuous Disclosure and External Communications Policy

### 8. Directors Responsibilities

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Directors of Stockland are required to act honestly, diligently, transparently and in the best interests of Members.

A Director who has a material personal interest in a matter that relates to the affairs of Stockland, or an interest that is inconsistent with or divergent from the interests of the Members must disclose that interest to the other Directors and should not participate in discussions at a meeting or vote on that matter unless permitted by the Corporations Act. Directors should inform the Company Secretary of any related party transactions.

A Director must immediately disclose to the Chairperson any event that may impact on the status of that Director as an independent Director or otherwise reflect on their capacity to serve.

All Directors must observe the provisions of external Stockland policies including the requirements of the Securities Trading Policy.

No Director may retain office for more than three years or until the third annual general meeting following the Director's appointment (whichever is the longer). Retiring Directors are eligible for reappointment.

Directors must keep confidential all Board discussions, deliberations and decisions which have not been publicly disclosed. Confidential information disclosed to Directors in the course of exercising their duties remains the property of Stockland.

### 9. Role of the Chairperson

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The Chairperson is responsible for:

- the leadership of the Board including facilitating the effective contribution of all directors;
- chairing meetings of the Board and general meetings of Members;
- the efficient organisation and conduct of the Board's functions; and
- promoting a constructive relationship between the Board and management.

### 10. Role of the Company Secretary

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The Company Secretary is accountable to the Board, through the Chairperson, on all corporate governance matters including the proper functioning of the Board.

The Company Secretary should:

- monitor compliance with Board policy and procedures;
- coordinate the completion and despatch of the Board agenda and supporting papers in a timely fashion; and
- in conjunction with the Chairperson, organise Board agendas and meetings and the attendance of Directors at Board and Committee meetings.

### 11. Management

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Management, through the Board's delegation of authority to the Managing Director, is responsible for the day to day management of Stockland, implementing Stockland's strategic objectives and instilling and reinforcing its values within the values, code of conduct, budget and risk appetite set by the Board. Management should supply the Board with accurate, timely and clear information on the entity's operations, including in relation to financial, legal, regulatory and culture related matters to enable the Board to perform its responsibilities.

The responsibilities of the Managing Director and Chief Financial Officer are stated in agreed written job descriptions.

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## Board Charter

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The Managing Director and Chief Financial Officer must ensure that Stockland's financial reports present a true and fair view of Stockland's financial condition and operational results and are in accordance with the relevant accounting standards. On presentation of financial reports for approval by the Board the Managing Director and Chief Financial Officer should state in writing to the Board that:

- the financial statements present a true and fair view of Stockland's financial condition and operational results and are in accordance with the relevant accounting standards;
- the statement given in relation to the integrity of the financial statements is founded on a system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- Stockland's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting.