

Unlisted Property Funds

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Stockland Capital Partners

Stockland Capital Partners (“Capital Partners”) was established in 2005 to offer unlisted property investment opportunities for both small and large investors, provide new sources of capital, facilitate asset growth and generate additional sustainable income. A wholly-owned entity, Stockland Capital Partners Limited (“SCPL”) operates this business, with a separate Board of Directors (“SCPL Board”).

SCPL acts as the Responsible Entity or Manager of Stockland’s unlisted funds, except for Macquarie Park Trust. Stockland Trust Management Limited is the Responsible Entity of Macquarie Park Trust.

Since the Capital Partners business has dealings with and may acquire assets from Stockland, the SCPL Board has one external independent Non-Executive Director who is not a member of the Stockland Board. The independent Director must approve each transaction SCPL enters into with Stockland and must be satisfied that such transactions are on arm’s length commercial terms.

In order to protect the unitholders in the event there is a dispute or default by Stockland under the terms of any agreement, the SCPL Board has resolved that the consent of the independent Director must be obtained as to any related party contract with Stockland.

The members of the SCPL Board during or since the end of the financial year were:

- (1) Mr B Neil (Chair) – Non-Executive Director
- (2) Mr A Sherlock – External Independent Non-Executive Director
- (3) Mr M Steinert – Managing Director

The SCPL Board met 6 times during the 2015 financial year.

Stockland Capital Partners Audit and Risk Committee

The Stockland Capital Partners Audit and Risk Committee mirrors the Audit Committee and the Risk Committee of Stockland but covers SCPL and the unlisted funds for which SCPL is the Responsible Entity or Manager.

This Committee has written terms of reference and its Members must be independent of management. At least one Member of the Committee has relevant accounting qualifications and experience and all Members have a good understanding of financial reporting.

The Committee meets at least quarterly and its meetings are attended by management, Group Risk and external audit and other parties as relevant. The Committee may meet privately with the external auditor in the absence of management at least once a year.

The members of the Committee during or since the end of the financial year were:

- (1) Mr T Williamson (Chair) – Non-Executive Director of Stockland
- (2) Mr A Sherlock – External Independent Non-Executive Director of Stockland Capital Partners Limited

The Committee met 3 times during the 2015 financial year.

Stockland Capital Partners Financial Services Compliance Committee

A Financial Services Compliance Committee oversees the Compliance Plan approved by SCPL for Stockland Direct Office Trust No. 2 ("SDOT No. 2").

The role of the Committee includes evaluation of the effectiveness of the Trust's Compliance Plans designed to protect the interests of unitholders. The Compliance Plan has been approved by ASIC. The Committee meets regularly and must report breaches of the law and Constitution to the Board which is required to report any material breach of the Compliance Plan to ASIC.

The members of the Committee during or since the end of the financial year were:

- (1) Mr T Williamson (Chair) – Non-Executive Director
- (2) Mr A Sherlock – External Independent Non-Executive Director
- (3) Ms K Grace – Executive Member

The Committee met 4 times during the 2015 financial year.