

Corporate Governance Statement

Stockland Corporation Limited, Stockland Trust Management as Responsible Entity for Stockland Trust and their related entities (collectively, Stockland) are committed to achieving and demonstrating the highest standards of corporate governance.

Stockland has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

This Corporate Governance Statement is dated 30 June 2019 and was approved by the Stockland Board on 21 August 2019. It reflects the corporate governance practices in place throughout the 2019 financial year.

Corporate Governance Principles and Recommendations (3rd edition)

ASX Principles and Recommendations	Recommendation Followed	Reference
Principle 1: Lay solid foundations for management and oversight		
1.1 A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and	Yes	Governance and Remuneration section, pages 77-78 and Board Charter at www.stockland.com.au/about-stockland/corporate-governance
b) those matters expressly reserved to the board and those delegated to management.	Yes	Governance and Remuneration section, page 77 and Board Charter at www.stockland.com.au/about-stockland/corporate-governance
1.2 A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to securityholders a candidate for election, as a director; and	Yes	Governance and Remuneration section, page 80-82 and at www.stockland.com.au/about-stockland/corporate-governance
b) provide securityholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	See Notice of Annual General Meeting and Notice of Meeting of Unit Holders and announcements to securityholders as required from time to time
1.3 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Governance and Remuneration section, page 82 and at www.stockland.com.au/about-stockland/corporate-governance
1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	Governance and Remuneration section, page 72 and Board Charter at www.stockland.com.au/about-stockland/corporate-governance
1.5 A listed entity should: a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;	Yes	Governance and Remuneration section, pages 80-81 and at www.stockland.com.au/about-stockland/corporate-governance and www.stockland.com.au/sustainability/downloads
b) disclose that policy or a summary of it; and	Yes	www.stockland.com.au/about-stockland/corporate-governance

	c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined 'senior executive' for these purposes); or (2) if the entity is a 'relevant employer' under the Workplace Gender Equality Act (WGEA), the entity's most recent 'Gender Equality Indicators', as defined in and published under that Act.	Yes	Governance and Remuneration section, pages 29 and 80 and at www.stockland.com.au/about-stockland/corporate-governance
		N/A	Governance and Remuneration section, pages 29 and 92, Media Release at www.stockland.com.au/media-centre/media-releases/stockland-achieves-gender-balanced-workplace-and-named-employer-of-choice-for-gender-equality and at www.stockland.com.au/sustainability/downloads
1.6	A listed entity should: a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and	Yes	Governance and Remuneration section, page 81 and Board Charter at www.stockland.com.au/about-stockland/corporate-governance
	b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Governance and Remuneration section, page 81
1.7	A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives; and	Yes	Governance and Remuneration section, pages 75, and 87-92
	b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Governance and Remuneration section, page 75

Principle 2: Structure the Board to add value

2.1	The board of a listed entity should: a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	Governance and Remuneration section, pages 78 and 100, and at www.stockland.com.au/about-stockland/corporate-governance Note that the Human Resources Committee carries out the role of the Nomination Committee, see details for this Committee in the Governance and Remuneration section.
	b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	N/A	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	Governance and Remuneration section, page 81
2.3	A listed entity should disclose: a) the names of the directors considered by the board to be independent directors;	Yes	Governance and Remuneration section, page 80
	b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and	N/A	N/A
	c) the length of service of each director.	Yes	Governance and Remuneration section, pages 68 to 71 and 82
2.4	A majority of the board of a listed entity should be independent directors.	Yes	Governance and Remuneration section, page 80 and Board Charter at www.stockland.com.au/about-stockland/corporate-governance
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	Governance and Remuneration section, pages 68 and 78, and Board Charter at www.stockland.com.au/about-stockland/corporate-governance
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Governance and Remuneration section, page 81 and at www.stockland.com.au/about-stockland/corporate-governance

Principle 3: Act ethically and responsibly

3.1	A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and	Yes	Governance and Remuneration section, page 76 and at www.stockland.com.au/about-stockland/corporate-governance
	b) disclose that code or a summary of it.	Yes	www.stockland.com.au/about-stockland/corporate-governance

Principle 4: Safeguard integrity in corporate reporting

4.1	The board of a listed entity should:		
	a) have an audit committee which:		
	(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and	Yes	Governance and Remuneration section, page 78 and at www.stockland.com.au/about-stockland/corporate-governance
	(2) is chaired by an independent director, who is not the chair of the board,	Yes	Governance and Remuneration section, pages 70 and 78 and at www.stockland.com.au/about-stockland/corporate-governance
	and disclose:		
	(3) the charter of the committee;	Yes	www.stockland.com.au/about-stockland/corporate-governance
	(4) the relevant qualifications and experience of the members of the committee; and	Yes	Governance and Remuneration section, pages 68 to 71
	(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	Governance and Remuneration section, page 79
	b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	N/A	N/A
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	Governance and Remuneration section, page 85
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from securityholders relevant to the audit.	Yes	See Notice of Annual General Meeting and Notice of Meeting of Unit Holders

Principle 5: Make timely and balanced disclosure

5.1	A listed entity should:	Yes	See Stockland's External Communications and Continuous Disclosure Policy and www.stockland.com.au/about-stockland/corporate-governance
	a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and		
	b) disclose that policy or a summary of it.		

Principle 6: Respect the rights of securityholders

6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	www.stockland.com.au/about-stockland www.stockland.com.au/about-stockland/corporate-governance www.stockland.com.au/investor-centre
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	www.stockland.com.au/about-stockland/corporate-governance and www.stockland.com.au/investor-centre
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of securityholders.	Yes	See Notice of Annual General Meeting and Notice of Meeting of Unit Holders and at www.stockland.com.au/about-stockland/corporate-governance and www.stockland.com.au/investor-centre
6.4	A listed entity should give securityholders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	www.stockland.com.au/about-stockland/corporate-governance and www.stockland.com.au/investor-centre

Principle 7: Recognise and manage risk

7.1	The board of a listed entity should:		
	a) have a committee or committees to oversee risk, each of which:		
	(1) has at least three members, a majority of whom are independent directors; and	Yes	Governance and Remuneration section, page 78 and at www.stockland.com.au/about-stockland/corporate-governance
	(2) is chaired by an independent director,	Yes	Governance and Remuneration section, pages 70 and 78 at www.stockland.com.au/about-stockland/corporate-governance
	and disclose:		
	(3) the charter of the committee;	Yes	www.stockland.com.au/about-stockland/corporate-governance
	(4) the members of the committee; and	Yes	Governance and Remuneration section, page 78 and at www.stockland.com.au/about-stockland/corporate-governance
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	Governance and Remuneration section, page 79
	b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	N/A	N/A

7.2	The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and	Yes	Governance and Remuneration section, page 41 and at www.stockland.com.au/about-stockland/corporate-governance
	b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Governance and Remuneration section, page 41 and 78
7.3	A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or	Yes	Governance and Remuneration section, pages 76-77, and at www.stockland.com.au/about-stockland/corporate-governance
	b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	N/A	N/A
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Business Risks and our Materiality Process and Climate Related Risks sections, pages 34-49 and at www.stockland.com.au/about-stockland/sustainability

Principle 8: Remunerate fairly and responsibly

8.1	The board of a listed entity should: a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and	Yes	Governance and Remuneration section, page 78 and at www.stockland.com.au/about-stockland/corporate-governance
	(2) is chaired by an independent director,	Yes	Governance and Remuneration section, pages 69 and 78 and at www.stockland.com.au/about-stockland/corporate-governance
	and disclose: (3) the charter of the committee;	Yes	www.stockland.com.au/about-stockland/corporate-governance
	(4) the members of the committee; and	Yes	Governance and Remuneration section, page 78 and at www.stockland.com.au/about-stockland/corporate-governance
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	Governance and Remuneration section, page 79
	b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	N/A	N/A
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Governance and Remuneration section, pages 86-103 and at www.stockland.com.au/about-stockland/corporate-governance
8.3	A listed entity which has an equity-based remuneration scheme should: a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and	Yes	Governance and Remuneration section, pages 86-103 and at www.stockland.com.au/about-stockland/corporate-governance
	b) disclose that policy or a summary of it.		

Our Board and governance

The Board is accountable to securityholders and responsible for demonstrating leadership and oversight so that the operations of Stockland are effectively managed in a manner that is properly focused on its economic, social and community objectives. The Board has overall responsibility for the good governance of Stockland.

Our Directors



TOM POCKETT

Chairman

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 Lend Lease.

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 Human Resources Committee.

Mr Pockett is also Chairman of the Stockland CARE Foundation Board.

Qualifications

BComm, FCA

Directorships of other listed entities in last three years

Autosports Group Limited (29 August 2016 to present), Insurance Australia Group Limited (1 January 2015 to present)



MARK STEINERT

Managing Director and Chief Executive Officer

Mark Steinert was appointed Managing Director and Chief Executive Officer of Stockland on 29 January 2013. Mr Steinert was also appointed to the Board on 29 January 2013. Mr Steinert has over 27 years' experience in property and financial services including eight years in direct property primarily with Jones Lang LaSalle and 10 years in listed real estate with UBS where he held numerous senior roles including Head of Australasian Equities, Global Head of Research (Equities and Fixed Income) and Global Head of Product Development and Management for Global Asset Management.

Mr Steinert is a past President and current Director of the Property Council of Australia and a member of the Property Male Champions of Change.

Mr Steinert is a member of the Sustainability Committee and a Director of Stockland Capital Partners Limited, the Responsible Entity for Stockland's unlisted property funds. Mr Steinert is also a Director of the Stockland CARE Foundation Board.

Qualifications

BAppSc, G Dip App Fin & Inv (Sec Inst), F Fin, AAPI

Directorships of other listed entities in last three years

None



MELINDA CONRAD

Non-Executive Director

Melinda Conrad was appointed to the Board on 18 May 2018. Ms Conrad has more than 25 years of expertise in consumer-related industries, including as a retail entrepreneur and CEO, and roles at Colgate-Palmolive and Harvard Business School.

Ms Conrad is currently a Director of ASX Limited and Caltex Australia Limited. She is also a Non-Executive Director of The George Institute for Global Health, The Centre for Independent Studies, and is a member of the ASIC Director Advisory Panel and the AICD Corporate Governance Committee.

Ms Conrad is Chair of the Human Resources Committee and a member of the Sustainability Committee.

Qualifications

BA, MBA, FAICD

Directorships of other listed entities in last three years

The Reject Shop Limited (19 August 2011 to 30 June 2017), OFX Group Limited (19 September 2013 to 28 September 2018), ASX Limited (1 March 2017 to present), Caltex Australia Limited (1 March 2017 to present)



BARRY NEIL

Non-Executive Director

Barry Neil was appointed to the Board on 23 October 2007. Mr Neil has over 40 years' experience in all aspects of property development, both in Australia and overseas. Mr Neil's executive career included senior property and investment roles at both Mirvac and Woolworths Limited and has included the acquisition, development and operation of landmark developments in multiple asset classes.

Mr Neil is Chairman of Keneco Pty Limited and Bitumen Importers Australia Pty Limited and a Director of Terrace Tower Group Pty Ltd.

Mr Neil is Chair of Stockland Capital Partners Limited Board, the Responsible Entity for Stockland's unlisted funds and a member of the Audit Committee and Sustainability Committee.

Qualifications

BE (Civil)

Directorships of other listed entities in last three years

None



STEPHEN NEWTON

Non-Executive Director

Stephen Newton was appointed to the Board on 20 June 2016. Mr Newton has extensive experience across real estate investment, development and management and infrastructure investment and management. Mr Newton is a Principal of Arcadia Funds Management Limited, a real estate investment management and capital advisory business and prior to this, he was the Chief Executive Officer – Asia/Pacific for the real estate investment management arm of Lend Lease.

Mr Newton is currently a Director of BAI Communications Group, Viva Energy REIT Group and Sydney Catholic Schools Limited, and Chairman of the Finance Council for the Catholic Archdiocese of Sydney.

Mr Newton is Chair of the Audit Committee and a member of the Risk Committee and Sustainability Committee. He is a Director of Stockland Capital Partners Limited, the Responsible Entity for Stockland's unlisted funds and Chair of the Stockland Capital Partners Limited Audit and Risk Committee.

Qualifications

BA (Ec and Acc), M.Com, MICAA, MAICD

Directorships of other listed entities in last three years

Gateway Lifestyle Group (28 April 2015 to 10 October 2018), Viva Energy REIT Group (10 July 2016 to present)



CHRISTINE O'REILLY

Non-Executive Director

Christine O'Reilly was appointed to the Board on 23 August 2018. Ms O'Reilly's executive career included 30 years' experience in both financial and operational entities both domestically and offshore. Following an early career in chartered accounting and investment banking, she has held a number of senior executive roles in diverse industries including CEO and Director of the GasNet Australia Group and Co-Head of Unlisted Infrastructure Investments at Colonial First State Global Asset Management.

Ms O'Reilly is currently a Director of CSL Limited, Transurban Limited, Medibank Private Limited and Baker Heart and Diabetes Institute.

Ms O'Reilly is the Chair of the Risk Committee and a member of the Audit Committee and Sustainability Committee.

Qualifications

Bbus

Directorships of other listed entities in last three years

CSL Limited (16 February 2011 to present), Transurban Limited (12 April 2012 to present), Medibank Private Limited (31 March 2014 to present)



CAROL SCHWARTZ AO

Non-Executive Director

Carol Schwartz was appointed to the Board on 1 July 2010. Ms Schwartz is a dynamic business leader with a career spanning property, the arts, finance, government and health sectors. A prominent spokesperson on the issues of governance, social enterprise and women's leadership, Ms Schwartz is a Director of the Reserve Bank of Australia and is on the Board of a number of organisations including Qualitas Property Partners. Ms Schwartz is Chair of Women's Leadership Institute Australia and in 2016 was inducted into the Australian Property Hall of Fame.

Ms Schwartz is a member of the Risk Committee, Human Resources Committee and Sustainability Committee.

Qualifications

BA, LLB, MBA, FAICD

Directorships of other listed entities in last three years

Temple and Webster Group (31 July 2015 to 25 October 2016)



ANDREW STEVENS

Non-Executive Director

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 ICT 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 Thorn Group Limited, Western Sydney Football Club, and the Committee for Economic Development of Australia.

Mr Stevens is a member of the Advisory Executive of the University of NSW School of Business and the Male Champions of Change. Mr Stevens is a member of the Audit Committee and the Sustainability Committee.

Qualifications

BComm, MComm, FCA

Directorships of other listed entities in last three years

Thorn Group Limited (1 June 2015 to present), MYOB Group Limited (30 March 2015 to 8 May 2019)



CAROLYN HEWSON AO

Non-Executive Director (Former Director)

Carolyn Hewson was appointed to the Board on 1 March 2009 and retired from the Board on 24 October 2018. Ms Hewson has over 30 years' experience in the financial sector, with extensive financial markets, risk management and investment management expertise. Ms Hewson is a Director of BHP Group Limited and Infrastructure SA. She is also an ambassador of Impact 100 South Australia.

During her time with Stockland, Ms Hewson was Chair of the Human Resources Committee, Chair of the Risk Committee and member of the Sustainability Committee.

Qualifications

BEc (Hons), MA (Ec), FAICD

Directorships of other listed entities in last three years

BHP Group Limited (31 March 2010 to present)

Our Executive Committee

Key management personnel for the purposes of the Remuneration Report



MARK STEINERT

Managing Director and Chief Executive Officer

Refer to biography on page 69.



KATHERINE GRACE

General Counsel and Company Secretary

Katherine Grace was appointed General Counsel and Company Secretary on 21 August 2014 and has responsibility for Stockland's legal and risk functions. As the Company Secretary Ms Grace is directly accountable to the Board, through the Chairman for all matters relating to governance and the proper functioning of the Board. Ms Grace has practised as a solicitor for over 15 years with extensive experience in corporate, property, debt and capital markets transactions working with a wide range of stakeholders including listed board directors, equity investors, regulators, media and financiers. Prior to joining Stockland, Ms Grace held roles as General Counsel and Company Secretary for Westfield Retail Trust and Valad Property Group.

Qualifications

BA (Hons), LLB (Hons), MPP, MAICD



LOUISE MASON

Group Executive & CEO Commercial Property

Louise Mason was appointed Group Executive & CEO Commercial Property on 18 May 2018. Ms Mason has 28 years' experience in real estate and is responsible for all aspects of Stockland's extensive Commercial Property portfolio of retail town centres, workplace and logistics assets with a combined value of \$10.188 billion as at 30 June 2019.

Prior to joining Stockland, Ms Mason was Chief Operating Officer of AMP Capital Real Estate. She has also held several senior executive operational and development roles at AMP in retail, office, and industrial, as well as retail management positions at Lendlease.

Ms Mason is the immediate past President of the NSW Division of the Property Council of Australia.

Qualifications

BA, LLB (Hons), GAICD



TIERNAN O'ROURKE

Chief Financial Officer

Tiernan O'Rourke was appointed Chief Financial Officer on 8 October 2013. Mr O'Rourke has more than 25 years' experience in senior financial, commercial and planning roles across a range of industry sectors and throughout the Asia Pacific Region, predominantly focused on Australia and New Zealand.

He was previously Chief Executive of Transfield Services Middle East and Asia Region. Before that he was the Chief Financial Officer at Transfield Services Limited, with responsibility for financial strategy and policy, financial and management reporting, treasury and taxation. Prior to his role at Transfield, Mr O'Rourke was Chief Financial Officer of Australand Holdings Limited where he played a key role partnering with the business to transform the strategy and structure of the group. He has also held senior finance positions at AGL, Westfield, CSR and Brambles. At Westfield Holdings Limited he held the position of Group Controller – Trusts, responsible for public reporting of Westfield's trust vehicles including Westfield Americas Trust and Westfield Trust.

Qualifications

BComm (Hons), MBA, FCA, GAICD



ANDREW WHITSON

Group Executive & CEO Communities

Andrew Whitson was appointed Group Executive & CEO Communities on 1 July 2013. Mr Whitson oversees Stockland's 56 Residential Communities with a portfolio of 76,000 lots and an approximate end value of \$21.4 billion, and our 62 Retirement Living villages with a development pipeline of over 3,500 units as at 30 June 2019.

Mr Whitson joined Stockland in early 2008 as Regional Manager for Greater Brisbane and Far North Queensland. He was appointed General Manager Residential, Victoria in July 2009 and in November 2012, his role expanded to include New South Wales. He was Group Executive and CEO of the Residential business in 2013 before his role was expanded to lead both our Residential and Retirement Living businesses as the combined Communities function in August 2018.

Andrew is the Chair of the Residential Development Council of Australia and a Director of the Property Council of Australia and the Green Building Council of Australia.

Qualifications

BE (Civil)

Senior Executives



ROBYN ELLIOTT

Chief Innovation, Marketing and Technology Officer

Robyn Elliott was appointed Chief Innovation, Marketing and Technology Officer on 26 March 2018. Ms Elliott is responsible for innovation, marketing and technology across the organisation. She has extensive experience managing IT and innovation at large corporates in Australia, most recently in the role of Chief Information Officer at Fairfax where she led the customer-centred design and agile development of digital products. Prior to that, she spent 12 years as Chief Information Officer at Foxtel.

Ms Elliott has completed the Strategy and Innovation Executive Program at MIT and has an MBA in Technology Management. She has been involved in a number of innovation initiatives including the Australian Financial Review mobile app, Domain, goodfood, Traveller and Fairfax Events.

Qualifications

BComm, MBA, Exec. Ed, GAICD



KAREN LONERGAN

Group Executive, People and Culture

Karen Lonergan joined Stockland as Group Executive, People and Culture on 11 March 2019. Ms Lonergan has over 25 years' experience working in senior roles in HR strategy development, organisational development and transformation and change leadership in the Transportation, FMCG, and Retail sectors across Australia, Asia, the USA and Europe. She was previously the Chief People Officer at David Jones and Country Road Group, after being a People Director at Woolworths Group Limited. Prior to her role at Woolworths, Ms Lonergan was the Executive Manager, Human Resources for Qantas International, responsible for the organisation's global Human Resources function.

Qualifications

Bbus, MM, MAICD, FAHRI



DARREN REHN

Group Executive & Chief Investment Officer

Darren Rehn was appointed Group Executive & Chief Investment Officer on 18 March 2013. Mr Rehn has over 30 years' experience in the property sector. He commenced at JLL undertaking real estate research and valuations, before moving to SGIC working in property funds management and equity investments.

Prior to Stockland, Mr Rehn spent 16 years in investment banking, leading the premier Australasian Real Estate teams at UBS and Merrill Lynch where he was involved in many of the larger Australian real estate initial public offerings, mergers, acquisitions and capital raisings. He has extensive experience advising boards and senior management on business development, acquisitions and divestments, and major transactions.

Qualifications

B.App.Sc. (Val)

The following executives departed Stockland during the period:

Former Executives

STEPHEN BULL

Group Executive & CEO Retirement Living

Stephen Bull was Stockland's Group Executive & CEO Retirement Living from 15 July 2013 to 7 September 2018. Mr Bull departed Stockland in September 2018.

MICHAEL ROSMARIN

Chief Operating Officer

Michael Rosmarin was Stockland's Chief Operating Officer from 1 July 2013 to 7 September 2018. Mr Rosmarin departed Stockland in September 2018.

SIMON SHAKESHEFF

Group Executive, Strategy, Research and Stakeholder Relations

Simon Shakesheff was Stockland's Group Executive, Strategy, Research and Stakeholder Relations from 22 July 2013 to 16 November 2018. Mr Shakesheff departed Stockland in November 2018.

BOARD FOCUS AREAS IN FY19

Stockland's Board has been actively engaged in FY19, with Directors reviewing and approving several significant transactions to further the Group's strategic priorities across each asset class. The Board has actively responded to the evolving governance regime including through the assessment of findings from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industries, the Fourth Edition of the ASX Corporate Governance Principles and Recommendations, and the recent APRA recommendations on remuneration.

During FY19 the Board Charter was reviewed and updated together with key policies relating to privacy and whistleblowing. Committee memberships were also reviewed following Board renewal, with new Chairs appointed to both the Risk Committee and Human Resources Committee. The Human Resources Committee and the Board also actively participated in the evaluation of senior executive performance in FY19.

As part of the Board's ongoing commitment to engage with stakeholders including employees, the Board attended meetings, and toured a range of assets, in New South Wales and Victoria, met with securityholders at the October 2018 AGM and held a stakeholder event in Victoria for Stockland partners and suppliers. The Chairman also attended a series of governance meetings with major investors. Interstate meetings in Perth and Queensland are scheduled for the Board and its Committees in FY20.



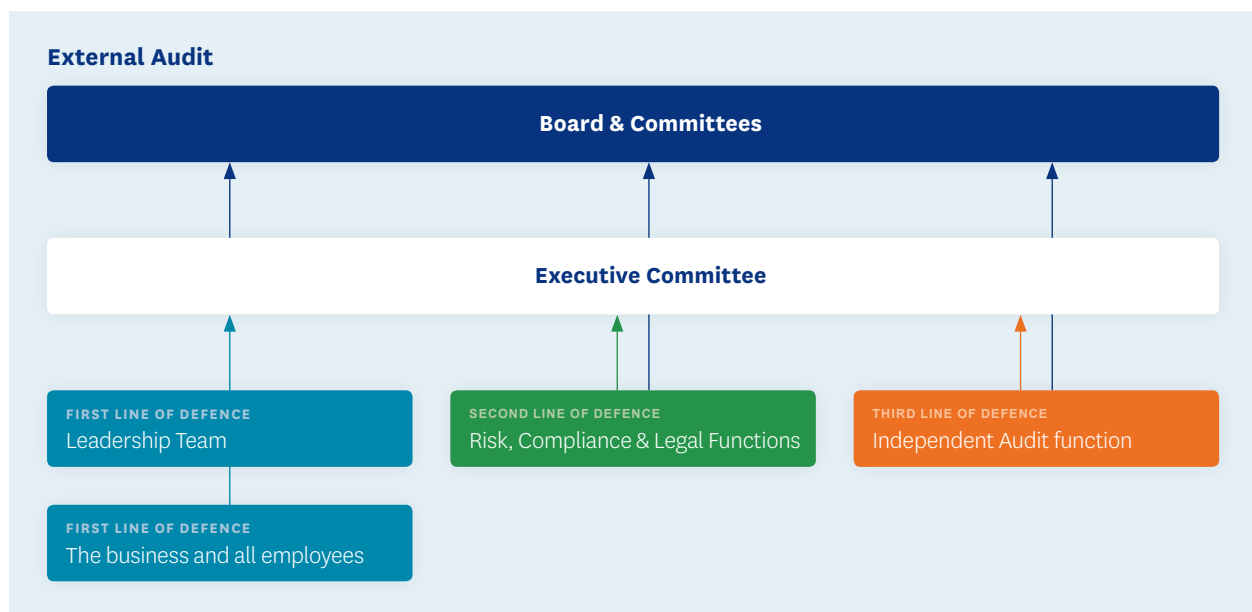
Our approach to corporate governance and risk management

The Board places a high importance on its corporate governance responsibilities and in FY19 was in compliance with all of the recommendations in the ASX Corporate Governance Principles and Recommendations.

The Board also recognises the importance of building and fostering a risk aware culture, so that every individual takes responsibility for risks and controls in their area of authority. Stockland also has a Code of Conduct that applies to all employees and provides clear guidance on how we expect our people to act, engage and respond to each other and our stakeholders.

Three Lines of Defence

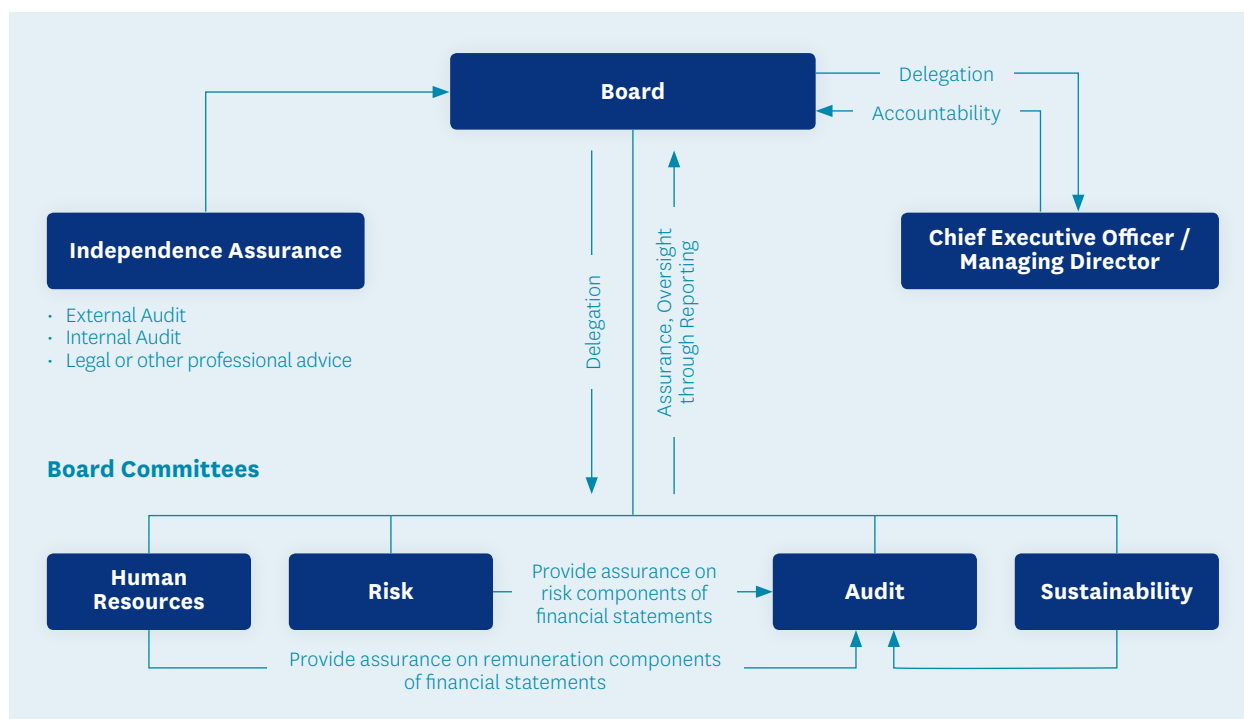
The Board provides overall oversight of Stockland’s risk management framework which is underpinned by the **Three Lines of Defence**. Further information on Stockland’s risk management framework is available at www.stockland.com.au/about-stockland/corporate-governance.



FIRST LINE OF DEFENCE	SECOND LINE OF DEFENCE	THIRD LINE OF DEFENCE	EXTERNAL AUDIT
<p>The business and all employees</p> <p>The business owns its risks and must ensure there are controls in place to appropriately manage the risk within our risk appetite</p>	<p>Risk, Compliance and Legal function</p> <p>Develops risk management policies, systems, processes to promote consistent approach to risk management and provides independent review and challenge to ensure first line controls are appropriate</p>	<p>Independent Audit function</p> <p>This function performed by EY, provides independent assurance on the effectiveness and efficiency of our controls and provides periodic reporting</p>	<p>Provides regular independent assessment on the effectiveness of financial controls and processes in relation to the Group’s financial statements, governance disclosures and environmental and social performance reporting.</p>

Corporate Governance Framework

The roles, responsibilities and accountabilities of the Board, Board Committees and Executive Committee are set out in the Board and Board Committee charters, which have been summarised below.



The Board

As set out in the Board Charter, the Board is responsible for:

- Overseeing 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 securityholders
- Overseeing 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
- Appointing the Directors (subject to Stockland’s constitution), appointing the Managing Director, approving the appointment of the Company Secretary and Executive Committee members reporting to the Managing Director and determining the level of authority delegated to the Managing Director
- Setting Executive remuneration policy, monitoring Executive Committee members’ performance and approving the performance objectives and remuneration of the Managing Director and his or her direct reports and reviewing Executive and Board succession planning and Board performance
- Approving and monitoring the annual budget, business plans, financial statements, financial policies and financial reporting and major capital expenditure, acquisitions and divestitures
- Determining and adopting dividend and distribution policies
- Overseeing compliance with applicable laws and regulations
- Appointing and monitoring the independence of Stockland’s external auditors.

A copy of the Board Charter can be found on our website

www.stockland.com.au/about-stockland/corporate-governance.

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

Day to day management of the business is delegated to the Executive Committee through the Managing Director and Chief Financial Officer subject to approved authority limits and Board reserved matters.

Board committees

Four permanent Board Committees covering Audit, Risk, Human Resources and Sustainability have been established to assist in the execution of the Board's responsibilities.

The Board's policy is that a majority of the members of each Board Committee are independent Directors. The Audit Committee, Human Resources Committee and Risk Committee comprise only independent Directors and the Sustainability Committee is chaired by an independent Director and has a majority of independent Directors.

The Board reviews the composition of each Board Committee periodically, balancing the benefits of rotation with those of maintaining continuity of experience and knowledge, and to ensure Board Committee members have skills appropriate to their roles. Committee Chairs provide reports to the Board on key matters and Committee memberships provide for overlap of membership between the Audit Committee and Risk Committee as well as between the Risk Committee and Human Resources Committee.

Current members of the Board Committees

Audit Committee

Stephen Newton
Barry Neil
Christine O'Reilly
Andrew Stevens

The Audit Committee is responsible for the oversight of the integrity of Stockland's consolidated financial statements and disclosures, and the maintenance of a sound financial control environment. The purpose of the Audit Committee is to assist the Board to discharge its responsibilities for:

- The integrity of Stockland's financial reports and external audit
- The appropriateness of Stockland's accounting policies and processes
- The effectiveness of Stockland's financial reporting controls and procedures
- The effectiveness of Stockland's internal control environment
- Compliance with Stockland's Australian Financial Services Licences and Compliance Plans
- Compliance with relevant laws and regulations including any prudential supervision procedures.

Human Resources Committee

Melinda Conrad
Tom Pockett
Carol Schwartz

The Human Resources Committee incorporates the functions of two board committees recommended by the ASX Guidelines: a Nominations Committee and a Remuneration Committee. The purpose of the Human Resources Committee is to consider and make recommendations to the Board on:

- The size, composition and desired competencies of the Board
- Director independence, performance, remuneration and succession arrangements
- The content of the annual remuneration report and remuneration details contained within other statutory reports, including financial statements
- Stockland's policies for employment, performance planning and assessment, training and development, promotion and people management.

Risk Committee

Christine O'Reilly
Stephen Newton
Carol Schwartz

The purpose of the Risk Committee is to assist the Board to discharge its responsibilities in relation to:

- Assessing the effectiveness of Stockland's overall risk management framework
- Supporting a prudent and risk aware approach to business decisions across Stockland.

The Risk Committee reviews a wide range of matters relating to non-financial risk including work, health and safety, building quality, cyber security, insurance and business continuity. In FY19 the Risk Committee reviewed a number of risk policies including Stockland's risk management framework.

Sustainability Committee

Tom Pockett
All Directors

The purpose of the Sustainability Committee is to:

- Consider the sustainability impacts of Stockland's business activities including social, environmental and ethical impacts
- Consider major corporate responsibility and sustainability initiatives and changes in policy
- Approve specific external stakeholder communications
- Approve external sustainability policies
- Approve publicly disclosed targets and policies.

Further information about our Board Committees can be found in the Committee Charters, which are available on our website www.stockland.com.au/about-stockland/corporate-governance.

Stockland also operates a funds management platform with a separate Board and Committee structure for Stockland Capital Partners Limited and its unlisted fund. More detail on Stockland Capital Partners Limited is available on our website www.stockland.com.au/investor-centre/unlisted-property-funds.

Board committee meetings

The number of Board and standing Board Committee meetings held during the financial year that each Director was eligible to attend, and the number of meetings attended by each Director is set out in the table below:

Director	Scheduled Board		Audit Committee		Human Resources Committee		Sustainability Committee		Risk Committee	
	A	B	A	B	A	B	A	B	A	B
Ms M Conrad	14	14	-	-	5	5	1	2	-	-
Mr B Neil	14	14	6	6	-	-	2	2	-	-
Mr S Newton	14	14	6	6	-	-	2	2	4	5
Ms C O'Reilly ¹	10	10	4	4	-	-	1	2	3	3
Mr T Pockett ²	14	14	-	-	5	5	2	2	2	2
Ms C Schwartz	13	14	-	-	5	5	2	2	5	5
Mr M Steinert	14	14	-	-	-	-	2	2	-	-
Mr A Stevens	14	14	6	6	-	-	2	2	-	-
Former Director										
Ms C Hewson ³	6	6	-	-	3	3	-	-	-	-

A – Meetings attended / **B** – Meetings eligible to attend

1 – Ms O'Reilly joined the Board on 23 August 2018.

2 – Mr Pockett attended two Risk Committee meetings as a member of the Committee while a vacancy was being filled in 2018.

Ms O'Reilly joined the Risk Committee in August 2018.

3 – Ms Hewson retired from the Board at the conclusion of the Annual General Meeting on 24 October 2018.

Board effectiveness

Stockland is committed to having a Board whose members have the capacity to act independently of management, and have the collective skills and diversity of experience necessary to optimise the long-term financial performance of Stockland so as to deliver long-term sustainable profitable returns to securityholders.

Board composition

The Board currently comprises one Executive Director and seven Non-Executive Directors. The membership of the Board is reviewed periodically having regard to the ongoing and evolving needs of Stockland. The Board considers a number of factors when filling a vacancy including:



Qualifications, skills and experience

The right mix of skills and experience to enable it to deal with current and emerging risks and opportunities, and to effectively review and challenge the effectiveness of management.



Independence

The Board will comprise a majority of non-executive independent directors and the Chair of the Board must be an independent director.



Tenure

The Board balances longer-serving directors with a deep knowledge of Stockland's business, policies and history, and newer directors with new perspectives and different but complementary experience.



Diversity

The Board recognises the benefits of diversity both across the organisation as well as in relation to Board composition.

Independence criteria

The Board regularly assesses the independence of each director in light of the interests that they have disclosed and such other factors as the Board determines are appropriate and in FY19 each Non-Executive Director satisfied the requirements for independence.

The criteria applied to determine whether a director is independent is set out in the Board Charter available on our website www.stockland.com.au/about-stockland/corporate-governance.

Female Non-Executive Directors

43%

Board skills matrix

The Board has identified a range of core skills and experience that will assist the Board collectively to fulfil its oversight role effectively.

These include:

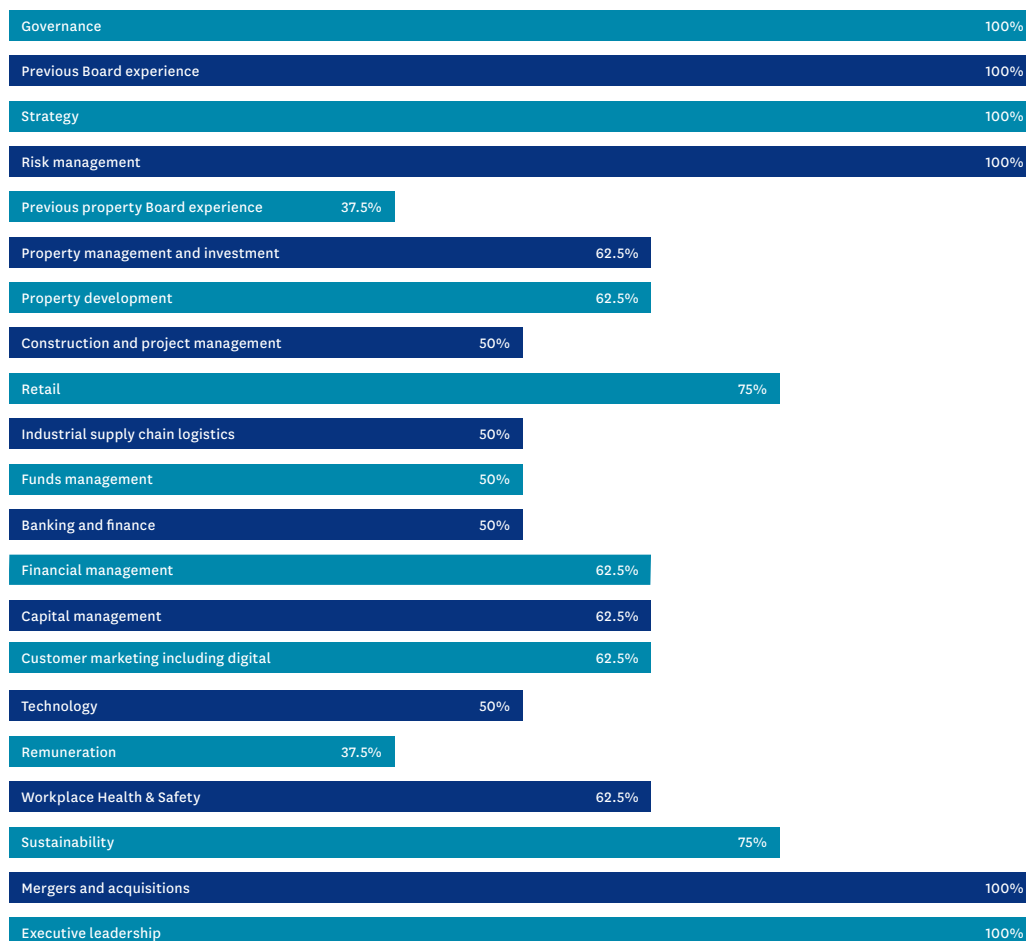
- Experience with property investment and management
- Property and community development
- Construction and project management
- Retailing and consumer marketing
- Technology (including digital)
- Industrial supply chain logistics
- Funds management
- Banking and finance
- Government and regulatory relations
- Environmental, social and governance matters
- Strategy development
- Significant senior executive experience.

It is also advantageous for some Directors to have experience in the audit and risk management field, capital management, mergers and acquisitions, people management and executive remuneration. During FY19 the Board received various presentations and briefings on a range of topics tailored for professional development, key thematic for Stockland and the ongoing responsibilities of the Board.

The Board believes that it has the right experience and skills currently to oversee the high standard of corporate governance, integrity and accountability required of a professional and ethical organisation as shown in the diagram below.

The Board has a process for regularly evaluating its performance. With new Directors joining the Board in FY19 the regular external evaluation of the Board's performance has been deferred until late calendar year 2019.

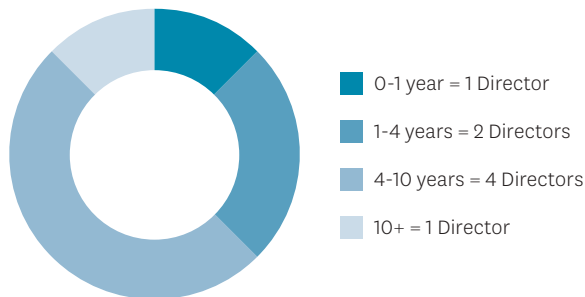
Diversity of Board skills and experience



Tenure

As at 30 June 2019, the tenure profile of the Board is shown in the below diagram.

TENURE PROFILE



The Board believes that it is important to maintain a range of director tenures to facilitate orderly Board renewal while maintaining valuable continuity and corporate knowledge among directors. In FY19 Ms Carolyn Hewson stepped down from the Board after nine years of service and both Ms Melinda Conrad and Ms Christine O'Reilly joined the Board.

The Human Resources Committee oversees the Director nomination process, and will from time to time engage external search firms to ensure that a wide range of candidates are considered. Ultimately, the full Board determines who is invited to fill a casual vacancy after extensive one-on-one and collective interviews with candidates and thorough due diligence and reference checking. Written agreements setting out the terms of their engagement are entered into for all Directors and senior executives. Directors coming up for re-election are also reviewed by the Human Resources Committee and, in the Director's absence, the Board considers whether to support their re-election. It is the Board's policy that Directors offer themselves for re-election only with the agreement of the Board.

Directors' securityholdings

Particulars of Securities held by Directors are set out in the Remuneration Report that forms part of this report. No options have been granted to Directors during the period.

No proceedings

No application has been made under section 237 of the *Corporations Act 2001* in respect of Stockland, and there are no proceedings that a person has brought or intervened in on behalf of Stockland under that section.

Our approach to tax

Stockland's tax strategy is to conduct all its tax affairs in a transparent, equitable and commercially responsible manner, whilst having full regard to all relevant tax laws, regulations and tax governance processes, to demonstrate good corporate citizenship.

Consistent with the Board approved low tax risk appetite, Stockland maintains a low tax risk profile to ensure we remain a sustainable business and an attractive investment proposition, in both the short and long term.

Tax control and governance policy framework

Stockland maintains a Tax Control and Governance Framework (TCGF), reviewed and approved by the Audit Committee, which outlines the principles governing Stockland's tax strategy and risk management policy.

The TCGF is consistent with the guidelines published by the Australian Taxation Office (ATO) regarding tax risk management and governance processes for large business taxpayers.

We undertake periodic reviews of the TCGF to test the robustness of the design of the framework against ATO benchmarks and to demonstrate the operating effectiveness of internal controls to stakeholders.

The key principles of the TCGF are summarised as follows:

- A tax strategy that ensures all tax affairs are conducted in a transparent, equitable and commercially responsible manner, whilst having full regard to all relevant tax laws, regulations and tax governance processes, to demonstrate good corporate citizenship
- A balanced tax risk appetite that is consistent with the Board approved risk appetite, to ensure Stockland remains a sustainable business and a reputable and attractive investment proposition
- A commitment to engage and maintain relationships with tax authorities that are open, transparent and co-operative, consistent with Stockland's Code of Conduct and Ethical Behaviour policy
- An operating and trading business based in Australia, with no strategic intentions of engaging in any tax planning involving the use of offshore entities or low-tax jurisdictions.

Voluntary Tax Transparency Code

As part of Stockland's commitment to tax transparency and demonstrating good corporate citizenship, Stockland has adopted the Australian Federal Government's Voluntary Tax Transparency Code (TTC), which provides a set of principles and minimum standards to guide medium and large businesses on public disclosure of tax information.

Tax disclosures and information

For information and detailed reconciliations of Stockland's tax expense, effective tax rate and deferred tax balances please refer to notes 20 and 21 in the Financial Report.

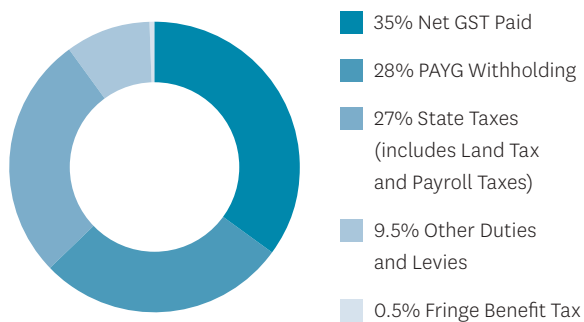
Tax contribution summary

As Australia's largest diversified property group, which owns, develops and manages commercial property assets, residential and retirement living communities, Stockland contributes to the Australia economy, through the various taxes levied at the federal, state and local government level.

In FY19 these taxes totalled more than \$252 million, and were either borne by Stockland as a cost of our business or collected and remitted as part of our broader contribution to the Australian tax system.

The chart below illustrates the types of taxes that contributed to the taxes paid and/or collected and remitted for the 2019 tax year.

TOTAL TAX CONTRIBUTION



Executive confirmations

The Managing Director and the Chief Financial Officer have provided a written statement to the Board that:

- 1 With regard to the integrity of the financial statements of Stockland Corporation Limited (the “Company”) and its controlled entities and Stockland Trust (the “Trust”) and its controlled entities for the financial year, being the year ended 30 June 2019, that having made appropriate enquiries, in our opinion:
 - a The financial records of the Company and the Trust and of the entities whose financial statements are required to be included in their respective consolidated financial statements (the consolidated entities) for the financial period, have been properly maintained in accordance with section 286 of the *Corporations Act 2001*
 - b The financial reports of the Company, the Trust and the respective consolidated entities, for the financial period, being the financial statements and notes thereto, comply with relevant accounting standards in accordance with section 296 of the *Corporations Act 2001* and give a true and fair view of the financial position and performance of the Company, the Trust and the respective consolidated entities, in accordance with section 297 of the *Corporations Act 2001*.
- 2 With regard to the risk management and internal compliance and control systems of the Company, the Trust and the respective consolidated entities in operation for the year ended 30 June 2019, that having made appropriate enquiries to the best of our knowledge and belief:
 - a The statements made in (1b) above regarding the integrity of the financial reports are founded on a sound system of risk management and internal compliance and control systems which, in all material respects, implement the policies which have been adopted by the Board of Directors either directly or through delegation to senior executives
 - b The risk management and internal compliance and control systems are operating effectively, in all material respects, based on the risk management model adopted by the Company and Trust
 - c While these statements are comprehensive in nature, they provide a reasonable but not absolute level of assurance about risk management and control systems and do not imply a guarantee against adverse events or more volatile outcomes occurring in the future
 - d Nothing has come to our attention since 30 June 2019 that would indicate any material change to the statements made above.

Associates and joint ventures, which the Company and Trust do not control, are not dealt with for the purposes of this statement, however management confirms that procedures are in place to assess the integrity of the financial information from these associates and joint ventures for the purposes of consolidating information into the financial accounts for the Company and the Trust.

Corporate governance statement

Stockland is committed to achieving and demonstrating the highest standards of corporate governance. Stockland has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd and 4th editions) published by the ASX Corporate Governance Council.

The 2019 corporate governance statement is dated as at 30 June 2019 and reflects the corporate governance practices in place throughout the 2019 financial year. The 2019 corporate governance statement was approved by the Board on 21 August 2019. A description of Stockland’s current corporate governance practices is set out in Stockland’s corporate governance statement which can be viewed at www.stockland.com.au/about-stockland/corporate-governance.