

## IMPORTANT NOTICE

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By accepting this document and accessing the attached Information Memorandum, you (a) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA is being made, and (b) agree to be bound by the limitations and restrictions described herein.

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# **Information Memorandum**

## **Stockland Trust Management Limited** **(ABN 86 001 900 741) in its capacity as** **responsible entity of the Stockland Trust**

(ARSN 092 897 348)

**and**

## **Stockland Finance Pty Limited**

(ABN 48 105 653 567)

# **€2,000,000,000 Debt Issuance Programme**

Dated 16 March 2018

**guaranteed by Stockland Trust Management Limited in its capacity as responsible entity of the Stockland Trust, Stockland Finance Pty Limited, Stockland Corporation Limited and Stockland Development Pty Limited.**

On 4 April 2013, Stockland Trust Management Limited (ABN 86 001 900 741) in its capacity as responsible entity of the Stockland Trust and Stockland Finance Pty Limited (ABN 48 105 653 567) (each an “Issuer” and together the “**Issuers**”) established a €2,000,000,000 Debt Issuance Programme (“**Programme**”) and issued an information memorandum on that date describing the Programme. This Information Memorandum supersedes any previous information memorandum and any supplement to that information memorandum. Any Debt Instruments (as defined below) issued under this Programme on or after the date of this Information Memorandum are issued subject to the provisions described in this Information Memorandum. This does not affect any Debt Instruments issued prior to the date of this Information Memorandum.

Under the Programme, each Issuer may from time to time issue medium term notes (“**MTNs**”), transferable loan certificates (“**TLCs**”), loan notes (“**Loan Notes**”) and other forms of debt obligations (together with MTNs, TLCs and Loan Notes, “**Debt Instruments**”) denominated in any currency agreed between an Issuer and the relevant Dealer (as defined below) and specified in a Pricing Supplement (as defined below) for the issue of those Debt Instruments.

Debt Instruments issued by an Issuer will be unconditionally and irrevocably guaranteed, on a joint and several basis, by Stockland Trust Management Limited (ABN 86 001 900 741) as responsible entity of the Stockland Trust (ARSN 092 897 348) (“**STML**”), Stockland Finance Pty Limited (ABN 48 105 653 567) (“**Stockland Finance**”), Stockland Corporation Limited (ABN 43 000 181 733) (“**SCL**”) and Stockland Development Pty Limited (ABN 71 000 064 835) (“**Stockland**

**Development**” and, together with STML and SCL, the “**Guarantors**”) (“**Guarantee**”) (as defined below).

The maximum aggregate nominal amount of all Debt Instruments from time to time outstanding will not exceed €2,000,000,000 (or its equivalent in other currencies) subject to increase as described below.

Any Debt Instruments that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) can be dealt in and quoted on the SGX-ST. In addition, at the relevant time of issue of the Debt Instruments which are agreed at or prior to the time of issue to be listed on the Official List of the SGX-ST, a separate application will be made to the SGX-ST for the permission to deal in and quotation of such Debt Instruments on the Official List of the SGX-ST. Such permission will be granted when the Debt Instruments have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for permission to deal in and quotation of the Debt Instruments of any Series (as defined in this Information Memorandum) will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Information Memorandum. The approval in-principle from, and admission to the Official List of, the SGX-ST is not to be taken as an indication of the merits of the Issuers, the Guarantors and each of their respective subsidiaries, the Programme and/or the Debt Instruments. Unlisted Debt Instruments may also be issued pursuant to the Programme and the Debt Instruments may also be listed on stock exchanges other than the SGX-ST. The applicable Pricing Supplement in respect of the issue of any Debt Instruments will specify whether or not such Debt Instruments will be listed.

Debt Instruments issued under the Programme may be rated or unrated. Where an issue of Debt Instruments is rated, its rating will not necessarily be the same as the rating assigned to other Debt Instruments issued under the Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

The Debt Instruments and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”), and may be subject to U.S. tax law requirements. Subject to certain exceptions, Debt Instruments may not be offered, sold or delivered within the United States or to U.S. persons (see “Subscription and Sale” below). Debt Instruments may be offered and sold outside the United States in reliance on Regulation S under the Securities Act (“**Regulation S**”).

This Information Memorandum is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC. Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Information Memorandum.

The offer and marketing (as such term is defined in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the “**AIFMD**”)) of any Tranche of Debt Instruments will be conducted in the EU, only in the Approved Jurisdiction(s) (as specified in the applicable Pricing Supplement), and will not be conducted in any other EU member state. If a potential investor is not in an Approved Jurisdiction or otherwise is a person to whom the relevant Debt Instruments cannot be marketed in accordance with the AIFMD, as implemented and interpreted in accordance with the laws of each EU member state, it should not participate in the relevant offering and the relevant Debt Instruments may not, and will not, be offered or marketed to it.

**MiFID II product governance / target market** – The Pricing Supplement in respect of any Debt Instruments may include a legend entitled “MiFID II Product Governance” which will outline the

target market assessment in respect of the Debt Instruments and which channels for distribution of the Debt Instruments are appropriate. Any person subsequently offering, selling or recommending the Debt Instruments (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Debt Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Debt Instruments is a manufacturer in respect of such Debt Instruments, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.”

**Prohibition of sales to EEA retail investors** – the Debt Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Debt Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Debt Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation

*Arranger and Dealer*

**HSBC Bank plc**

## IMPORTANT NOTICE

This Information Memorandum is to be read together with any amendments or supplements to this Information Memorandum and with any other documents which are deemed to be incorporated herein by reference (see the “Documents Incorporated by Reference” section below). This Information Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Information Memorandum. In relation to any Tranche or Series (as defined in this Information Memorandum) of Debt Instruments this Information Memorandum should be read and construed together with the applicable Pricing Supplement.

Each Issuer accepts responsibility for the information contained in this Information Memorandum in relation to itself, SCL and the Stockland Trust and each of their respective subsidiaries (together, the “**Group**”), the Debt Instruments and the Third Deed Poll. Each Guarantor accepts responsibility for the information contained in this Information Memorandum in relation to itself and the amended and restated Guarantee Deed Poll dated 16 March 2018 (the “**Guarantee Deed Poll**”). To the best of the knowledge and belief of each of them (having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

**The obligations of STML under this Information Memorandum, the Third Deed Poll and the Guarantee are incurred solely in its capacity as responsible entity of the Stockland Trust and recourse against STML is limited as more fully set out in Condition 5.4 of the Debt Instruments.**

**Each potential purchaser of Debt Instruments should be aware that STML’s right of indemnity out of the assets of the Stockland Trust (and therefore an investor’s ability to recover against the assets of the Stockland Trust) may be lost if STML acts fraudulently, negligently or acts in any way in breach of trust with respect to the Stockland Trust (whether or not such breach is in connection with this Information Memorandum, the Third Deed Poll and the Guarantee). STML is not entitled to be indemnified out of the Assets (as defined in Condition 5.4 of the Debt Instruments) in respect of a liability under or in respect of this Information Memorandum, the Third Deed Poll and the Guarantee in the event that it has failed, or is taken to have failed by virtue of section 601FB(2) of the Corporations Act 2001 of Australia (“Corporations Act”), to properly perform its duties under the Constitution of the Stockland Trust.**

The Arranger and the Dealers specified in this Information Memorandum and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a “**Dealer**” and together, the “**Dealers**”), have not separately verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger or the Dealers as to the accuracy or completeness of the information contained in this Information Memorandum or any other information provided by an Issuer or a Guarantor in connection with the Programme or any Debt Instruments. The statements made in this paragraph are made without prejudice to the responsibility of the Issuers and the Guarantors under the Programme.

Each recipient of this Information Memorandum is deemed to acknowledge that it shall not rely on any investigation or verification undertaken by the Arranger or Dealers in respect of an Issuer, any Guarantor or their respective financial condition and affairs, and that it has undertaken its own appraisal of the credit worthiness of the Issuers and the Guarantors.

No person is or has been authorised by the Issuers or the Guarantors to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other document entered into in relation to the Programme or any information supplied by an Issuer or a Guarantor or any other information in the public domain and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantors, the Arranger or any of the Dealers.

Neither this Information Memorandum nor any other information supplied in connection with the Programme or any Debt Instruments (i) is intended to provide the basis of any credit or other evaluation, or (ii) should be considered as a recommendation or a statement of opinion (or a report on either of those things) or constituting an invitation or offer by, or on behalf of, any of the Issuers, the Guarantors, the Arranger, the Principal Paying Agent, Calculation Agent, Registrar or any of the Dealers that any recipient of this Information Memorandum, or any other information supplied in connection with the Programme or any Debt Instruments, should subscribe for or purchase any Debt Instruments. Each investor contemplating purchasing any Debt Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuers and the Guarantors. Neither this Information Memorandum nor any other information supplied in connection with the Programme or the Debt Instruments constitutes an offer by, or on behalf of the Issuers, the Guarantors, the Arranger or any of the Dealers to any person to subscribe for or to purchase any Debt Instruments.

The delivery of this Information Memorandum does not at any time imply that the information contained in this Information Memorandum concerning the Issuers and the Guarantors, is correct at any time subsequent to the date of this Information Memorandum or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantors, during the life of the Programme or to advise any investor or potential investor in the Debt Instruments of any information coming to the attention of any of the Dealers. Investors should review, inter alia, the most recently published consolidated financial statements of the Issuers and the Guarantors, when deciding whether or not to subscribe for or purchase any of the Debt Instruments.

The distribution of this Information Memorandum, any Pricing Supplement and the offer, sale or delivery of Debt Instruments may be restricted by law in certain jurisdictions. None of the Issuers, the Arranger, the Principal Paying Agent, Calculation Agent or Registrar or the Dealers represent that this document may be lawfully distributed, or that any Debt Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available under any applicable law, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Arranger or the Dealers which would permit a public offering of any Debt Instruments or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Debt Instruments may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Information Memorandum or any Debt Instruments come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Debt Instruments in Australia, the European Economic Area, the United Kingdom, the United States, Hong Kong, Canada, Switzerland, the People's Republic of China, Singapore and Japan (see "Subscription and Sale" below).

References in this Information Memorandum to websites and other sources where further information may be obtained are intended to be guides as to where further public information may be obtained free of charge. Information appearing on these websites and in such other sources does not form part of this Information Memorandum and neither the Issuers nor the Guarantors accept any responsibility whatsoever that any such information, if available, is accurate and/or up to date and no responsibility is accepted in relation to any such information by any person responsible for this Information Memorandum.

This Information Memorandum contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Group (as defined below) to differ materially from the information presented in this Information Memorandum. When used in this Information Memorandum, the words “estimate”, “project”, “intend”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to the Group and its management, are intended to identify such forward-looking statements. Potential investors in Debt Instruments are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Information Memorandum. The Issuers and the Guarantors do not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date of this Information Memorandum or to reflect the occurrence of unanticipated events.

All references in this Information Memorandum to “Australian dollars” and “A\$” refer to the currency of Australia, those to “Canadian dollars” and “CAD” refer to the currency of Canada, those to “Euro” and “euro” refer to the single currency of certain member states of the European Union, those to “Hong Kong Dollars” and “HKD” refer to the currency of Hong Kong, those to “Japanese yen” refer to the currency of Japan, those to “New Zealand dollars” refer to the currency of New Zealand, those to “Singapore Dollars” and “SGD” to the currency of Singapore, those to “Sterling” and “GBP” refer to the currency of the United Kingdom and those to “U.S. dollars” refer to the currency of the United States of America.

All references in this Information Memorandum to “Australia” refer to the Commonwealth of Australia and its territories and possessions, to “United States” refer to the United States of America and to the “United Kingdom” refer to the United Kingdom of Great Britain and Northern Ireland.

All references in this Information Memorandum to the “relevant Dealer” in relation to any issue of Debt Instruments refer to the Dealer or Dealers agreeing to purchase such Debt Instruments.

All references in this Information Memorandum to Accounting Standards are Australian Accounting Standards that comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In connection with the issue of any Tranche or Series of Debt Instruments under the Programme, the Dealer (if any) which is specified in the relevant Pricing Supplement as the Stabilising Manager(s) (as defined in the Programme Agreement) (or any person acting for the Stabilising Manager(s)) may over-allot or effect transactions outside Australia and on a market operated outside Australia, with a view to supporting the market price of the Debt Instruments at a level higher than that which might otherwise prevail for a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (a) the two most recently published annual reports, including the audited annual financial statements and the most recently published half year unaudited interim consolidated financial report of the Group, in each case together with any audit or review reports prepared and published in connection therewith;
- (b) all announcements made by any Issuer to the SGX-ST after the date of this Information Memorandum; and
- (c) each supplement to or amendment of this Information Memorandum issued by the Issuers from time to time.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Any published unaudited interim consolidated financial statements of the Group which are, from time to time, deemed to be incorporated by reference in this Information Memorandum will not have been audited by the independent auditors of the Group. Accordingly, there can be no assurance that, had an audit been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Information Memorandum shall not form part of this Information Memorandum.

The Issuers will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above or (unless otherwise required by the rules of SGX-ST or any other applicable securities exchange) such documents are published on their website, [www.stockland.com.au](http://www.stockland.com.au). Requests for such documents should be directed to an Issuer at its registered office set out at the end of this Information Memorandum. The Issuer or the Principal Paying Agent may refuse to provide a copy of the Pricing Supplement for a tranche of unlisted Debt Instruments to any person other than a Holder of such Debt Instruments.

Documents incorporated in this Information Memorandum by reference are also available on the internet site [www.stockland.com.au](http://www.stockland.com.au).



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## **GENERAL DESCRIPTION OF THE PROGRAMME**

Under the Programme, an Issuer may from time to time issue Debt Instruments denominated in any currency as specified in the Pricing Supplement and having a minimum maturity of one year. A summary of the terms and conditions of the Programme and the Debt Instruments appears below. The applicable terms of any Debt Instruments will be agreed between an Issuer and the relevant Dealer prior to the issue of such Debt Instruments and will be set out in the Terms and Conditions of the Debt Instruments endorsed on, or incorporated by reference into, the Debt Instruments, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Debt Instruments, as more fully described under “Form of the Debt Instruments” below.

This Information Memorandum and any supplement will only be valid for the issue of Debt Instruments in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Debt Instruments previously or simultaneously issued under the Programme, does not exceed €2,000,000,000 (or its equivalent in other currencies) subject to increase as described below. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Debt Instruments issued under the Programme from time to time:

- (a) the euro equivalent of Debt Instruments denominated in a currency other than euros will be determined at the discretion of the Issuers either as of the date on which agreement is reached for the issue of Debt Instruments or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of euros against the purchase of such currency in the London foreign exchange market quoted by any leading international bank selected by the Issuers on the relevant day of calculation;
- (b) the euro equivalent of Dual Currency Debt Instruments, Indexed Debt Instruments and Partly Paid Debt Instruments (each as defined under “Form of the Debt Instruments” below) shall be calculated in the manner specified in (a) above by reference to the original nominal amount of such Debt Instruments (in the case of Partly Paid Debt Instruments regardless of the subscription price paid); and
- (c) the euro equivalent of Zero Coupon Debt Instruments (as defined under “Form of the Debt Instruments” below) and other Debt Instruments issued at a discount or a premium shall be calculated in the manner specified in (a) above by reference to the net proceeds received by the Issuer for the relevant issue.

## **SUMMARY OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE DEBT INSTRUMENTS**

*The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular Tranche of Debt Instruments, the applicable Pricing Supplement. Words and expressions defined in “Form of the Debt Instruments” and “Terms and Conditions of the Debt Instruments” below shall have the same meanings in this summary.*

<b>Issuer:</b>	Either Stockland Finance Pty Limited or Stockland Trust Management Limited (ABN 86 001 900 741) in its capacity as responsible entity of the Stockland Trust (ARSN 092 897 348) as specified in the Pricing Supplement relevant to a Debt Instrument or such other person appointed under the Pricing Supplement as an additional Issuer in accordance with the Programme and a reference to an “Issuer” in respect of a Debt Instrument is to the individual issuer of such Debt Instrument or otherwise as the context requires.
<b>Guarantors</b>	Stockland Trust Management Limited as responsible entity of the Stockland Trust, Stockland Finance Pty Limited, Stockland Corporation Limited and Stockland Development Pty Limited on a joint and several basis.
<b>Description:</b>	€2,000,000,000 Debt Issuance Programme.
<b>Authorised Amount:</b>	Up to €2,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuer may increase the authorised amount of the Programme at any time in accordance with the terms of the Programme Agreement.
<b>Arranger:</b>	HSBC Bank plc.
<b>Dealers:</b>	HSBC Bank plc. The Issuer may from time to time appoint additional Dealers in respect of a particular Tranche or Tranches or the Programme as a whole.
<b>Principal Paying Agent and Calculation Agent:</b>	The Bank of New York Mellon, London Branch
<b>Registrar</b>	The Bank of New York Mellon SA/NV Luxembourg Branch
<b>Rating:</b>	Debt Instruments issued under the Programme may be rated or unrated. Where the Debt Instruments are rated, the rating will be as set out in the applicable Pricing Supplement.
<b>Negative Pledge:</b>	The terms of the Debt Instruments will contain a negative pledge provision as further described in Condition 6 of the Debt Instruments.

<b>Cross Acceleration:</b>	The terms of the Debt Instruments will contain a cross-acceleration provision as further described in Condition 22.1(c) of the Debt Instruments.
<b>Status of the Debt Instruments:</b>	<p>The Debt Instruments will be direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank at least pari passu with all other outstanding unsecured and unsubordinated obligations of the Issuer, other than those preferred by mandatory provisions of law.</p> <p>The obligations of STML under the Debt Instruments are incurred solely in its capacity as responsible entity of the Stockland Trust and recourse against STML is limited as more fully set out in Condition 5.4 of the Debt Instruments.</p> <p>Each potential purchaser of Debt Instruments should be aware that STML's right of indemnity out of the assets of the Stockland Trust (and therefore an investor's ability to recover against the assets of the Stockland Trust) may be lost if STML acts fraudulently, negligently or acts in any way in breach of trust with respect to the Stockland Trust (whether or not such breach is in connection with the Debt Instruments). STML is not entitled to be indemnified out of the Assets (as defined in Condition 5.4 of the Debt Instruments) in respect of a liability under or in respect of the Debt Instruments in the event that it has failed, or is taken to have failed by virtue of section 601FB(2) of the Corporations Act 2001 of Australia ("Corporations Act"), to properly perform its duties under the Constitution of the Stockland Trust.</p>
<b>Third Deed Poll:</b>	Holders of the Debt Instruments will have the benefit of the Third Deed Poll dated on 16 March 2018 executed by the Issuer and the Guarantors.
<b>Guarantees:</b>	The Guarantors have unconditionally and irrevocably guaranteed, on a joint and several basis, the obligations of the Issuer under the Debt Instruments, including the payment of the principal of, premium, if any, and interest on the Debt Instruments, on demand by a Holder, as more fully set out in the Guarantee Deed Poll.
<b>Status of Guarantees:</b>	<p>The Guarantee will constitute unsecured and unsubordinated obligations of the relevant Guarantor, and subject to the limitation on liability and recourse in respect of STML as responsible entity of Stockland Trust, this will rank equally in right of payment with all other unsubordinated indebtedness of the relevant Guarantor.</p> <p>The obligations of STML under the Guarantee are incurred solely in its capacity as responsible entity of the Stockland Trust and recourse against STML is limited as more fully set out in Condition 5.4 of the Debt Instruments.</p>

Each potential purchaser of Debt Instruments should be aware that STML's right of indemnity out of the assets of the Stockland Trust (and therefore an investor's ability to recover against the assets of the Stockland Trust) may be lost if STML acts fraudulently, negligently or acts in any way in breach of trust with respect to the Stockland Trust (whether or not such breach is in connection with the Guarantee). STML is not entitled to be indemnified out of the Assets (as defined in Condition 5.4 of the Debt Instruments) in respect of a liability under or in respect of the Guarantee in the event that it has failed, or is taken to have failed by virtue of section 601FB(2) of the Corporations Act 2001 of Australia ("**Corporations Act**"), to properly perform its duties under the Constitution of the Stockland Trust.

**Form of Debt Instruments:** Debt Instruments may be issued in bearer form or in registered form.

Each Tranche of Debt Instruments in bearer form will initially be represented by a temporary global note or certificate which will be deposited on the relevant Issue Date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking S.A. ("**Clearstream Luxembourg**") and/or any other agreed clearing system. Interests in each temporary global Debt Instrument will be exchangeable in whole, in accordance with its terms as described therein, either for (i) interests in a permanent global Debt Instrument or (ii) definitive Debt Instruments (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Debt Instruments, to such notice period as is specified in the applicable Pricing Supplement) in each case not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Debt Instrument will be exchangeable, in certain circumstances, in whole, but not in part, for definitive Debt Instruments upon giving not less than 60 days' written notice to the Agent. Any interest in a global Debt Instrument will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream Luxembourg and/or any other agreed clearance system as appropriate.

Debt Instruments in registered form will be constituted by the Third Deed Poll, copies of which are available for inspection at the office of the Registrar. Holders of the Debt Instruments in registered form will be entitled to the benefit of, bound by, and deemed to have notice of all the provisions of the Third Deed Poll.

Unless otherwise specified in the relevant Pricing Supplement, where Debt Instruments are issued in registered form no certificate or other evidence of title will be issued unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation.

Any such certificate will be in such form as the Issuer and the Agent may agree.

The Issuer may agree with any Dealer that Debt Instruments may be issued in a form not contemplated by the Terms and Conditions of the Debt Instruments herein. In such circumstances, a supplement to this Information Memorandum will be prepared.

**Dual Currency Debt Instruments:**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Debt Instruments will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree (as indicated in the applicable Pricing Supplement). See also “Currencies” below.

**Fixed Rate Debt Instruments:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Pricing Supplement) and on redemption. See also “Currencies” below.

Fixed interest will be payable in arrear according to the Day Count Fraction as specified in the applicable Pricing Supplement.

**Floating Rate Debt Instruments:**

Floating Rate Debt Instruments will bear interest at a rate determined either:

- (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the currency specified in the applicable Pricing Supplement governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Debt Instruments of the relevant Series (as defined below)) or, if specified in the relevant Pricing Supplement, the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association Inc; or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer,

as indicated in the applicable Pricing Supplement.

The Margin (if any) relating to such Floating Rate Debt Instruments will be agreed between the Issuer and the relevant Dealer for each Issue of Floating Rate Debt Instruments.

Floating Rate Debt Instruments may also have a maximum interest rate, a minimum interest rate, or both (as indicated in the applicable Pricing Supplement).

Interest on Floating Rate Debt Instruments in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable on the first day of the next Interest Period and will be calculated as indicated in the applicable Pricing Supplement. See also “Currencies” below.

**Index Linked Debt Instruments:**

Payments in respect of Index Linked Debt Instruments (whether in respect of principal or interest and whether at maturity or otherwise) will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer may agree (as indicated in the applicable Pricing Supplement). See also “Currencies” below.

**Zero Coupon Debt Instruments:**

Zero Coupon Debt Instruments will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.

**Currencies:**

Subject to all applicable legal and/or regulatory and/or central bank requirements, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Singapore dollars, Pounds Sterling and United States dollars (as indicated in the applicable Pricing Supplement) or any other freely transferable and freely convertible currency.

Payments will be made in the currency or currencies in which a Debt Instrument is denominated as specified in the applicable Pricing Supplement.

**Maturities:**

Such maturities as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Pricing Supplement, subject to a minimum maturity of one year or such other minimum or maximum maturities as may be allowed or required from time to time by applicable legal and/or regulatory and/or central bank requirements or any laws or regulations applicable to the Issuer or the relevant currency.

**Issue Price:**

Debt Instruments may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par as specified in the Pricing Supplement.

**Redemption:**

The Pricing Supplement relating to each Tranche of Debt Instruments will indicate either that such Debt Instruments cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Debt Instruments will be redeemable prior to their stated maturity at the option of the Issuer and/or the Holders upon giving not less

than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Pricing Supplement) to the Holders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement.

**Denomination of Debt Instruments:**

Such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Pricing Supplement, save that the minimum denomination of each Debt Instrument will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency.

**Listing:**

Application has been made to the SGX-ST for permission to deal in and the quotation for any Debt Instruments that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. In addition, at the relevant time of issue of the Debt Instruments which are agreed at or prior to the time of issue to be listed on the Official List of the SGX-ST, a separate application will be made to the SGX-ST for the permission to deal in and quotation of such Debt Instruments on the Official List of the SGX-ST. If the application to the SGX-ST to list a particular series of Debt Instruments is approved, such Debt Instruments listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies).

The Issuer may apply for Debt Instruments issued under the Programme to be admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system.

The Pricing Supplement relating to each issue will state whether or not and, if so, on which listing authority(ies), stock exchange(s) and/or quotation system(s) the Debt Instruments are to be admitted to listing, trading and/or quotation. Unlisted Series of Debt Instruments may also be issued pursuant to the Programme.

**Clearing Systems:**

In respect of any Debt Instruments, Euroclear and/or Clearstream Luxembourg and/or, in relation to any Tranche of Debt Instruments, any other clearing system as may be specified in the relevant Pricing Supplement.

**Time limit:**

A claim for payment in respect of the Debt Instruments is void against the Issuer unless presented for payment within five years (in the case of principal) and three years (in the case of interest) of the due date for payment.



<b>Distribution:</b>	Subject to any applicable selling restrictions, Debt Instruments may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Selling Restrictions:</b>	<p>There are selling restrictions in relation to Australia, the European Economic Area, the United Kingdom, the United States of America, Hong Kong, Singapore, Canada, Switzerland, the People's Republic of China, Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Debt Instruments. See "Subscription and Sale".</p> <p>Marketing of the Debt Instruments will be conducted in the EU, only in the Approved Jurisdictions specified in the applicable Pricing Supplement, and will not be conducted in any other EU member state.</p>
<b>Taxation:</b>	All payments in respect of the Debt Instruments will be made free and clear of withholding taxes imposed by the Commonwealth of Australia or any political subdivision thereof, unless required by law. In that event, the Issuer will (subject to the certain exceptions as provided in Condition 20 of the Debt Instruments) pay such additional amounts as will result in the relevant Holders receiving such amount as they would have otherwise received had no withholding or deduction been required.
<b>Use of proceeds</b>	The net proceeds from the issue of any Debt Instruments will be used by the Issuer for its general corporate purposes unless stated otherwise in the applicable Pricing Supplement.
<b>Governing Law:</b>	The Debt Instruments and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law.

## FORM OF THE DEBT INSTRUMENTS

Debt Instruments may be issued in bearer form or in registered form.

### Debt Instruments in bearer form

Each Tranche of Debt Instruments in bearer form will initially be represented by a temporary global Debt Instrument without receipts, interest coupons or talons, which will be deposited on the relevant Issue Date with a common depositary on behalf of each relevant Clearing System (as specified in the Pricing Supplement for the relevant Tranche). Any reference in this section to the Clearing Systems shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent (as defined below). Whilst any Debt Instrument is represented by a temporary global Debt Instrument, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made against presentation of the temporary global Debt Instrument only to the extent that certification (in a form to be provided) as required by U.S. Treasury regulations, has been received by each relevant Clearing System, as applicable, and a like certification (based on the certifications it has received) has been given to the Agent.

On and after the day falling after the expiry of 40 days after the completion of the distribution of the relevant Tranche, as notified by the Agent to the relevant Dealer (“**Exchange Date**”), interests in such temporary global Debt Instrument will be exchangeable (free of charge), in accordance with its terms as described therein, for either interests in a permanent global Debt Instrument without receipts, interest coupons or talons or for definitive Debt Instruments with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Debt Instruments, to such notice period as is specified in the applicable Pricing Supplement) in each case upon certification of non-U.S. beneficial ownership as described in the third sentence of the immediately preceding paragraph. The Holder of a temporary global Debt Instrument will not be entitled to collect any payment of interest or principal due on or after the Exchange Date. Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Debt Instruments” below) the Agent shall arrange that, where a further Tranche of Debt Instruments is issued, the Debt Instruments of such Tranche shall be assigned a common code and ISIN by each relevant Clearing System which are different from the common code and ISIN assigned to Debt Instruments of any other Tranche of the same Series until the day falling after the expiry of 40 days after the completion of the distribution of the relevant Tranche, as notified by the Agent to the relevant Dealer.

Payments of principal and interest (if any) on a permanent global Debt Instrument will be made through each relevant Clearing System against presentation or surrender (as the case may be) of the permanent global Debt Instrument without any requirement for certification. A permanent global Debt Instrument will be exchangeable in certain circumstances in whole, but not in part, for security printed definitive Debt Instruments with, where applicable receipts, interest coupons and talons attached upon the relevant Clearing System, acting on the instructions of the permanent global Debt Instrument Holder, giving not less than 60 days’ written notice (expiring at least 30 days after the Exchange Date) to the Agent. Unless additional circumstances are specified in the applicable Pricing Supplement a notice requiring exchange as aforesaid may only be given if an Exchange Event has occurred. “**Exchange Event**” means (i) an Event of Default has occurred and is continuing or (ii) the Issuer has been notified that the relevant Clearing System has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) after the relevant Issue Date or has announced an intention permanently to cease business or has in fact done so. The Issuer will promptly give notice to the Holders in accordance with the Conditions if an Exchange Event occurs. Temporary and permanent global Debt Instruments and definitive

Debt Instruments in bearer form will be authenticated (if applicable) and delivered by the Agent on behalf of the Issuer.

The following legend will appear on all global Debt Instruments, definitive Debt Instruments, receipts, interest coupons and talons in bearer form:

**“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”**

The sections referred to provide that Holders that are United States persons (as defined in the United States Internal Revenue Code of 1986, as amended), with certain exceptions, will not be entitled to deduct any loss on Debt Instruments, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Debt Instruments, receipts or interest coupons.

A Debt Instrument may be accelerated by the Holder thereof in certain circumstances described in “Terms and Conditions of the Debt Instruments – Events of Default”. In such circumstances, where any Debt Instrument is represented by a global Debt Instrument or Definitive Bearer Debt Instruments has not been delivered, unless within a period of 15 days from the giving of notice of acceleration payment has been made in full of the amount due in accordance with the terms of such global Debt Instrument, such global Debt Instrument will become void. At the same time, Holders of interests in such global Debt Instruments credited to their accounts with each relevant Clearing System will become entitled to proceed directly against the Issuer on the basis of statements of account provided by each relevant Clearing System, on and subject to the terms of the Third Deed Poll.

#### **Debt Instruments in registered form**

Debt Instruments in registered form will be constituted by the Third Deed Poll, copies of which are available for inspection at the office of the Registrar. Holders of the Debt Instruments in registered form will be entitled to the benefit of, bound by, and deemed to have notice of all the provisions of the Third Deed Poll.

Unless otherwise specified in the relevant Pricing Supplement, where Debt Instruments are issued in registered form no certificate or other evidence of title will be issued unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation. Any such certificate will be in such form as the Issuer and the Agent may agree.

## RISK FACTORS

*Prospective investors should carefully consider the risks and uncertainties described below and the other information contained in this Information Memorandum before making an investment in the Debt Instruments.*

*The risks described below are not the only ones relevant to the Issuers, the Guarantors, or the Debt Instruments. The business, financial condition and results of operations of the Issuers, the Guarantors and their respective subsidiaries (“**Group**”) could be materially adversely affected by any of these risks. There are a number of factors, including those described below, that may adversely affect the ability of the Issuers and the Guarantors to make payment on the Debt Instruments. Additional risks not presently known to the Issuers or the Guarantors or that they currently deem immaterial may also impair their business operations. Prospective investors should read the detailed information set out elsewhere in this Information Memorandum (including any documents deemed to be incorporated by reference herein).*

### 1. General market risk

Prospective investors should be aware that the real property portfolio of the Group and the returns from their investments will be influenced by a number of factors that are common to most listed investments. At any point in time, these may include:

- the Australian and international economic outlook;
- movements in the general level of prices on international and local stock markets;
- changes in economic conditions including inflation, recessions and interest rates; and
- changes in Australian Government fiscal, monetary and regulatory policies.

### 2. Primary business risks

Prospective investors will be exposed to risks associated with the Group’s business activities. These risks include:

**The real property portfolio of the Group and the returns from its investments could be adversely affected by economic conditions, fluctuations in the value, sales and rental income of its properties and other factors**

The Group’s earnings are subject to property market conditions. Increases in supply or falls in demand in any of the sectors of the property market in which the Group operates or invests could influence the acquisition of sites, the timing and value of the Group’s sales and the carrying value of projects and income producing assets and this could affect earnings.

A sustained downturn in the commercial and industrial and/or residential and retirement living property markets due to deterioration in the economic climate could result in reduced development profits. A decline in sales in the Group’s residential property developments or an inability to sell its interests in commercial and industrial assets outside the ordinary course of business could affect the Group’s revenue and financial position.

Rental income and the market value of our properties may be adversely affected by a number of factors including:

- the overall conditions in the Australian economy, such as growth in gross domestic product, employment trends and the level of inflation and interest rates;
- local real estate conditions, such as the level of demand for, and supply of, residential, interests in commercial and industrial properties and retail space;
- the perception of prospective tenants of the attractiveness, convenience and safety of the shopping centres;
- the convenience and quality of competing shopping centres and other retail options, as well as trends in the retail industry;
- the financial condition of tenants (including anchor tenants);
- management and maintenance of property;
- high vacancy rates;
- changes in tenancy laws; and
- external factors including major world events, such as war and terrorist attacks, and acts of God including but not limited to floods, earthquakes and impacts of climate change.

Market sentiment may be influenced by media commentary and observations by industry analysts. Market sentiment has a significant influence on the confidence of the Group's customers and their propensity to buy residential properties or lease space in any of the properties which comprise the Group's investment property portfolio.

Perception may have a stronger short term influence on project enquiry levels and rates of sale or leasing than medium term factors such as the likelihood of oversupply or undersupply in some market segments. Although project rates of sale or leasing may not have a significant influence on the profitability of individual projects or investment properties in the medium and/or long term, a decline in market sentiment, which reduces rates of sale or leasing, could adversely influence the amount of profit that can be brought to account in a particular financial period.

### **The Group's financial conditions could be adversely affected by retirement market conditions**

The Group's earnings and cash flows are affected by movements in the underlying economics of the retirement village units. Retirement village pricing is generally correlated with residential housing. A reduction in market prices for residential housing may reduce the value realised by customers from the sale of their property and affect their capacity to buy into a retirement village unit. This might reflect in a slower up-take of retirement village units and lower prices for these units. The Group could be affected by changes in the discount rates or property price growth assumptions that are considered appropriate by professional valuers in response to changes in market conditions.

If retirement village resident turnover or demand for retirement village units reduces, this will delay the collection of cash by the Group and may adversely impact operating cash flow and the value of the Group's retirement living portfolio.

### **Housing affordability is increasingly challenging in Australia**

The Group's Residential business is influenced by the dynamics of the Australian housing market. Housing affordability remains of key concern for Australians as the price of housing and rental properties continues to increase. Current regulatory and political settings are likely to lead to some moderation in growth rates for residential property prices which may adversely affect the Group's income.

### **The Group's financial condition and results of operations relating to its commercial property business would be adversely affected by a fall in occupancy levels or tenant creditworthiness or an inability generally to re-let on terms as favourable to the Group**

The financial condition and results of operations of the Group depend in large part upon it continuing to receive a significant level of rent from its tenants. Insolvency or financial distress of tenants of the Group's income producing properties may reduce the income received by the Group from its assets and the Group's ability to fulfill its financial obligations could be materially adversely affected if occupancy levels were to fall or if tenants occupying a significant proportion of the Group's properties were unable to meet their obligations.

As existing leases terminate or become subject to tenant break options or space needs to be re-let for other reasons, there can be no assurance that such space will be re-let or that it will be re-let on terms (including rental levels) as favourable to the Group as those currently, or then, existing or that new tenants will be as creditworthy as existing tenants.

### **Competition with other participants in the real estate industry could have an adverse impact on the income and ability of the Group to acquire properties, develop land and secure tenants effectively**

The Group faces competition from other Australian property groups and other commercial organisations active in the Australasian property market, as well as the threat of new competitors emerging both generally and in particular trade areas, including international retailers. The Group may be negatively affected by oversupply of retail premises through overdevelopment caused by such competition, or by prices for existing properties or services being inflated via competing bids by prospective purchasers or to rents to be achieved from existing properties being adversely impacted by an oversupply of retail space. Accordingly, the existence of such competition may have a material adverse impact on the Group's ability to secure tenants for its investment properties at satisfactory rental rates and on a timely basis and to acquire and develop properties at satisfactory cost.

In addition, many of the Group's shopping centres are located in developed retail and commercial areas, many of which compete with other shops or neighbourhood shopping centres within their primary trade area. The amount of rentable space in the relevant primary trade area, the quality of facilities and the nature of stores at such competing shopping centres could each have a material adverse effect on the Group's ability to lease space and on the level of rents it can obtain. In addition, retailers at the Group's shopping centres face increasing competition from other forms of retailing, such as discount shopping centres and clubs, outlet shopping centres, catalogues, video and home shopping networks, direct mail, telemarketing and shopping via the internet. In addition, the Group competes with other real estate investors for acquisition of new retail shopping centres.

### **Decline in income from properties where other related expenses remain unchanged**

Significant expenditures associated with real estate investment, such as mortgage repayments, maintenance costs and taxes, are not generally reduced when circumstances cause a reduction in income from the investment. Under these circumstances, the financial performance and value of the relevant property would be adversely affected especially if these changed conditions persist.

### **The Group's financial condition may be negatively affected by development risks**

Part of the Group's business is to identify, analyse and invest in property development projects. Property development projects have a number of inherent risks in addition to those associated with acquisitions generally, including:

- a risk that the acquired properties may not achieve anticipated rental rates or occupancy levels;
- risks in relation to assumptions or judgements with respect to improvements to the financial returns (including the occupancy rates and rents of completed projects) of acquired properties which may prove inaccurate;
- a risk that the Group may abandon acquisition opportunities in respect of which it has incurred costs to explore and for which it has not provisioned;
- a risk that appropriate planning consents, licences, permits and approvals are not obtained or, if obtained, are not properly adhered to;
- the risk of industrial disputes;
- a risk that funding and development costs escalate beyond those originally anticipated;
- a risk of project delays due to factors beyond the control of the Group;
- a risk that any property development manager and/or subcontractor appointed to implement a property development project does not perform their role to a satisfactory standard or acts or fails to act in breach of contract;
- a risk that competing property development projects adversely affect the overall return achieved by any property development projects undertaken by the Group, because they provide competitive alternatives for potential purchasers and potential lessees;
- a risk that market conditions change during any development;
- a risk that latent liabilities or contingencies emerge such as the existence of hazardous substances, for example asbestos or other environmental liabilities; and
- a risk that the Group is unable to acquire major development sites in chosen geographical areas at an appropriate price which could result in reduced land development profits or future investment income.

If a development project is unsuccessful or does not proceed, the investment cost may exceed the value of the project on completion or pre-development costs incurred may have to be written off. The Group's income may be adversely affected in these circumstances.

Although some of these risks can be mitigated, it is not possible to remove entirely the risks inherent in property development projects.

While the Group's policy is to undertake appropriate due diligence in order to assess these risks, unexpected problems may still emerge. Additionally, the indirect acquisition of properties through, for example, the takeover of another listed property-owning entity, may not allow for the usual standard of due diligence for a specific property acquisition to be undertaken.

#### **The Group's financial condition may be negatively affected by acquisition risks**

By growing through acquisition, the Group faces the operational and financial risks commonly encountered with such a strategy, including continuity or assimilation of operations or employees, dissipation of management resources and impairment of relationships with employees and tenants of the acquired property as a result of changes in ownership and management. In addition, depending on the type of transaction, it can take a period of time to completely realise its full benefits. Moreover, during a period following such a transaction, the Group's operating results may decrease compared to results prior to the transaction.

The Group may also face financial risks associated with incurring additional indebtedness to make acquisitions, such as reducing liquidity, increased interest expense, less access to capital markets and financial stability.

#### **The Group's financial condition could be adversely affected by changes in property values**

Unanticipated factors influencing the value of investment property held by the investment property division or the realisable value of development trading stock held by the development division, such as those listed below, could impact on future earnings:

- the capitalisation rates that are considered appropriate by professional valuers, for the income producing properties held by the Group, in response to changes in market conditions. An increase in capitalisation rates could lead to a sustained downturn in the property market resulting in a lower reported profit and a higher debt/equity ratio for the Group;
- changes in the conditions of town planning consents applicable to the Group projects, as a consequence of the unpredictable nature of council policies;
- variances in the cost of development as a consequence of the imposition of levies by state and local government agencies;
- the presence of previously unidentified threatened flora and fauna species, which may influence the amount of developable land on major projects;
- the activities of resident action groups;
- native title claims;
- land resumptions for roads and major infrastructure, which cannot be adequately offset by the amount of compensation eventually paid;
- changes to the value of property developments currently in progress due to market conditions; and



- changes in sustainability, work health and safety and environmental regulation

**The potential illiquidity of property assets could negatively affect the Group's income and financial condition**

Property assets are by their nature illiquid investments. Therefore, it may not be possible for the Group to dispose of assets or rebalance its portfolio in a timely manner. To the extent that the Group invests in properties for which there may be only a limited number of potential investors, the realisable value of those assets may be less than the full value indicated by the Group's expectations of future cash flows from the relevant properties.

The business of the Group is predominantly concentrated in Australia, which may result in a higher level of risk compared to some other competitors that have properties spread over diverse Australian and international geographic locations.

**The properties of the Group may be uninsured or underinsured against various catastrophic losses**

Property trusts, developers and constructors generally enter into contracts of insurance that provide a degree of protection over assets, liabilities and people.

While such policies typically cover against material damage to assets, contract works, business interruption, general and professional liability and workers compensation, there are certain risks that cannot be mitigated by insurance, either wholly or in part, such as nuclear, chemical or biological incidents or risks where the insurance coverage is reduced or unavailable, such as cyclones, cyber risk or earthquakes.

Property trusts, developers and constructors also face the risk that insurers may not be able to meet indemnity obligations if and when they fall due, which could have an adverse effect on earnings. Further, insurance may be materially detrimentally affected by the current global downturn such that insurance becomes more expensive, or may be subject to larger deductibles, or in some cases, becomes unavailable.

If an uninsured loss occurs, the Group could lose both its invested capital in, and anticipated profits from, the affected property.

**The inability of the Group to raise future funds on favourable terms for future acquisitions, developments and refinancing could adversely affect its ability to acquire or develop new properties or refinance its debt**

The real estate investment and development industry tends to be highly capital intensive. The ability of the Group to raise funds on favourable terms for future refinancing, development and acquisitions depends on a number of factors including general economic, political, capital and credit market conditions. These factors could increase the cost of funding, or reduce the availability of funding for, new projects or increase the refinancing risk of maturing debt facilities. The inability of the Group to raise funds on favourable terms for future acquisitions, developments and refinancing could adversely affect its ability to acquire or develop new properties or refinance its debt.

The Group is exposed to refinancing risks relating to existing debt instruments and facilities. The Group may experience some difficulty in refinancing some or all of its debt facilities maturing over the coming years. The terms on which they are refinanced may also be less favourable than at present.

### **The Group's financial condition and results of operation may be adversely affected by its debt covenants**

The Group has various covenants in relation to its debt facilities, including interest cover and gearing requirements. Factors such as falls in asset values and the inability to achieve timely asset sales at prices acceptable to the Group could lead to a breach in debt covenants. In such an event, the Group's lenders may require their loans to be repaid immediately.

Other covenants relate to change of control events. In the event a change of control occurs, a review event in some facilities may be triggered and may result in debt becoming immediately due for payment.

### **The Group's financial condition and results of operation may be adversely affected by its current and future debt levels**

The Group currently has a significant amount of debt. The material consequences of having significant debt levels are as follows:

- the Group will need to use a substantial portion of cash from its operating activities to pay interest on its debt;
- to the extent that facilities mature and are not replaced or extended, the Group will need to fund repayment of debt out of its operating cash flow, asset dispositions or equity raisings;
- the Group's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates may be limited because available cash flow after paying principal and interest on debt may not be sufficient to make the capital and other expenditures needed to address these changes;
- adverse economic, credit or financial market or industry conditions are more likely to have a negative effect on the Group's business because, during periods in which the Group experiences lower earnings and cash flow, it may be unable to refinance its existing debt facilities on favourable terms or at all and will be required to devote a proportionally greater amount of its cash flow to paying principal and interest on its debt;
- the Group may be at a competitive disadvantage to its competitors that have relatively less debt and have more cash flow available to devote to capital expenditures and other strategic purposes;
- the Group's ability to obtain financing in the future for its development program, working capital, capital expenditures, acquisitions or other purposes may be limited because of the restrictions contained in debt agreements;
- the Group's ability to make acquisitions and take advantage of significant business opportunities may be negatively affected if it needs to obtain the consent of its lenders to take any such action or if, because of existing debt levels, it is not able to obtain additional financing for these opportunities;
- the Group may not be able to obtain the necessary lines of credit to enable it to put in place its desired level of cover to hedge its interest rate risks; and

- the Group's ability to have sufficient bank guarantee facilities for its development activities.

The Group has incurred a substantial portion of its debt to fund property developments that require the Group to make substantial expenditures before beginning to earn income from the developed property, which may impair the Group's ability to service its debt. If the Group's cash flow and capital resources are not sufficient to make principal and interest payments on its debt and fund its working capital and other business needs, which may occur as a result of industry specific or general economic conditions or other events that are beyond its control, the Group could be forced to:

- reduce or delay scheduled capital expenditures or forgo other business opportunities;
- sell material assets or operations;
- raise additional equity capital and be a price taker in doing so;
- restructure or refinance its debt; or
- undertake other protective measures.

Some of these transactions could occur at times or on terms that are disadvantageous to the Group. The incurrence of additional debt will increase the leverage risks discussed above.

The Group may be able to incur substantial additional debt in the future. The Group intends to maintain a ratio of net debt to total tangible assets net of cash, or leverage ratio, in the 20% to 30% range over the long term. These leverage levels may be reviewed and modified from time to time without notice to or any approval of Holders. Specifically, the Group may decide to exceed its current debt level for a major acquisition provided that it believes it can return to the desired leverage ratio within a reasonable period of time.

The Group's ability to incur indebtedness depends, in part, upon the continued compliance with certain financial covenants contained in the agreements governing its indebtedness. The amount of indebtedness that can be incurred will vary as a result of changes in the Group's earnings and cash flows and the value of its assets.

### **The Group's financial condition and results of operation may be adversely affected by debt repayment requirements**

The Group's ability to pay the principal and interest on its debt depends on the future performance of its business which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond its control. The Group's historical financial results have been, and it is anticipated that the Group's future financial results will continue to be, subject to fluctuations. The Group's business may not generate sufficient cash flow from operations to enable it to satisfy its debt and other obligations.

In addition, the Group may not have sufficient future financing facilities to enable it to repay its debt, including the Debt Instruments and amounts outstanding under its financing arrangements, or to fund other liquidity needs. If the Group is unable to meet its debt service obligations or fund other liquidity needs, the Group may attempt to restructure or refinance its debt or seek additional equity capital (including hybrid equity capital) or it may be required to sell assets. These financing transactions could occur at times or on terms that are disadvantageous to the Group. Because of

the terms of its other indebtedness, the Group may not be able to restructure or refinance its debt on terms satisfactory to it.

**The Group's financial condition and results of operation may be adversely affected by counterparty risk**

Counterparty credit risk is the risk of a loss being sustained by the Group as a result of payment default or non-performance by the counterparty with whom the Group has contracted. For example, purchasers may default on the settlement of purchase agreements and the resale of those properties may be at a lesser amount and the failure of a significant portion of purchasers to settle on their purchases in major development projects, could affect the timing and amount of future earnings.

Further, the Group manages interest rate risks associated with borrowing at a floating rate by entering into interest rate hedging arrangements, such as interest rate swaps. Such arrangements involve risk, such as the risk that the counterparty to such arrangement may fail to honour their obligations under such arrangement, thereby exposing the Group to the full effect of the movement in interest rates. To the extent that the Group does not hedge or hedge effectively against movements in interest rates, such interest rate movements may adversely affect the Group's results of operations.

**Alliances with third parties such as through joint ventures may not produce successful results**

The Group carries out some activities with other companies through entities such as alliances, joint ventures and strategic investments. However, because results from these activities are largely dependent on industry trends as well as the financial condition and performance of partner companies, weak trends or disappointing performance of such partners may adversely affect the success of these activities.

Joint venture agreements may contain buy/sell provisions which may be triggered by a joint venture party and may require the Group to determine whether to retain or sell its interest in the joint venture. In addition, pre-emptive provisions or first rights of refusal may apply to sales or transfer of interests in co-owned assets and businesses. These provisions may work to the disadvantage of the Group because, among other things, the Group might be required to make decisions about buying or selling interests in these assets and businesses at a time that is disadvantageous to it.

Further, the Group's failure to effectively structure and administer its joint ventures to meet its strategic initiatives and business objectives could result in major adverse financial outcomes, an inability to acquire major development sites and investment properties as well as increased exposure to legal, regulatory and tax risk. In addition, the Group may face conflicts of interest or loss of control over cash flows by participation in alliances or joint ventures.

**The Group faces regulatory risk such as changes in taxation or accounting standards**

The Group operates in a highly regulated environment and is subject to a range of industry specific and general legal and other regulatory controls. Regulatory breaches may affect the Group's operational and financial performance, through penalties, liabilities, restrictions on activities and compliance and other costs. In addition, changes in government and local government regulations and policies (including government land development, retail leases, retirement living, privacy, real estate licensing, public housing and first home buyer assistance

and tenancy laws) and delays in the granting of approvals or the registration of subdivision plans may affect the amount and timing of the Group's future profits.

Changes in income tax, goods and services tax or stamp duty legislation or other state or federal tax legislation or policy, particularly in regard to residential housing, property development activity and investment in income producing property may adversely affect the Group's profit. Any removal of the concessions for individuals in respect of capital gains tax or relating to negative gearing of income producing properties could have an adverse effect on the Group's sales or the value of its investments.

The Group constantly monitors these changes to taxation law and the impact of the changes is assessed by the Group's taxation department as well as external experts where required. Due to the nature of the Group's development operations, which can involve complex financing structures and joint venture arrangements, the Australian Taxation Office periodically reviews and queries the taxation treatment of various transactions, which could result in adverse tax outcomes being incurred.

Changes to Australian Accounting Standards could affect the Group's reported earnings performance in any given period and its financial position from time to time.

#### **The Group faces risks associated with climate change and climatic conditions**

The Group's failure to adequately respond to the impact of climate change and associated legislative requirements could result in litigation (if reporting requirements are not met), reduced profit due to the impact of increased costs associated with energy efficiency and other costs associated with upgrading existing buildings to comply with new building codes or contractual obligations. The Group would also be adversely impacted by a loss of market share if building designs do not address community expectations or match competitor products on sustainability issues.

Prolonged adverse weather conditions may result in delays in construction and marketing and possibly deferral of revenue and profit recognition.

#### **The Group's financial condition and results of operation may be adversely affected by environmental factors**

The Group, as an owner, lessor, developer and manager of real property in many jurisdictions, is subject to extensive regulation under environmental laws. These laws may vary by jurisdiction and are subject to change.

Current and future environmental laws could impose significant costs or liabilities on the Group. For example, environmental legislation in certain jurisdictions imposes strict and retrospective liability for cleaning up contaminated land, watercourses or groundwater on the person causing or knowingly permitting the contamination in circumstances where such contamination is causing, or where there is significant possibility of it causing, significant harm to man or the environment. The owner or occupier of contaminated land could become liable as a "knowing permitter" if they became aware of pollution capable of causing significant harm to man or the environment, had the necessary degree of control over operations on the land to prevent such harm and failed to take any action to prevent it. This legislation places liability for clean-up costs on the owner or occupier of contaminated land where no person can be found who has caused or knowingly permitted the presence of the substances which have led to the pollution. Thus, if land owned by the Group is contaminated, then, where the person who caused or knowingly permitted such contamination to occur cannot be found, the Group might be liable for the costs of cleaning up

such contamination. A polluter or owner/occupier of contaminated land can also be liable to third parties for harm caused to them or their property as a result of the contamination.

Other environmental legislation concerning statutory nuisance also places liability on the owner or occupier of land, in some circumstances instead of the person responsible for the nuisance. In the relevant legislation, the concept of “owner” includes any person with a proprietary interest in the property. The owner or occupier would be responsible where the person responsible for such nuisance cannot be found or where a nuisance is likely to occur but has not yet occurred. The owner would also be responsible where the nuisance arises from any defect of a structural nature.

Owners and occupiers of property are also under a duty to locate, record, manage and (where appropriate) remove asbestos from relevant properties. Landlords are under a duty to co-operate with tenants in this regard and will have responsibility for common areas within properties and properties or parts of properties that are temporarily or permanently vacant. Failure to comply with this duty is an offence and could give rise to contingent civil liabilities in respect of personal injury arising out of exposure to asbestos.

Liability for any of these environmental risks could be significant and might adversely impact the financial condition and results of operations of the Group which, in turn, might result in the Group having insufficient funds available to pay in full all amounts due in respect of its financial obligations.

The discovery of, or incorrect assessment of costs associated with, environmental contamination on any of the Group’s projects could have an adverse effect on the profitability and timing of receipt of revenue from that project. It is the Group’s policy to undertake detailed environmental due diligence on any property before acquisition.

### **General economic conditions could adversely affect the Group’s financial performance and results of operations**

The Group’s operating and financial performance is influenced by a variety of general economic and business conditions, including the level of inflation, interest rates, commodity prices, ability to access funding, oversupply and demand conditions and government fiscal, monetary and regulatory policies. Prolonged deterioration in these conditions and the continuing disruption in global credit markets have significantly impacted and are expected to continue to significantly impact the Group’s business and financial performance. Other economic factors such as an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a materially adverse impact on the Group’s operating and financial performance. This risk is heightened in the current economic environment.

Higher than expected inflation rates generally or specific to the property industry could be expected to increase operating costs and development costs. These cost increases may be able to be offset by increased selling prices or rents. Increases in interest rates could have the effect of reducing the availability or increasing the cost of finance for the purchase of properties by the Group’s customers.

Sales in residential projects may be negatively impacted by a sustained increase in the unemployment rate in Australia, particularly in key markets where the Group has residential projects. This impact could be through a reduction in the number of lots sold, in the value of lots sold and in the profit achieved.

## **The Group faces Occupational Health and Safety risks**

Poor work practices resulting in fatality and/or serious injury or a failure to comply with the necessary OH&S regulatory requirements could result in reputational damage, fines, penalties and compensation for damages as well as poor staff morale and industrial action.

## **Effective execution of its strategy**

The Group's failure to deliver on or to effectively execute its stated strategy or its failure to redefine its strategy to meet changing market conditions could result in a decline in portfolio value and a loss of earnings.

The Group relies on senior management and key employees and the loss of the services of any such personnel may negatively affect the Group's business

The loss of senior key staff or management personnel who have particular expertise in property development, construction and the marketing of investment properties, and the unavailability of skilled labour may influence future earnings.

## **Litigation and disputes may adversely affect the Group's business**

Legal and other disputes (including industrial disputes and class actions) may arise from time to time in the ordinary course of operations. Any such dispute may impact earnings or affect the value of the Group's assets. The Group is currently involved in a number of ongoing court proceedings, arbitration proceedings and disputes, the aggregate value of which to the extent it can be readily or reliably quantified at this time will not have a material impact on the financial position of the Group. The Group assesses the likely financial impact of each known claim and the extent to which that particular claim will be covered by insurance, and includes provisions in the group's consolidated financial statements as the board of the Group considers appropriate. However, due to uncertainties involved in assessing the outcome of these claims, there is a risk that these provisions may be inadequate. If this occurs, these claims may have an adverse effect on the financial position of the Group.

## **Risk Management and IT Systems Risk**

The Group relies on internal risk management control systems to appropriately manage various risks to which its business is subject. Whilst there is segregation in hierarchy within the risk management systems and processes, there is a risk that these systems will prove ineffective due to human error, fraud or inadequate processes across its operations. Depending on the nature and scale of a failure to maintain or update and implement an appropriate risk management system, such failures could have a material adverse effect on the Group's operations and as a consequence the losses to the Group may be significant.

The Group's operations are also dependent on the reliability and availability of its IT infrastructure networks. The Group's IT systems may be vulnerable to a variety of interruptions due to events that may be beyond its control, including, but not limited to, natural disasters, terrorist attacks, telecommunication failures, computer viruses, hackers and other security issues. Any disruptions in an IT network which the Group use or unexpected system or computer network interruptions could disrupt the Group's operations and consequently its overall profitability.

Systems enhancements affect business process efficiency. To achieve operational excellence the Group need systems that are cost-effective and agile to support the diversified nature of the Group's business.

### **3. Factors which are material for the purpose of assessing the market risks associated with Debt Instruments issued under the Programme**

#### **The Debt Instruments may not be a suitable investment for all investors**

Each potential investor in the Debt Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Debt Instruments, the merits and risks of investing in the relevant Debt Instruments and the information contained or incorporated by reference in this Information Memorandum or any applicable supplemental information memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Debt Instruments and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Debt Instruments, including Debt Instruments with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- understand thoroughly the terms of the relevant Debt Instruments and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Debt Instruments are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios.

A potential investor should not invest in Debt Instruments which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Debt Instruments will perform under changing conditions, the resulting effects on the value of such Debt Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

#### **There may be uncertainty in relation to marketing under the AIFMD in the EU**

Under the AIFMD and the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012 and relevant guidance issued by the European Securities and Markets Authority, the marketing of an alternative investment fund (an "AIF") in an EU jurisdiction is prohibited unless certain criteria are met. It is intended that, by marketing Debt Instruments only in the Approved Jurisdictions (as specified in the applicable Pricing Supplement), there will be no requirement to comply with the AIFMD. There is, however, a risk in some EU jurisdictions that a bond issuance by an AIF could be characterised as marketing shares or units for the purposes of the AIFMD. In



this case, any bond issuances could only be marketed in the EU in accordance with the marketing restrictions applicable to AIFs and any marketing not in accordance with those rules would be a breach of regulatory requirements. Such characterisation may therefore affect the liquidity of the Debt Instruments. It may also affect the regulatory treatment of the Debt Instruments for certain types of investor.

### **Risks related to the structure of a particular issue of Debt Instruments**

A wide range of Debt Instruments may be issued under the Programme. A number of these Debt Instruments may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

#### **Debt Instruments subject to optional redemption by the Issuer**

An optional redemption feature is likely to limit the market value of Debt Instruments. During any period when the Issuer may elect to redeem the Debt Instruments, the market value of such Debt Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Debt Instruments when its cost of borrowing is lower than the interest rate on the Debt Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Debt Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### **Debt Instruments linked to "benchmarks" (including Floating Rate Debt Instruments)**

The Programme allows for the issuance of Debt Instruments that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", including the London Interbank Offered Rate ("LIBOR") and the Euro Interbank Offered Rate ("EURIBOR"), in particular with respect to certain floating rate Debt Instruments where the Reference Rate (as defined in the Conditions) may be LIBOR, EURIBOR or another such benchmark. The Pricing Supplement for Debt Instruments will specify whether LIBOR, EURIBOR or another such benchmark is applicable.

Benchmarks are the subject of ongoing national and international regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, the UK Financial Conduct Authority has announced that after 2021 it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark and that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021 by the UK Financial Conduct Authority.

The Conditions and the Agency Agreement contain fallback provisions in the event that LIBOR or EURIBOR rates are not available, however the potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner in which the LIBOR benchmark or any other benchmark is administered, could result in discrepancies in the rates calculated according to the Conditions and the Agency Agreement and those based on any substitute or alternate benchmark that has become the market standard by or after 2021. Any such consequence could have a material adverse effect on the value and marketability of, and return on, any Debt Instruments linked to any such benchmark.

## **Risks related to Index Linked Debt Instruments and Dual Currency Debt Instruments**

The Issuer may issue Debt Instruments with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”). In addition, the Issuer may issue Debt Instruments with principal or interest payable in one or more currencies which may be different from the currency in which the Debt Instruments are denominated. Potential investors should be aware that:

- the market price of such Debt Instruments may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Debt Instruments or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Debt Instruments in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Indexed Debt Instruments. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Indexed Debt Instruments and the suitability of such Debt Instruments in light of its particular circumstances.

## **Risks related to partly-paid Debt Instruments**

The Issuer may issue Debt Instruments where the issue price is payable in more than one installment. Failure to pay any subsequent installment could result in an investor losing all of its investment.

## **Risks related to variable rate Debt Instruments with a multiplier or other leverage factor**

Debt Instruments with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be more volatile than those for securities that do not include those features.

## **Fixed/Floating Rate Debt Instruments**

Fixed/Floating Rate Debt Instruments may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or vice versa. The Issuer’s ability to convert the

interest rate will affect the secondary market and the market value of such Debt Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Debt Instruments may be less favourable than the prevailing spreads on comparable Floating Rate Debt Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Debt Instruments. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Debt Instruments.

#### **Debt Instruments issued at a substantial discount or premium**

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### **4. Risks related to Debt Instruments generally**

Set out below is a brief description of certain risks relating to the Debt Instruments generally:

##### **Modification, waivers and substitution**

The Terms and Conditions of the Debt Instruments contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

##### **Limited liability of Stockland Trust Management Limited in its capacity as responsible entity of the Stockland Trust (ARSN 092 897 348) (“Responsible Entity”)**

Each Responsible Entity undertakes its obligations under the Debt Instruments (whether as Issuer or Guarantor) solely in its capacity as responsible entity (as defined in the Corporations Act). The liability of each Responsible Entity as Issuer or Guarantor in respect of the Debt Instruments is limited to and can be enforced against it only to the extent to which such liability can be satisfied out of the assets of the Stockland Trust from which the Responsible Entity is actually indemnified for the liability. None of the assets of a Responsible Entity (other than assets which are held by the Responsible Entity in its capacity as responsible entity and trustee of the relevant trust and out of which the Responsible Entity is actually indemnified for the liability and which are available to the Responsible Entity in accordance with the terms of the constitution of Stockland Trust to meet its obligations in relation to the issue and guarantee of Debt Instruments (as the case may be)) are available to meet claims under the Debt Instruments or the guarantee of the Debt Instruments given by the Responsible Entity.

In addition, the Responsible Entity is not entitled to indemnification out of the assets of the Stockland Trust (and therefore an investor’s ability to recover amounts owing under the Debt Instruments or the guarantee of the Debt Instruments given by the relevant Responsible Entity) if the Responsible Entity acts fraudulently, negligently or breaches its duty with respect to the Stockland Trust (whether or not such breach is in respect of its obligation under the Debt Instruments or the guarantee of the Debt Instruments given by the Responsible Entity (as the case may be)). Each Responsible Entity is not liable to satisfy any obligation or liability from its personal assets, except to the extent that the obligation or liability is not satisfied because there is a reduction in the extent of the Responsible Entity’s indemnification out of the assets of the

relevant trust as a result of any fraud, negligence or wilful default on the part of the Responsible Entity.

### **Change of law**

The Terms and Conditions of the Debt Instruments are based on English law in effect as at the date of issue of the relevant Debt Instruments. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Debt Instruments and any such change could materially adversely impact the value of any Debt Instruments affected by it.

### **The secondary market generally**

Debt Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Debt Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

This is particularly the case for Debt Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Debt Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Debt Instruments.

### **Exchange rate risks and exchange controls**

The Issuers will pay principal and interest on the Debt Instruments and the Guarantors will make any payments under the Guarantee in the Specified Currency (as defined in the Pricing Supplement). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Debt Instruments, (ii) the Investor's Currency equivalent value of the principal payable on the Debt Instruments and (iii) the Investor's Currency-equivalent market value of the Debt Instruments.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### **Interest rate risks**

Holders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Debt Instruments, resulting in a capital loss for the Holders. However, the Holders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Debt Instruments may rise. The Holders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

### **Credit ratings may not reflect all risks**

One or more independent credit rating agencies may assign credit ratings to the Debt Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Debt Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

### **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Debt Instruments are legal investments for it, (ii) Debt Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Debt Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Debt Instruments under any applicable risk-based capital or similar rules.

### **Holders' ability to enforce certain rights in connection with the Debt Instruments may be limited or affected by reforms to Australian insolvency legislation relating to "ipso facto" rights**

On 18 September 2017, the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017 of Australia was enacted. The legislation provides for a stay on enforcement of certain rights arising under a contract (such as a right entitling a creditor to terminate the contract or to accelerate payments or providing for automatic acceleration) for a certain period of time (and in some cases indefinitely), if the reason for enforcement is the occurrence of certain events relating to specified insolvency proceedings, namely the appointment of an administrator or managing controller or an application for a scheme of arrangement, or the company's financial position during those proceedings (known as "ipso facto" rights). The specified proceedings do not include a winding up or liquidation.

The operation of the legislation introducing the stay will commence on the earlier of 1 July 2018 and the date fixed by Proclamation. The stay will apply to ipso facto rights arising under contracts, agreements or arrangements entered into after the commencement date, subject to certain exclusions. Rights exercised with the consent of the relevant administrator, receiver, scheme administrator or liquidator and the right to appoint controllers during the decision period following the appointment of administrators are excluded and rights prescribed by regulations or Ministerial declarations may also be excluded. Such subordinate legislation may also prescribe additional reasons for application of the stay on enforcement, or for extending the stay indefinitely. The legislation also gives the Federal Court of Australia the power to broaden or narrow the scope and duration of the stay.

The Australian Government has released an explanatory document which notes that it proposes to make regulations setting out certain types of contracts and contractual rights which will be excluded from the stay. The explanatory document does not indicate that securities such as the Debt Instruments under the programme will be excluded. If no regulations are made to exclude from the operation of the legislation securities such as the Debt Instruments, this may render unenforceable in Australia provisions of the Debt Instruments conditioned merely on the occurrence of the events giving rise to the 'ipso facto' rights (including the right to declare the Early Termination Amount due and payable) during the period of the "ipso facto" stay. This may include Events of Default (to the extent that an Event of Default gives rise to an "ipso facto" right). Until the regulations have been released, the scope of the stay on the exercise of ipso facto

rights and the exclusions and the effect on any Debt Instruments issued after the commencement date remains uncertain.

## DESCRIPTION OF THE STOCKLAND GROUP

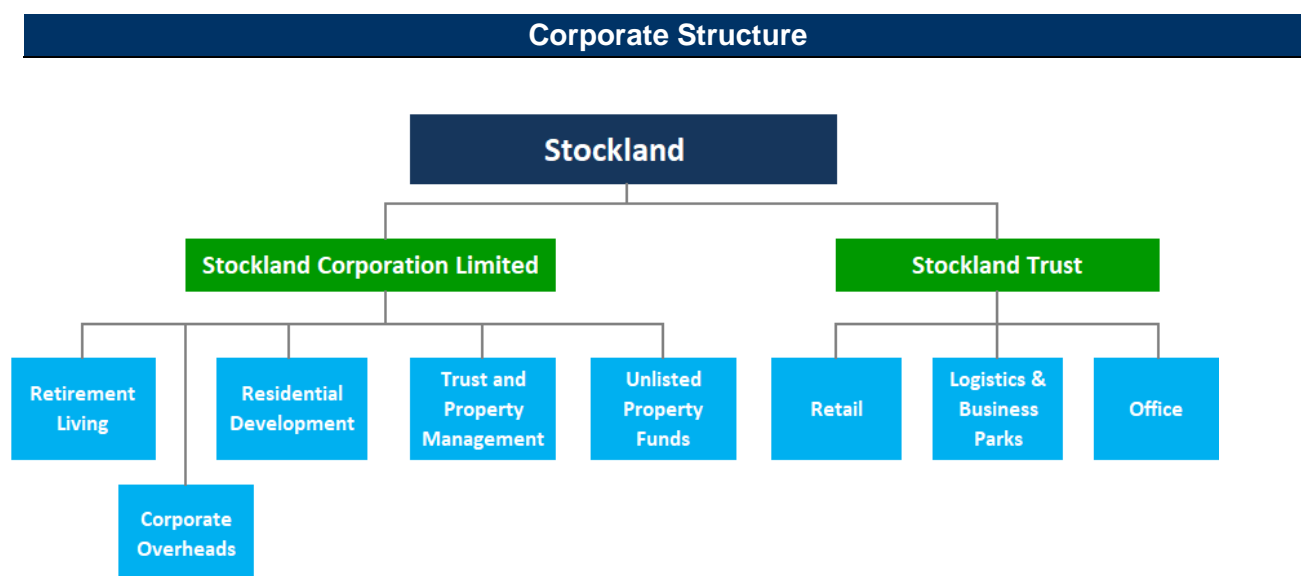
### Overview

Stockland Group (“**Stockland**” or the “**Group**”) comprises a unit trust, Stockland Trust and a company, Stockland Corporation Limited (“**Stockland Corporation**”), together with each of their controlled entities. Stockland, based in Sydney, is one of the leading Australian Real Estate Investment Trust (“**A-REIT**”) groups in Australia. Stockland is one of the largest diversified property trust vehicles listed on the Australian Stock Exchange (“**ASX**”) with an equity market capitalization in excess of A\$10.8 billion as at 31 December 2017. As at the date of this Information Memorandum, Stockland has a senior unsecured debt rating of “A-/Stable” from Standard & Poor’s (“**S&P**”), and has maintained this rating since 2005. In addition, Stockland was assigned a long-term issuer rating of “A3” from Moody’s in August 2017. The Group develops and manages a large portfolio of Residential, Retirement Living, Retail, Logistics & Business Parks and Office assets. As at 31 December 2017, Stockland employed approximately 1,780 people, located in Australia.

Stockland’s history dates back to 1952 when the founders of Stocks and Holdings Limited, Albert Scheinberg and John Hammond, provided finance to a young architect named Ervin Graf and in 1957, the company was listed as a public company – at the time the smallest company on the ASX. In 1980, in a world first for the global real estate sector, Stockland pioneered the development of the stapled security structure when it combined its Trust and Corporation activities into one stapled security, listed as SGP on the ASX. Now, as Stockland, it is among the 50 largest public companies in Australia, and one of Australia’s leading diversified property groups.

As a result of the stapled structure, distributions paid to Stockland security holders are derived from Stockland Trust as a tax preferred arrangement. This structure has significant benefits for Stockland’s security holders, including the alignment of interests between management and Stockland security holders and reducing costs by avoiding leakage of fees to an external manager. The stapled structure also facilitates the tax flow-through of the Trust’s taxable earnings to Stockland security holders, who are taxed on their share of the trust taxable income distributed to them.

Figure 1



## Summary of Operations

**Stockland's business model is aimed at optimising value to the holders of its stapled securities through efficiently undertaking property investment, property management and property development activities to create sustainable risk/reward outcomes**

Stockland segments its businesses into the following three main operating businesses: Commercial Property, Residential Communities and Retirement Living.

The Commercial Property business comprises of Retail, Logistics and Business Park and Office properties with a total value of A\$10.2 billion. As at 31 December 2017, the Commercial Property business comprised of:

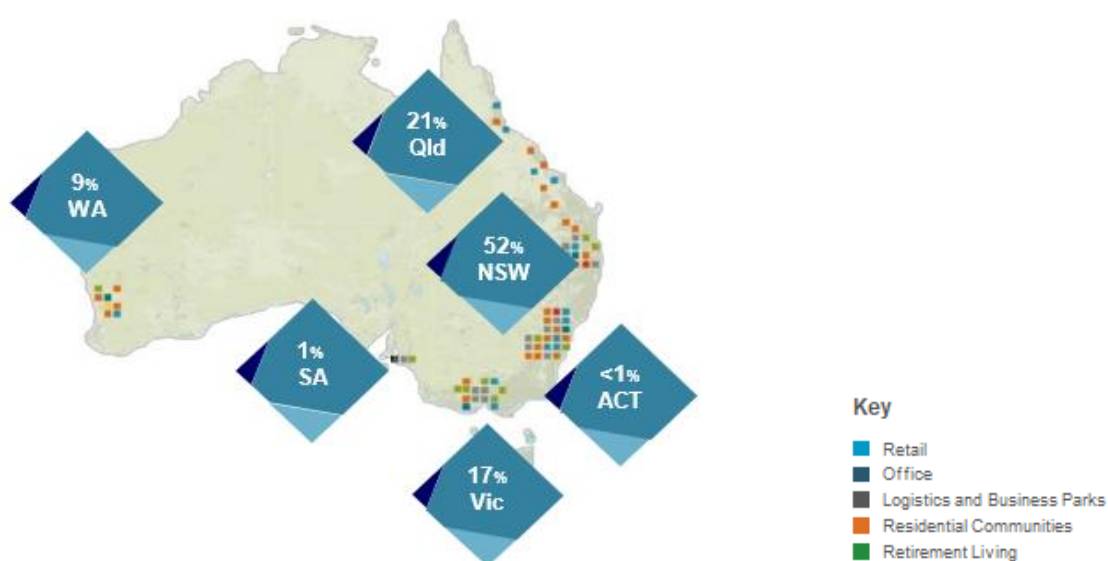
- an investment portfolio of 40 retail centres, valued at A\$7.3 billion with over 3,500 tenants and comprising 1,070,681m<sup>2</sup> of gross lettable area (GLA);
- 27 Logistic and Business Park properties valued at A\$2.1 billion, comprising 1,372,181m<sup>2</sup> of GLA; and
- 8 office buildings valued at A\$0.8 billion, comprising 140,769m<sup>2</sup> of net lettable area ("NLA").

The Residential Communities business currently has 58 projects throughout Australia with an end market value of approximately A\$22.8 billion based on the total revenue generated throughout the life of the projects which are forecast to be between 2 and 30 years subject to market demand.

The Retirement Living business has 65 established villages with over 9,600 established units across five states. Its development pipeline comprises of over 3,100 units forecast over the next 1 to 10 years subject to market demand.

Stockland is well positioned geographically across the country in areas of population density and growth and has a diverse portfolio as shown below:

**Figure 2**



*As at 31 December 2017 (includes Unlisted Property Fund assets)*



## Review of Operations

Below is a detailed description of each of Stockland's businesses: Commercial Property, Residential Communities and Retirement Living:

### Commercial Property

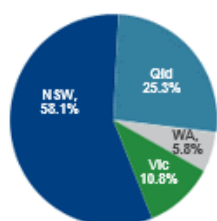
Stockland's Commercial Property portfolio comprises of Retail, Logistics and Business Parks and Office assets of which Retail is the largest component followed by Logistics and Business Parks and then Office making up 71.6%, 20.4% and 8.0%, respectively of the total A\$10.2 billion of Commercial property assets as at 31 December 2017.

The following charts show each of the asset's geographic diversity as at 31 December 2017.

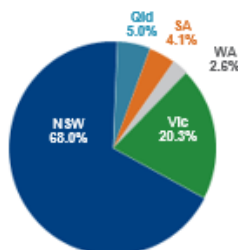
**Figure 3**

#### Commercial Property assets: \$10.2b<sup>1</sup>

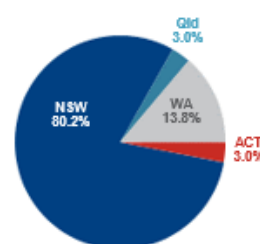
**Retail Town Centres: \$7.3b**  
40 properties<sup>4</sup>  
1,070,681 sqm gross lettable area<sup>2</sup>



**Logistics and Business Parks: \$2.1b**  
27 properties  
1,372,181 sqm gross lettable area<sup>2,3</sup>



**Office: \$0.8b**  
8 properties  
140,769 sqm net lettable area<sup>2</sup>



1. Excludes capital works in progress and sundry properties
2. Represents 100% owned, JV and associates properties
3. Excludes hardstand and vehicle storage
4. Include Stockland's share of retail component of Stockland Piccadilly, 133-145 Castlereagh Street Sydney and 133 King Street Sydney.

The following table contains summary financial information for the Commercial Property business for the financial years ended 30 June 2014, 30 June 2015, 30 June 2016, 30 June 2017 and the half year ended 31 December 2017.

**Figure 4**

Commercial Property Summary Financial					
A\$m	June 2014	June 2015	June 2016	June 2017	Half year to December 2017
Revenue	696	715	797	840	438
EBIT	497	517	525	545	275
Assets <sup>1</sup>	8,392	8,969	9,718	10,260	10,556
Net Lettable Area ("NLA") (000) m <sup>2</sup> – Office	214	213	154	141	141
Gross Lettable Area ("GLA") (000) m <sup>2</sup> – Retail, Logistics & Business Parks	2,187	2,255	2,346	2,387	2,443
Vacancy Rate:					
- Office	9.7%	4.6%	4.6%	8.6%	8.9%
- Retail	0.4%	0.5%	0.7%	0.5%	0.5%
	3.6%	5.7%	5.3%	1.0%	1.2%

- Industrial

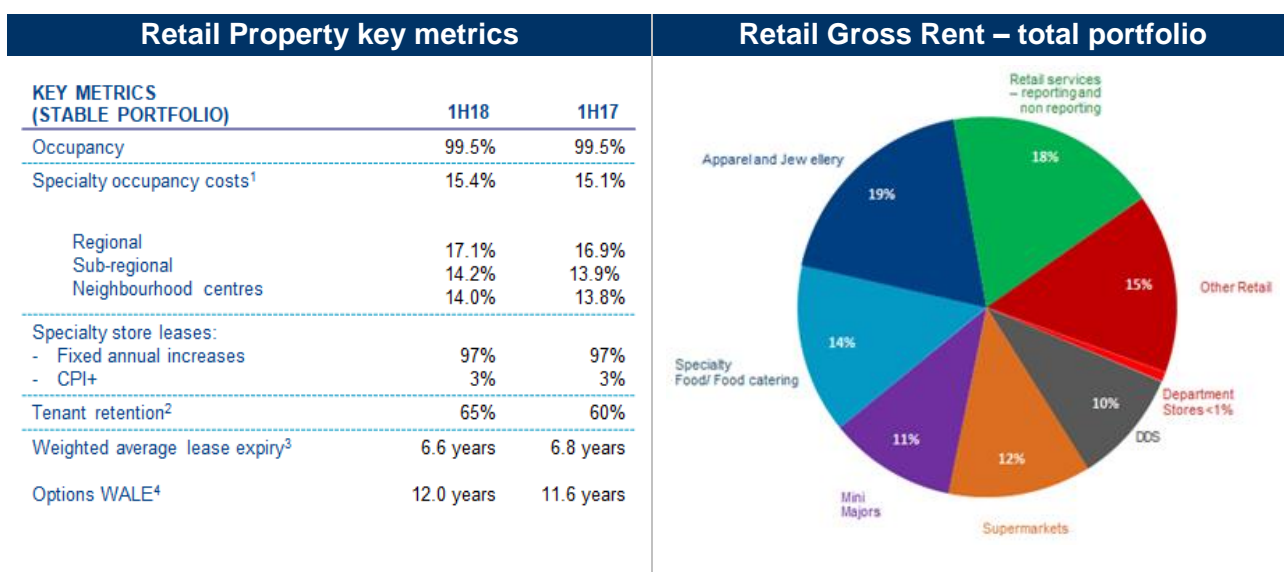
<sup>1</sup> Includes non-current assets held for sale, inventories, investment properties, equity-accounted investments and certain other assets.

## Retail

Stockland is one of the largest retail property owners, developers and managers in Australia with a diverse retail portfolio consisting of A\$7.3 billion across 40 centres.

The following table and chart show the key metrics and retail tenancy diversity as at 31 December 2017.

**Figure 5**



1. Stable portfolio. FY18 basket different to FY17 basket
2. Adjusted for operational centre remixes and reconfiguration as well as retailers subject to administration
3. Assumes all leases terminate at earlier of expiry / option date
4. If all call options are exercised on Majors' leases

Stockland's management team has considerable experience and expertise in maximising performance and enhancing value to retail centre assets.

Stockland has limited exposure to highly discretionary retail categories with 37% of the gross rent underpinned by supermarkets, mini majors and specialty food and 18% of the gross rent underpinned by retail services as at 31 December 2017.

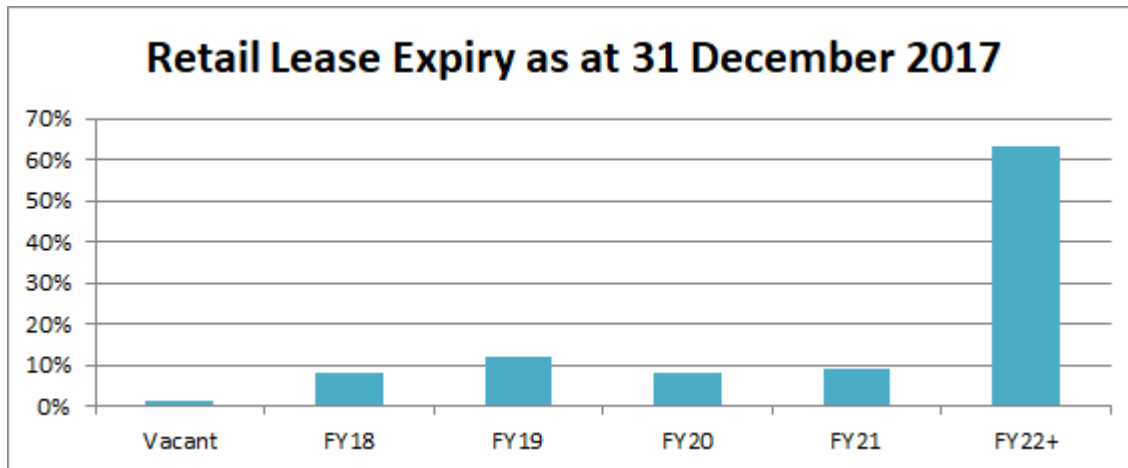
In the half year ended 31 December 2017, Stockland:

- Maintained high occupancy of 99.5% (99.5% in the half year ended 31 December 2016);
- Improved tenant retention to 65% (60% in the half year ended 31 December 2016);
- Executed 138 renewals: annualised rental growth of 2.3%;
- Executed 94 new leases: annualised rental growth of 1.4%;
- 94% of all specialty shop leases on fixed annual increases of 4-5%; and

- Specialty occupancy costs stable at 15.4%.

The following chart show the lease expiry profile of the Retail business as at 31 December 2017:

**Figure 6**



The table below details Stockland's 10 largest retail centres, by book value, as at 31 December 2017.

**Figure 7**

Retail Property Details <sup>1</sup>				
Property	State	Book Value (A\$m)	GLA (m <sup>2</sup> )	% of Retail Centre Portfolio #
Stockland Shellharbour	NSW	775.2	81,897	10.7%
Stockland Wetherill Park	NSW	765.0	71,356	10.6%
Stockland Green Hills	NSW	629.0	72,864	8.7%
Stockland Merrylands	NSW	574.0	59,618	7.9%
Stockland Rockhampton	QLD	433.2	58,134	6.0%
Stockland Glendale	NSW	335.2	55,426	4.6%
Stockland Point Cook	VIC	252.0	43,270	3.5%
Stockland Cairns	QLD	213.3	48,778	3.0%
Stockland Townsville (50%)	QLD	212.3	59,201	2.9%
Stockland Burleigh Heads	QLD	210.1	36,289	2.9%
<b>Total</b>		<b>4,399.3</b>		

<sup>1</sup> For a detailed description of the Retail assets, refer to Stockland's Property Portfolio December 2017 located on Stockland's website. (<http://www.stockland.com.au/investor-centre>).

# As percentage of total Retail Portfolio of \$7,229m (excluding Stockland's share of retail component of Stockland Piccadilly, 133-145 Castlereagh Street Sydney and 133 King Street Sydney)

The table below details Stockland's top 20 tenants by income within the Retail portfolio as at 31 December 2017:

**Figure 8**

RETAIL PORTFOLIO		
RANK	TENANT	% PORTFOLIO
1	Wesfarmers Ltd	11.8%
2	Woolworths Limited	10.4%
3	Priceline Pty Limited	1.5%
4	Commonwealth Bank of Australia	1.4%
5	Prouds Jewellers Pty Ltd	1.3%
6	Westpac Banking Corporation	1.3%
7	The Reject Shop Limited	1.2%
8	Just Group Limited	1.2%
9	Noni B Group	1.2%
10	H&M Hennes & Mauritz Pty Ltd	1.2%
11	Specialty Fashion Group Limited	1.2%
12	Best & Less Pty Ltd	1.0%
13	ANZ Banking Group Ltd	0.8%
14	Luxottica Retail Australia Pty Ltd	0.8%
15	Aldi Foods Pty Limited	0.8%
16	Myer Pty Ltd	0.8%
17	National Australia Bank Limited	0.8%
18	Cotton On Clothing Pty Ltd	0.7%
19	Terry White Chemists Ltd	0.7%
20	Specsavers Pty Ltd	0.6%
TOTAL TOP 20 TENNANTS:		40.7%

### ***Logistics and Business Parks***

As at 31 December 2017, Stockland's Logistics and Business Parks business owns and manages 27 properties, valued at A\$2.1 billion.

The portfolio is concentrated on Australia's eastern seaboard.

#### **For the Logistics and Business Park business, as at half year ended 31 December 2017:**

- Occupancy of 98.8% (96.1% as at 31 December 2016); and
- WALE at 4.2 yrs. (4.6 yrs. as at 31 December 2016).

### ***Office***

As at 31 December 2017, Stockland's Office business owns and manages 8 properties, valued at A\$0.8 billion.

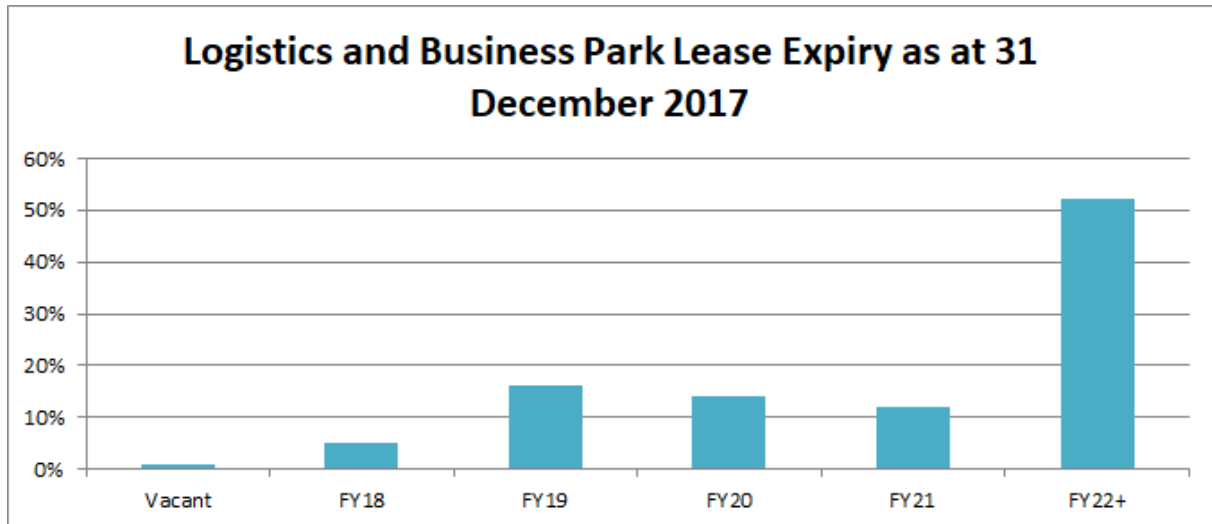
The portfolio is concentrated on Australia's eastern seaboard.

#### **For the Office business, as at half year ended 31 December 2017:**

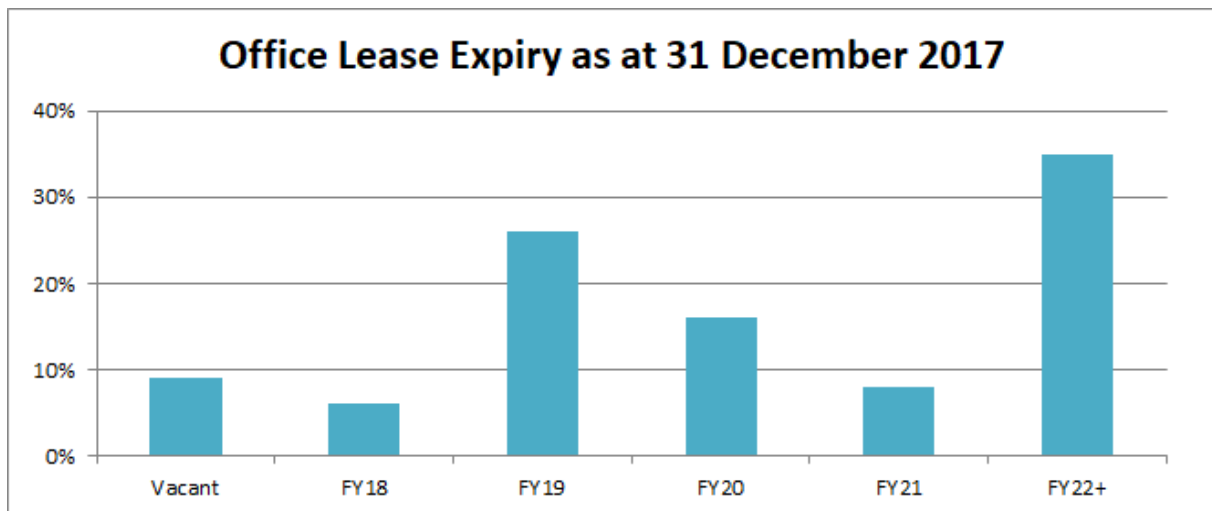
- Occupancy was 91.1% (93.5% as at 31 December 2016); and
- WALE at 3.3 yrs. (3.7 yrs. as at 31 December 2016).

The following charts show the lease expiry profile of the Logistics and Business Parks (Figure 9) and Office (Figure 10) businesses as at 31 December 2017:

**Figure 9**



**Figure 10**



The table below details Stockland's Logistics and Business Park properties, by book value, as at 31 December 2017:

**Figure 11**

Logistics and Business Parks Property Details				
Property	State	Book value (A\$m)**	GLA / NLA (m <sup>2</sup> )*	% of L&BP Portfolio
<b>Logistics</b>				
Yennora Distribution Centre	NSW	400.0	288,316	19.2%

Ingleburn Logistics Park###	NSW	104.3	35,733	5.0%
Hendra Distribution Centre, Brisbane	Qld	93.9	83,807	4.5%
Brooklyn Distribution Centre	Vic	87.5	130,034	4.2%
Port Adelaide Distribution Centre	SA	85.0	167,486	4.1%
Forrester Distribution Centre, St Marys	NSW	81.6	60,239	3.9%
Granville Industrial Estate	NSW	61.7	48,338	2.9%
Oakleigh Industrial Estate, Oakleigh South###	Vic	61.5	45,490	2.9%
Balcatta Distribution Centre	WA	54.2^^	26,392	2.6%
Altona Distribution Centre	Vic	52.9	52,448	2.5%
Somerton Distribution Centre, Somerton	Vic	52.7	71,313	2.5%
23 Wonderland Drive, Eastern Creek	NSW	37.3	23,159	1.8%
Altona Industrial Estate	Vic	36.4	34,264	1.7%
72-76 Cherry Lane, Laverton North	Vic	31.5	20,500	1.5%
Smeg Distribution Centre, Botany	NSW	28.2	9,492	1.3%
Wetherill Park Distribution Centre	NSW	26.1	16,163	1.2%
89 Quarry Road, Erskine Park	NSW	22.6	11,725	1.1%
Coopers Paddock, Warwick Farm###	NSW	18.8	51,015^^	0.9%
40 Scanlon Drive, Epping	Vic	9.6	9,371	0.5%
Export Distribution Centre, Brisbane Airport	Qld	5.9	8,468	0.3%
<b>Logistics Development Land#</b>				
Yatala Distribution Centre	Qld	5.8	46,242^	0.3%
<b>Business Parks</b>				
Optus Centre, Macquarie Park##	NSW	227.0	84,194	10.9%
Trinita Business Park, North Ryde	NSW	198.0^^	27,844	9.5%
60-66 Waterloo Road, Macquarie Park	NSW	107.5	18,314	5.1%
Mulgrave Corporate Park	Vic	93.0	21,043	4.4%
Macquarie Technology Business Park, Macquarie Park	NSW	56.7	15,349	2.7%
16 Giffnock Avenue, Macquarie Park	NSW	51.3	11,684	2.5%
<b>Total</b>		<b>2,090.9</b>		

\* Excludes hardstand and vehicle storage and reflects 100% interest. NLA refers to Business Parks only.

\*\* Represents the full carrying value of the investment property.

# Excluding 22 hectares of development land in Willawong, Queensland, valued at A\$10 million. Title and ownership to be transferred from Stockland Corporation on subdivision.

## Book value represents Stockland's 51% ownership interest.

### Asset under development.

^ Estimated GLA on completion, not included in total GLA.

^^ Includes development land value.

^^^ Site under construction. 33,278 m<sup>2</sup> has been pre-leased to Daikin Australia Pty Ltd on a 10 year term.

The table below details Stockland's Office properties, by book value, as at 31 December 2017:

**Figure 12**

Office Property Details				
Property	State	Book Value (A\$m)#	NLA (m <sup>2</sup> )	% of Office Portfolio
Piccadilly Complex, 133-145 Castlereagh Street, Sydney^**##	NSW	258.0	39,244	28.5%
135 King Street, Sydney^**	NSW	255.1	27,221	28.2%
Durack Centre, 263 Adelaide Terrace and 2 Victoria Ave, Perth	WA	113.2	25,182	12.5%
601 Pacific Highway, St Leonards	NSW	103.5	12,589	11.4%
77 Pacific Highway, North Sydney	NSW	91.0	9,392	10.0%

110 Walker Street, North Sydney	NSW	36.2	4,382	4.0%
40 Cameron Avenue, Belconnen	ACT	24.4	14,872	2.7%
80-88 Jephson Street, 23 and 27-29 High Street, Toowong	Qld	24.4	7,887	2.7%
		<b>905.8</b>		
Exclude retail component in Piccadilly Complex and 135 King Street Sydney and include revaluation relating to owner-occupied area classified as property, plant and equipment		88.9		
<b>Total</b>		<b>816.9</b>		

\*\* Book value represents Stockland's 50% ownership interest.

# Represents the full carrying value of the investment property.

## The book value excludes the revaluation relating to the area occupied by Stockland. This owner-occupied area is classified as property, plant and equipment and is recognised at historical cost.

^ Book value includes the retail component of the property. NLA is for office component only.

The table below details Stockland's top 20 tenants by income across the Logistics and Business Park and Office portfolios as at 31 December 2017:

**Figure 13**

LOGISTICS & BUSINESS PARKS PORTFOLIO			OFFICE PORTFOLIO	
RANK	TENANT	% PORTFOLIO	TENANT	% PORTFOLIO
1	Optus Administration Pty Ltd	8.4%	Jacobs Group	7.2%
2	ACI Operations Pty Ltd	6.5%	Stockland Development Pty Ltd	6.7%
3	Toll Holdings Ltd	5.6%	IBM Australia Ltd	6.7%
4	AWH (Australian Wool Handlers) Pty Ltd	3.2%	Hewlett Packard Pty Ltd	3.4%
5	Qube Holdings Ltd (Qube Logistics)	3.0%	Australian Bureau of Statistics	3.1%
6	Kmart Australia Pty Ltd	2.9%	Brookfield Multiplex Ltd	2.6%
7	Downer EDI Ltd	2.7%	Russell Investment Group Pty Ltd	2.2%
8	Daikin Australia Pty Ltd	2.3%	UXC Ltd	2.1%
9	Brownes Foods Operations Pty Ltd	2.1%	Government Property NSW	2.1%
10	Icehouse Logistics Pty Ltd	1.7%	The University of Sydney	2.0%
11	Idameneo Ltd (Lavery Pathology)	1.7%	The Uniting Church of Australia Property Trust	2.0%
12	Austpac Pty Ltd	1.7%	GHD Services Pty Ltd	1.9%
13	Automotive Holdings Group Limited	1.6%	Smartsalary Pty Ltd	1.6%
14	CSR Ltd	1.4%	Minister for Works	1.5%
15	Chubb Security Holdings Australia Pty Ltd	1.4%	Optus Administration Pty Ltd	1.5%
16	Citrix Systems Asia Pacific Pty Ltd	1.2%	Fleet Partners Pty Ltd	1.5%
17	New Aim Pty Ltd	1.2%	Linkforce Hire Pty Ltd	1.5%
18	Specialty Packaging Group Pty Ltd	1.2%	National Health Call Centre Network	1.4%
19	Janssen Cilag Pty Ltd	1.1%	Moore Stephens International Ltd	1.3%
20	Boral Constructions Materials Ltd	1.1%	Rice Daubney	1.3%
<b>TOTAL TOP 20 TENNANTS</b>		<b>52.0%</b>	<b>TOTAL TOP 20 TENNANTS</b>	<b>53.6%</b>

For a detailed description of the business' assets, refer to Stockland's Property Portfolio December 2017 located on the Stockland's website. (<http://www.stockland.com.au/investor-centre>).

## Residential

### *Residential Communities*

Stockland is the largest residential developer in Australia and is focused on delivering a range of master planned communities and medium density housing in growth areas across the country.

The Residential Communities business specialises in the development of master planned and integrated community based projects. It actively participates in the New South Wales, Queensland, Victorian and Western Australian markets. As at 31 December 2017, Stockland had 58 projects located in strategic residential growth areas that represent 85,000 residential allotments for future development, with an end market value of approximately of A\$22.8 billion based on the total revenue generated throughout the life of the projects which are forecast to be between 2 and 30 years subject to market demand.

The table below provides summary financial information for the Residential Communities division for the financial years ended 30 June 2014, 30 June 2015, 30 June 2016, 30 June 2017 and the half year ended 31 December 2017.

**Figure 14**

Residential Communities Summary Financial					
A\$ m	June 2014	June 2015	June 2016	June 2017	Half year to December 2017
Revenue	1,040	1,239	1,487	1,773	873
EBIT	244	290	354	412	232
Assets	2,460	2,672	2,668	2,588	3,449
# Lots in pipeline	81,500	80,900	76,800	80,400	85,000
# Lots settled	5,219	5,876	6,135	6,604	3,210

The table below provides geographical lot inventory breakdown by state and the major active projects for the Residential Communities business as at 31 December 2017.



**Figure 15**

STATE	PROJECT	STATE PERCENTAGE	APPROXIMATE LOT SALES PER ANNUM <sup>1</sup>	APPROX. REMAINING PROJECT LOTS
Qld	North Shore		80	3,650
	Aura		590	18,840 <sup>#</sup>
	Newport		300	1,460
	Pallara		190	410
	All Other Projects			9,260 <sup>#</sup>
	<b>Sub-total</b>	<b>39.5%</b>		<b>33,620</b>
Vic	Highlands		670	4,860 <sup>#</sup>
	Cloverton		350	10,760 <sup>#</sup>
	The Grove		250	1,800
	Orion (Braybrook) <sup>2</sup>		210	420 <sup>#</sup>
	Waterlea (Stamford Park) <sup>2</sup>		90	190 <sup>#</sup>
	<b>Sub-total</b>	<b>32.3%</b>		<b>27,440</b>
WA	Newhaven <sup>3</sup>		120	160
	Vale		300	1,190 <sup>#</sup>
	Sienna Wood		120	3,070
	Calleya		220	860 <sup>#</sup>
	All Other Projects			7,030 <sup>#</sup>
	<b>Sub-total</b>	<b>14.5%</b>		<b>12,310</b>
NSW	Willowdale		490	1,660 <sup>#</sup>
	Elara		740	4,880 <sup>#</sup>
	Altrove		100	1,020 <sup>#</sup>
	All Other Projects			4,070 <sup>#</sup>
	<b>Sub-total</b>	<b>13.7%</b>		<b>11,630</b>
	<b>Total</b>	<b>100.0%</b>		<b>85,000</b>

# Dwellings

1. Average number of lots estimated for three years for FY18 - FY20
2. Average number of dwellings estimated for FY20 - FY21
3. Average number of lots estimated for two years for FY18 - FY19

## Retirement Living

Stockland is a top three retirement living operator within Australia, with over 9,600 established units across five states (New South Wales, Victoria, South Australia, Western Australia and Queensland) and the Australian Capital Territory. Its portfolio includes a short to medium term development pipeline of over 3,100 units.

Stockland specialises in designing, developing and managing vibrant lifestyle communities for retirees and remains focused on being a preferred operator and developer of Retirement Living villages. Stockland is further extending its reputation for quality villages and broadening its customer reach by providing customers with contract choice with its new communities for over 55s, called “Aspire”.

The business has a clear strategy to continue to improve its return on assets by:

- (1) Differentiating the customer experience through access to a range of resident care and other services;
- (2) Actively managing the portfolio; and
- (3) Growing development volumes.

The following table contains summary of non-financial statistics for the Retirement Living portfolio as at financial years ended 30 June 2014, 30 June 2015, 30 June 2016, 30 June 2017 and half year ended 31 December 2017.

**Figure 16**

Retirement Living Portfolio Statistics					
	June 2014	June 2015	June 2016	June 2017	Half year to December 2017
Established villages	63	69	70	65	65
Established units	8,298	9,343	9,616	9,610	9,653
Established units settlements	647	663	716	731	272
Units removed for redevelopment/alternate use	51	24	24	88	23
Turnover rate excluding developments	8.90%	8.60%	8.20%	8.50%	8.20%
Turnover rate total portfolio	8.00%	7.60%	7.70%	7.60%	7.10%
Average age of resident on entry (years)	73.8	73.7	73.5	73.5	73.5
Average age of current residents (years)	80.8	80.7	80.6	80.6	80.7
Average tenure on exited residents (years)	8.8	9.0	9.2	9.1	9.8
Average village age (years)	20.9	22.7	23.3	24.0	24.5
Development pipeline (units)	3,396	3,440	3,165	2,970	3,175

The following table contains financial summary statistics for the Retirement Living portfolio as at financial years ended 30 June 2014, 30 June 2015, 30 June 2016, 30 June 2017 and half year ended 31 December 2017.

**Figure 17**

Retirement Living Summary Financial					
A\$ m	June 2014	June 2015	June 2016	June 2017	Half year to December 2017
Revenue	59	73	75	82	34
EBIT	45	54	64	69	18
Assets	2,956	3,429	3,680	3,942	4,164
# Units	8,298	9,343	9,616	9,610	9,653

### Unlisted Funds

The Stockland Unlisted Property Funds business (“UPF”) was established in 2004 to provide investors with direct property access to a range of unlisted investment opportunities.

Four of the five funds established by UPF have been wound up pursuant to the respective constitutions of the funds. Stockland continues to manage the remaining fund, Stockland Direct Retail Trust No.1 (SDRT1), which had an aggregate gross asset value of A\$90.3m at 31 December 2017.

**Figure 18**

Unlisted Property Funds - Summary				
Fund	Type of Fund	Funds under management (A\$m)	Establishment date	Expiry/Review date
Stockland Direct Retail Trust No. 1 (SDRT1)	Retail	90.3 <sup>1</sup>	Dec 2006	Jun 2019

<sup>1</sup> Represents gross assets

Stockland Capital Partners Limited (SCPL), a 100% owned subsidiary of Stockland, is the responsible entity for SDRT1. The Board of SCPL is separate from the Board of Stockland.

## **Company Strategy**

Stockland's strategy has three focus areas:

1. Growing its asset returns and customer base - driving returns in core businesses by implementing business unit strategies including:
  - Creating liveable, affordable and sustainable communities;
  - Developing and managing resilient retail town centres, logistics and business parks and office assets;
  - Ensuring active asset management and portfolio optimization; and
  - Undertaking accretive development.
2. Capital strength - actively managing the Group's balance sheet to maintain the Group's A-/A3 credit rating from Standard & Poor's and Moody's by remaining within the Group's stated gearing target range of 20-30% and other credit metrics required by the rating agencies. In addition, the Group is committed to maintaining a balanced and diverse range of funding sources and strong operating cash flows to support the business growth strategy and capital management strategies.
3. Operational excellence - improving the way Stockland operates across the Group to drive efficiencies and effectiveness by:
  - Continuously improving customer experience;
  - Maintaining sustainability leadership; and
  - Digitising its business.

Stockland leverages its strong asset mix by taking an integrated approach, allocating capital across the portfolio for optimal returns, ensuring business is undertaken with a customer focus, and collaborating across business units to utilise systems, skills and knowledge to deliver strong business and community outcomes.

## **Overall**

Stockland's strategic objectives are to:

- Target majority of its earnings (70 – 80%) through the cycle from rental returns on its investment properties and deferred management fees, and the balance (20 – 30%) from development profits;
- Recycle underperforming capital to drive earnings growth;
- Maintain gearing within a target gearing range of 20%–30%; and
- Maintain the Group's A-/A3 S&P and Moody's credit rating.

Stockland differentiates itself from its competitors through the creation of vibrant and liveable communities that leverage this integrated model. This involves developing trusted partnerships with government and other external stakeholders to deliver early social infrastructure such as shopping centres, education facilities, transport and employment.

## **Retail**

In its Retail business, Stockland's objective is to own, manage & develop leading community centres in locations around which there are strong primary and secondary trade areas which support visitations to these centres.

This is done by:

- Focussing on growth in major capital cities and other relevant growth corridors, primarily through its master planned communities;
- Improving quality through development, redevelopment and capital recycling;
- growing its high-performing shopping centres through redevelopment, active remixing and acquiring logistics and business park assets to grow its portfolio;
- Continuing to meet the specific needs of each community with a strong focus on food, experience and services;
- Attracting new retailers and leverage relationships across our portfolio; and
- Maintaining high tenant satisfaction and sustainable occupancy costs

Stockland currently has a A\$1.1 billion retail pipeline which includes A\$537 million projects under construction. Stockland differentiates its retail centres by creating community hubs and attracting tenants and customers through the provision of value and convenience. It has a large portion of its shopping centres in key regional centres, where the centre as a destination is particularly attractive.

### **Logistics and Business Parks**

In its Logistics and Business Parks business, Stockland's objective is to create a market leading L&BP portfolio and become a scale player in this market.

This is done by:

- leveraging its existing development and asset management skills and tenant retention;
- a combination of development, redevelopment and selective acquisitions to grow L&BP assets towards 20% of our total portfolio;
- leveraging its strong tenant relationships to develop logistics and warehousing facilities.

### **Office**

In its Office business, Stockland's objective is to maintain a tactical exposure in office through the cycle, maintaining returns through high occupancy and WALE, divesting where optimal to do so or redeveloping assets into higher and better uses.

### **Residential**

In its Residential Communities business, Stockland's objective is to create affordable, high quality residential communities.

This is done by:

- Focusing on large scale greenfield projects with speed to market;
- Targeting high-growth corridors for improved market reach;
- Continued focus on customer, product and community to drive competitive advantage;
- Enhance customer experience;
- Leveraging its integrated strategy to deliver better community amenity; and
- Broadening its customer reach by further expansion of medium density, completed homes and apartments.

Housing affordability continues to be a major challenge in Australia and Stockland is addressing this issue and creating value by delivering more affordable product in the form of reduced lot sizes. Product innovation plus the delivery of early key community amenities, including open space and social infrastructure, help differentiate Stockland projects and build the value of the Stockland brand.

## **Retirement Living**

The Retirement Living business is well-placed to capitalise on the ageing demographic. Demand for new developments over the next 20 years is expected to grow significantly, which the industry will struggle to meet at present. There is a major opportunity for Stockland to grow and become a market leader in this industry.

This is done by:

- converting high enquiry to more sales; and
- rolling out new contract choices.

## **Capital Management**

### ***Debt Financing***

As at 31 December 2017, Stockland's available debt facilities total A\$4,187 million of which A\$3,767 million were drawn. Stockland's balance sheet and liquidity position are strong with gearing (net debt to total tangible assets – net of cash) of 23.0% which is within Stockland's target range of 20% - 30%.

Stockland enters into derivatives to help mitigate the exposure to interest rates risk under its Treasury Policy, approved by the Board of Directors. The policy targets a fixed hedge rate profile of 45% to 55% in the first five years and stepping down in subsequent years. Stockland's strategy is to hedge to provide reasonable certainty as to its interest cost whilst retaining some flexibility to benefit from a falling rate environment. Under the current lower interest rate environment, Stockland maintains its fixed hedge ratio between 90-100% to provide a low, predictable fixed cost of debt for as long as possible. Stockland also fully hedges its currency risk by converting all foreign currency borrowings into Australian dollars via cross currency interest rate swaps.

Stockland continues to comply with and maintain significant headroom in relation to its debt covenants.

### ***Distribution Policy***

Stockland's distribution policy is to distribute to its security holders the higher of 100% of Trust taxable income or 75 – 85% of funds from operations.

## **Management**

Please refer to Stockland's website for details of Stockland's Board of Directors and Executive Team (at <http://www.stockland.com.au/investor-centre>).

## **Corporate Governance**

Please refer to Stockland's latest Annual Report for details of Stockland's corporate governance (at <http://www.stockland.com.au/investor-centre>).

The following summary financial data should be read together with the Group's audited and unaudited but reviewed financial statements and related notes incorporated by reference in this Information Memorandum. The summary financial data for the half year ended 31 December 2017 and fiscal year ended 30 June 2017 have been extracted without adjustment from the Group's interim financial statements and have been prepared in accordance with Accounting Standards and audited by PricewaterhouseCoopers.

**Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**Half year ended 31 December 2017**

Half year ended 31 December	Section	Stockland		Trust	
		2017 A\$M	2016 A\$M	2017 A\$M	2016 A\$M
Revenue	B1	1,337	1,169	385	383
Cost of property developments sold:					
• land and development		(595)	(556)	–	–
• capitalised interest		(57)	(76)	–	–
• utilisation of provision for impairment of inventories		24	96	–	–
Investment property expenses		(131)	(123)	(125)	(118)
Share of profits of equity-accounted investments	E1	12	44	12	44
Management, administration, marketing and selling expenses		(142)	(143)	(17)	(20)
Net change in fair value of investment properties:					
• Commercial Property	C1b	130	167	103	132
• Retirement Living	B2c	111	56	–	–
Net change in fair value of Retirement Living resident obligations	B2c	(72)	(37)	–	–
Net gain on other financial assets	D3	26	–	–	–
Net loss on sale of other non-current assets		(2)	(2)	(2)	–
Finance income	D1	6	128	133	262
Finance expense	D1	(37)	(42)	(91)	(96)
<b>Profit before income tax</b>		<b>610</b>	<b>681</b>	<b>398</b>	<b>587</b>
Income tax benefit	B3a	74	21	–	–
<b>Profit for the period</b>		<b>684</b>	<b>702</b>	<b>398</b>	<b>587</b>
<b>Items that are or may be reclassified to profit or loss, net of tax</b>					
Available for sale financial assets – net change in fair value	D3a	2	64	–	–
Available for sale financial assets – reclassified to profit or loss	D3a	(17)	–	–	–
Cash flow hedges – net change in fair value of effective portion		6	(10)	6	(10)
Cash flow hedges – reclassified to profit or loss		(1)	(1)	(1)	(1)
<b>Other comprehensive income, net of tax</b>		<b>(10)</b>	<b>53</b>	<b>5</b>	<b>(11)</b>
<b>Total comprehensive income for the period</b>		<b>674</b>	<b>755</b>	<b>403</b>	<b>576</b>
Basic earnings per security (cents)	F1	28.3	29.3	16.4	24.5
Diluted earnings per security (cents)	F1	28.2	29.2	16.4	24.4



**Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**Year ended 30 June 2017**

Year ended 30 June	Section	Stockland		Stockland Trust Group	
		2017 A\$M	2016 A\$M	2017 A\$M	2016 A\$M
Revenue	B1	2,744	2,328	762	737
Cost of property developments sold:					
• Land and development		(1,292)	(1,049)	–	–
• Capitalised interest		(142)	(124)	–	–
• Utilisation of inventory impairment provision		103	67	–	–
Net write-back of inventory impairment provision	C1a	3	–	–	–
Investment property expenses		(248)	(239)	(237)	(230)
Share of profits of equity-accounted investments	E1	84	90	84	90
Management, administration, marketing and selling expenses		(304)	(271)	(39)	(27)
Net change in fair value of investment properties:					
• Commercial Property	C1b	209	373	184	329
• Retirement Living	B2c	87	71	–	–
Net change in fair value of Retirement Living resident obligations	B2c	(82)	(85)	–	–
Net gain on other financial assets	D4	1	4	1	6
Net (loss)/gain on sale of other non-current assets		(1)	(2)	1	(2)
Finance income	D1	122	8	391	294
Finance expense	D1	(83)	(252)	(192)	(365)
<b>Profit before income tax</b>		<b>1,201</b>	<b>919</b>	<b>955</b>	<b>832</b>
Income tax expense	B3a	(6)	(30)	–	–
<b>Profit for the year</b>		<b>1,195</b>	<b>889</b>	<b>955</b>	<b>832</b>
<b>Items that are or may be reclassified to profit or loss, net of tax</b>					
Available for sale financial assets – net change in fair value	D4	66	7	–	–
Available for sale financial assets – reclassified to profit or loss	D4	(71)	–	–	–
Cash flow hedges – net change in fair value of effective portion		(21)	23	(21)	23
Cash flow hedges – reclassified to profit or loss		(4)	4	(4)	4
<b>Other comprehensive (loss)/income, net of tax</b>		<b>(30)</b>	<b>34</b>	<b>(25)</b>	<b>27</b>
<b>Total comprehensive income for the year</b>		<b>1,165</b>	<b>923</b>	<b>930</b>	<b>859</b>
Basic earnings per security (cents)	F2	49.8	37.4	39.8	35.0
Diluted earnings per security (cents)	F2	49.6	37.3	39.6	35.0

**Consolidated Balance Sheets**  
**As at 31 December 2017**

Section	Stockland		Trust	
	31 December 2017 A\$M	30 June 2017 A\$M	31 December 2017 A\$M	30 June 2017 A\$M
<b>Current assets</b>				
Cash and cash equivalents	174	238	81	117
Trade and other receivables	87	139	23	22
Inventories C1a	887	756	–	–
Other financial assets D3, D4	–	23	–	–
Other assets	113	96	87	71
	<b>1,261</b>	<b>1,252</b>	<b>191</b>	<b>210</b>
Non-current assets held for sale C1d	–	71	–	69
<b>Total current assets</b>	<b>1,261</b>	<b>1,323</b>	<b>191</b>	<b>279</b>
<b>Non-current assets</b>				
Trade and other receivables	80	83	3,445	3,252
Inventories C1a	2,507	1,725	–	–
Investment properties – Commercial Property C1b	9,647	9,285	9,537	9,186
Investment properties – Retirement Living C1c	4,031	3,824	–	–
Equity-accounted investments E1	570	574	552	556
Other financial assets D3, D4	260	286	251	278
Property, plant and equipment	53	51	–	–
Intangible assets	174	156	–	–
Deferred tax assets B3b	102	22	–	–
Other assets	182	166	184	170
<b>Total non-current assets</b>	<b>17,606</b>	<b>16,172</b>	<b>13,969</b>	<b>13,442</b>
<b>Total assets</b>	<b>18,867</b>	<b>17,495</b>	<b>14,160</b>	<b>13,721</b>
<b>Current liabilities</b>				
Trade and other payables	572	585	425	410
Interest-bearing loans and borrowings D2	442	267	442	267
Retirement Living resident obligations C1c	2,518	2,444	–	–
Development provisions	487	319	–	–
Other financial liabilities D4	81	38	81	38
Other liabilities	130	125	66	54
<b>Total current liabilities</b>	<b>4,230</b>	<b>3,778</b>	<b>1,014</b>	<b>769</b>
<b>Non-current liabilities</b>				
Trade and other payables	201	10	–	–
Interest-bearing loans and borrowings D2	3,352	3,262	3,352	3,262
Retirement Living resident obligations C1c	175	185	–	–
Development provisions	375	109	–	–
Other financial liabilities D4	167	203	167	203
Other liabilities	27	21	–	–
<b>Total non-current liabilities</b>	<b>4,297</b>	<b>3,790</b>	<b>3,519</b>	<b>3,465</b>
<b>Total liabilities</b>	<b>8,527</b>	<b>7,568</b>	<b>4,533</b>	<b>4,234</b>
<b>Net assets</b>	<b>10,340</b>	<b>9,927</b>	<b>9,627</b>	<b>9,487</b>
<b>Securityholders' equity</b>				

	Section	Stockland		Trust	
		31 December 2017 A\$M	30 June 2017 A\$M	31 December 2017 A\$M	30 June 2017 A\$M
Issued capital	D5	8,849	8,790	7,537	7,480
Reserves		79	93	76	75
Retained earnings/undistributed income		1,412	1,044	2,014	1,932
<b>Total securityholders' equity</b>		<b>10,340</b>	<b>9,927</b>	<b>9,627</b>	<b>9,487</b>

*Source: Stockland Interim Financial Report 2018*

## TERMS AND CONDITIONS OF THE DEBT INSTRUMENTS

*The following are the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Debt Instrument in definitive bearer form, or incorporated by reference in or otherwise apply to each Debt Instrument in registered form, issued under the Programme. The terms and conditions applicable to any notes in global form will differ from those terms and conditions which would apply to the Debt Instrument were it in definitive form as provided for below.*

### Part 1 Introduction

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#### 1 Introduction

##### 1.1 Programme

The Issuers have established a debt issuance programme for the issuance of up to euro 2 billion (or equivalent in other currencies) in aggregate principal amount of MTNs, TLCs, Loan Notes or other forms of debt obligations. This limit may be increased from time to time in accordance with the terms of the Programme Agreement.

TLCs and Loan Notes represent a loan made to the Issuer on these Conditions.

##### 1.2 Pricing Supplement

Debt Instruments issued under the Programme are issued in Series. Each Series may comprise one or more Tranches having one or more issue dates and on terms otherwise identical (other than in respect of the first payment of interest). Each Tranche is the subject of the Pricing Supplement which supplements, amends or replaces these Conditions. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement prevails.

All subsequent references in these Conditions to “Debt Instruments” are to the Debt Instruments which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for inspection by Holders during normal business hours at the Specified Office of each Issuer, each Guarantor or any Agent for the relevant Debt Instruments.

##### 1.3 Interpretation

Defined terms and interpretation provisions are set out in Condition 32 (“Interpretation”).

### Part 2 Form, Denomination and Title

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#### 2 Form

##### 2.1 Bearer or registered

The Debt Instruments are issued as Bearer Debt Instruments or Registered Debt Instruments as specified in the applicable Pricing Supplement.

## **2.2 Definitive Bearer Debt Instruments**

Definitive Bearer Debt Instruments are serially numbered and (other than in the case of Zero Coupon Debt Instruments) are issued:

- (a) with Coupons attached;
- (b) if specified in the relevant Pricing Supplement, with Talons for further Coupons attached; and
- (c) if repayable in instalments, with Receipts for the payment of the instalments of principal (other than the final instalment) attached.

## **2.3 Registered Debt Instruments and Global Debt Instruments**

Registered Debt Instruments are constituted by, and owing under, the Debt Instrument Deed Poll, the Second Deed Poll or the Third Deed Poll (as applicable).

Registered Debt Instruments and Global Debt Instruments do not have Coupons, Talons or Receipts attached on issue.

## **2.4 Zero Coupon Debt Instruments**

In these Conditions in relation to Zero Coupon Debt Instruments, references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons are not applicable.

## **2.5 Exchange of Bearer Debt Instruments and Registered Debt Instruments not permitted**

Bearer Debt Instruments may not be exchanged for Registered Debt Instruments and *vice versa*.

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# **3 Denomination**

The Debt Instruments may be issued (in the case of Bearer Debt Instruments) in one or more Specified Denominations and (in the case of Registered Debt Instruments) must be issued in a single Specified Denomination.

Debt Instruments of one Specified Denomination may not be exchanged for Debt Instruments of another Specified Denomination.

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# **4 Currency**

The Debt Instruments may be denominated in any Specified Currency, subject to compliance with all applicable legal, regulatory and central bank requirements.

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## **5 Status and Guarantee**

### **5.1 Status of the Debt Instruments**

The payment obligations of the Issuer under the Debt Instruments constitute direct, unsubordinated and unsecured obligations of the Issuer.

### **5.2 Ranking of Debt Instruments**

The Debt Instruments rank equally among themselves and at least equally with all other present and future, unsecured and unsubordinated obligations of the Issuer, except for liabilities mandatorily preferred by law.

### **5.3 The Guarantors**

The Debt Instruments are issued with the benefit of the Guarantee Deed Poll pursuant to which the Guarantors have on a joint and several basis:

- (a) irrevocably and unconditionally guaranteed the due payment of all sums expressed to be payable by the Issuer under the Debt Instrument Deed Poll, Second Deed Poll or Third Deed Poll (as applicable), the Conditions, the Debt Instruments, the Receipts and the Coupons on demand by the Holder; and
- (b) agreed to comply with these Conditions insofar as they apply to each Guarantor.

The obligations of each Guarantor under the Guarantee Deed Poll constitute direct, unsubordinated and unsecured obligations of the relevant Guarantor which rank at least equally with all other present and future unsecured and unsubordinated obligations of the relevant Guarantor, except liabilities mandatorily preferred by law.

### **5.4 Limited Recourse**

The Guarantee Deed Poll provides that any liability of Stockland Trust Management Limited (ABN 86 001 900 741) in its capacity as responsible entity of the Stockland Trust (ARSN 092 897 348) (STML) arising in connection with the Guarantee Deed Poll (including, without limitation, STML's agreement to comply with these Conditions insofar as they apply to STML) is limited to the extent that STML is able to be indemnified for that liability out of the Assets of the Stockland Trust under the Constitution of the Stockland Trust. Each Holder is deemed to have acknowledged and agreed that it may enforce its rights against STML with respect to the non-observance of STML's Obligations only to the extent necessary to enforce the Holder's rights, powers and remedies against STML in respect of the Assets of the Stockland Trust.

However, despite anything in the Guarantee Deed Poll or this Condition, STML is personally liable in its corporate capacity to the extent that a liability under the Guarantee Deed Poll arises out of STML's own fraud, gross negligence, wilful default, breach of trust or breach of duty which disentitles it from an indemnity out of the Assets of the Stockland Trust in relation to the relevant liability.

For the purpose of this Condition:

“**Assets**” includes all assets, property and rights of personal or any nature whatsoever.

“**Obligations**” means all obligations and liabilities of whatsoever kind, undertaken or incurred by the Issuer under or in respect of the Guarantee Deed Poll or any deed, agreement or other instrument collateral to the Guarantee Deed Poll or given or entered into pursuant to the Guarantee Deed Poll whether express or implied by statute or other legal requirements or arising otherwise howsoever.

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## **6 Negative pledge**

### **6.1 Negative pledge**

So long as any Debt Instruments of any Series remain Outstanding neither the Issuer nor any Guarantor shall create or permit to subsist and will ensure that none of their Material Subsidiaries will create or permit to subsist any Security Interest upon the whole or any part of its present or future property or assets (including any uncalled capital) to secure any:

- (a) Relevant Indebtedness; or
- (b) guarantee of or indemnity in respect of Relevant Indebtedness of third parties,

unless in each case:

- (i) at the same time or prior thereto it secures its obligations in respect of the Debt Instruments equally and rateably with that Relevant Indebtedness or guarantee or indemnity, as the case may be; or
- (ii) it grants or procures to be granted such other Security Interest in respect of its obligations in respect of the Debt Instruments as may be approved by an Extraordinary Resolution of the Holders.

This Condition does not apply to a Security Interest granted by an entity which is subsequently acquired by the Issuer or a Guarantor and becomes a Material Subsidiary or is granted by the entity in connection with a refinancing of the Relevant Indebtedness following the acquisition, provided that the principal of the Relevant Indebtedness secured by the Security Interest is for an amount no greater than the amount secured by the Security Interest at the time the entity was acquired.

### **6.2 Relevant Indebtedness**

In Condition 6.1 **Relevant Indebtedness** means any present or future indebtedness (whether being principal, premium, interest or other amounts) in the form of or evidenced by any note, bond, debenture, loan stock, or other similar debt instruments whether issued for cash or in whole or in part for a consideration other than cash, and which are or are capable of being, listed, quoted, ordinarily dealt in or traded on any recognised stock exchange, over the counter, any automated trading system or other securities markets.

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## **7 Title to Bearer and Global Debt Instruments**

### **7.1 Bearer Debt Instruments**

Title to Bearer Debt Instruments, Receipts, Coupons and Talons passes by delivery.

## **7.2 Recognition of interests**

Subject to Condition 7.3 (“Global Debt Instruments”), and except as otherwise required by law, the Issuer, each Guarantor and any Agent for the relevant Bearer Debt Instruments must treat the bearer of any Bearer Debt Instrument, Receipt, Coupon or Talons as the absolute owner of the Bearer Debt Instrument, Receipt, Coupon or Talons.

This Condition applies whether or not a Bearer Debt Instrument is overdue and despite any notice of ownership in, or writing on, a Bearer Debt Instrument or notice of any previous loss or theft of it.

## **7.3 Global Debt Instruments**

For so long as a Bearer Debt Instrument is represented by a Global Debt Instrument held on behalf of a common depositary for Euroclear, Clearstream, Luxembourg and/or any other depositary, the Issuer, each Guarantor and any Agent for the Bearer Debt Instrument must treat:

- (a) for the purposes of payment of principal or interest on the principal amounts of those Bearer Debt Instruments, the bearer of the relevant Global Debt Instrument as the Holder of the principal amount of those Bearer Debt Instruments in accordance with and subject to the terms of the relevant Global Debt Instrument; and
- (b) for all other purposes, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the Holder of an interest in Global Debt Instrument as the Holder of the principal amount of those Bearer Debt Instruments represented by such interest.

Any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other depositary as to the principal amount of Global Debt Instruments standing to the account of any person is conclusive and binding for all purposes, except in the case of manifest error.

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# **8 Title to Registered Debt Instruments**

## **8.1 Registered form**

Each Registered Debt Instrument takes the form of an entry in the Register. Title to Registered Debt Instruments will pass by registration in the Register. No certificate will be issued in respect of it, unless the Issuer determines that certificates should be made available or that they are required by law.

## **8.2 Effect of entries in Register**

Each entry in the Register in respect of a Registered Debt Instrument constitutes:

- (a) a separate and individual acknowledgment to the Holder by the Issuer of the indebtedness of the Issuer to that Holder;



- (b) an unconditional and irrevocable undertaking by the Issuer to the Holder to make all payments of principal and interest in respect of the Registered Debt Instrument in accordance with these Conditions; and
- (c) an entitlement to the other benefits given to the Holders under these Conditions in respect of the relevant Registered Debt Instrument.

### **8.3 Register conclusive as to ownership**

Entries in the Register in relation to a Registered Debt Instrument constitute conclusive evidence that the person so entered is the absolute owner of the Registered Debt Instrument, subject to correction for fraud or error.

### **8.4 Non-recognition of interests**

Except as required by law, none of the Issuer, the Guarantors or the Registrar is required to recognise:

- (a) a person as holding a Registered Debt Instrument on any trust; or
- (b) any other interest in any Registered Debt Instrument or any other right in respect of a Registered Debt Instrument except an absolute right of ownership in the person shown in the register as the Holder, whether or not it has notice of the interest or right.

### **8.5 Joint holders**

Where two or more persons are entered in the Register as the joint holders of a Registered Debt Instrument then they are taken to hold the Registered Debt Instrument as joint tenants with rights of survivorship, but the Issuer is not bound to register more than four persons as joint holders of a Registered Debt Instrument.

## **Part 3 Transfers**

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## **9 Transfers of Registered Debt Instruments**

### **9.1 Transfers in whole**

Registered Debt Instruments may be transferred in whole but not in part.

### **9.2 Compliance with laws**

Registered Debt Instruments may only be transferred if the transfer complies with all applicable Directives.

### **9.3 Transfer procedures**

Unless Registered Debt Instruments are entered in a Clearing System, application for the transfer of Registered Debt Instruments must be made by the lodgment of a transfer form with the Registrar. Transfer forms are available from the Registrar. Each form must be:

- (a) duly completed;

- (b) accompanied by any evidence as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Registered Debt Instrument; and
- (c) signed by both the transferor and the transferee.

Registered Debt Instruments entered in a Clearing System are transferable only in accordance with the regulations of that Clearing System.

## **Part 4 Interest**

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### **10 Fixed Rate Debt Instruments**

#### **10.1 Application**

This Condition 10 ("Fixed Rate Debt Instruments") applies to the Debt Instruments only if the relevant Pricing Supplement states that it applies.

#### **10.2 Interest on Fixed Rate Debt Instruments**

Each Fixed Rate Debt Instrument bears interest on its outstanding principal amount (or, if it is a Partly Paid Debt Instrument, as specified in Condition 13.2 ("Interest Rate")) from (and including) the Interest Commencement Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date, subject as provided in Condition 16.4 ("Payments on business days").

#### **10.3 Fixed Coupon Amount**

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on that date will amount to the Fixed Coupon Amount and, if the Debt Instruments are in more than one Specified Denomination, will amount to the Fixed Coupon Amount for the relevant Specified Denomination.

#### **10.4 Calculation of interest payable**

The amount of interest payable in respect of each Debt Instrument for any period for which a Fixed Coupon Amount is not specified is calculated by applying the Interest Rate to the principal amount of the Debt Instruments, multiplying the product by the relevant Day Count Fraction.

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### **11 Floating Rate Debt Instrument and Variable Interest Debt Instruments**

#### **11.1 Application**

This Condition 11 ("Floating Rate Debt Instrument and Variable Interest Debt Instruments") applies to the Debt Instruments only if the relevant Pricing Supplement states that it applies.

## **11.2 Interest on Floating Rate Debt Instruments and Variable Interest Debt Instruments**

Each Floating Rate Debt Instrument and Variable Interest Debt Instrument bears interest on its outstanding principal amount (or, if it is a Partly Paid Debt Instrument, the amount paid up) from (and including) the Interest Commencement Date at the Interest Rate. Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the relevant Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, after the Interest Commencement Date, subject, in each case, as provided in Condition 16.4 (“Payments on business days”).

## **11.3 Interest Rate**

The Interest Rate payable in respect of a Floating Rate Debt Instrument and Variable Interest Debt Instruments must be determined in the manner specified in the applicable Pricing Supplement.

## **11.4 ISDA Determination**

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Debt Instruments for each Interest Period will be the sum of the Margin and the relevant ISDA Rate. For the purposes of this condition, “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (b) the Designated Maturity is a period specified in the relevant Pricing Supplement; and
- (c) the relevant Reset Date is either:
  - (i) if the relevant Floating Rate Option is for a currency other than Sterling, the second Business Day before the first day of that Interest Period; or
  - (ii) in any other case, as specified in the relevant Pricing Supplement.

For the purposes of this definition, “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

## **11.5 Screen Rate Determination**

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Debt

Instruments for each Interest Period will be the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the Screen Rate is the rate calculated by the Calculation Agent as the arithmetic mean of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or, in the case of equality, one of the highest and one of the lowest quotations) from its calculation; or
- (b) if an offered quotation is not displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if it is displayed but there is an obvious error in that rate, Screen Rate means:
  - (i) the rate the Calculation Agent calculates as the arithmetic mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date; or
  - (ii) where the Calculation Agent is unable to calculate a rate under subparagraph (b)(i) because it is unable to obtain the necessary number of quotes, the rate the Calculation Agent calculates is the arithmetic mean of the rates (being the nearest equivalent to the Reference Rate) in respect of an amount that is representative for a single transaction in that market at that time quoted by two or more institutions chosen by the Calculation Agent in the Relevant Financial Centre at the Relevant Time on the date on which those banks would customarily quote those rates for a period commencing on the first day of the Interest Period to which the relevant Interest Determination Date relates for a period equivalent to the relevant Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith at approximately 11:00am on that day and in an amount that is representative for a single transaction in the market at that time; or
- (c) if the relevant Pricing Supplement specifies an alternate method for the determination of the Screen Rate Determination, then that alternate method will apply.

## **11.6 Index Linked Interest Debt Instruments**

If the Index Linked Interest Debt Instrument provisions are specified in the relevant Pricing Supplement as being applicable, the Interest Rate(s) applicable to the Debt Instruments for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement and interest will accrue in the manner specified in the relevant Pricing Supplement.

## **11.7 Maximum or Minimum Interest Rate**

If the relevant Pricing Supplement specifies a Maximum Interest Rate or Minimum Interest Rate for any Interest Period, then the Interest Rate for that Interest Period must not be greater than the maximum, or be less than the minimum, so specified.

### **11.8 Calculation of Interest Rate and interest payable**

The Calculation Agent must, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the outstanding principal amount of each Floating Rate Debt Instrument and Variable Interest Debt Instrument. The amount of interest payable must be calculated by multiplying the product of the Interest Rate for that Interest Period and the outstanding principal amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Debt Instrument or a Variable Interest Debt Instrument in definitive form comprises more than one Specified Period, the interest amount payable in respect of such Debt Instrument shall be the aggregate of the amounts (determined in the manner provided above) for each Specified Period comprising the Specified Denomination without any further rounding.

### **11.9 Calculation of other amounts**

If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount must be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

### **11.10 Notification of Interest Rate, interest payable and other items**

The Calculation Agent must notify the Issuer, each Guarantor, the Registrar (if applicable), each Agent for the relevant Debt Instruments and the relevant Holders and any stock exchange or other relevant authority on which the relevant Floating Rate Debt Instruments or Variable Interest Debt Instruments are listed as soon as possible of:

- (a) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the relevant Interest Payment Date; and
- (b) any amendment to any amount, item or date referred to in paragraph (a) arising from any extension or reduction in any relevant Interest Period or calculation period.

The Calculation Agent must give notice under this Condition 11.10 as soon as practicable after such determination but (in the case of each Interest Rate, the amount of interest payable and Interest Payment Date) in any event not later than the fourth day of the relevant Interest Period. Notice must also be given promptly to Holders.

The Calculation Agent may amend any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period without prior notice but must notify each stock exchange or other relevant authority on which the relevant Floating Rate Debt Instruments or Variable Interest Debt Instruments are listed and the Holders after doing so.

### **11.11 Determination final**

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions (including the Interest Rate for any Interest Period

and the amount of interest payable for any Interest Period in respect of any Debt Instrument) is, in the absence of manifest error, final and binding on the Issuer, each Guarantor, each Holder, the Registrar (if applicable) and each Agent for the relevant Debt Instruments.

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## **12 Dual Currency Debt Instruments**

### **12.1 Application**

This Condition 12 (“Dual Currency Debt Instruments”) applies to the Debt Instruments only if the relevant Pricing Supplement states that it applies.

### **12.2 Interest Rate**

If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable must be determined in the manner specified in the applicable Pricing Supplement.

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## **13 Partly Paid Debt Instruments**

### **13.1 Application**

This Condition 13 (“Partly Paid Debt Instruments”) applies to the Debt Instruments only if the relevant Pricing Supplement states that it applies.

### **13.2 Interest Rate**

In the case of Partly Paid Debt Instruments (other than Partly Paid Debt Instruments which are Zero Coupon Debt Instruments), interest accrues on the paid up principal amount of those Debt Instruments as specified in the applicable Pricing Supplement.

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## **14 General provisions applicable to interest**

### **14.1 Late payment of Debt Instruments (other than Zero Coupon Debt Instruments)**

Interest ceases to accrue as from the due date for redemption of a Debt Instrument (other than a Zero Coupon Debt Instrument) unless upon due presentation (in the case of a Bearer Debt Instrument) or demand (in the case of a Registered Debt Instrument) payment of the Redemption Amount is not made, in which case interest continues to accrue on it (both before and after any demand or judgment) at the rate then applicable to the outstanding principal amount of the Debt Instrument or any other default rate specified in the relevant Pricing Supplement until the date whichever is the earlier of:

- (a) the date on which the relevant payment is made to the relevant Holder; or
- (b) the seventh day after the date on which the relevant Paying Agent has notified the Holders that it has received all sums due in respect of the Debt Instruments up to such day (except to the extent that there is any subsequent default in payment).

#### **14.2 Late payment of Zero Coupon Debt Instruments**

If the Redemption Amount payable in respect of any Zero Coupon Debt Instrument is not paid when due, the Redemption Amount is an amount equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of:
  - (i) the day on which all sums due in respect of such Debt Instrument up to that day are received by or on behalf of the relevant Holder; and
  - (ii) the seventh day after the date on which the Registrar or the Principal Paying Agent, as the case may be, has notified the Holders that it has received all sums due in respect of the Debt Instruments up to such day (except to the extent that there is any subsequent default in payment).

#### **14.3 Rounding**

For the purposes of any calculations required under these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (b) all amounts denominated in any currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards (save in the case of Japanese Yen which will be rounded down to the nearest Yen);
- (c) all figures must be rounded to five significant figures (with halves being rounded up); and
- (d) all amounts that are due and payable must be rounded to the nearest sub-unit (with halves being rounded up). In this Condition 14.3, “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of that currency available as legal tender in the country of that currency and, in the case of euro, means one cent.

#### **14.4 Change of control**

If the relevant Pricing Supplement states that a change of control applies in respect of the Debt Instruments, the terms of that change of control provision will be as set out in such Pricing Supplement.

### **Part 5 Redemption and purchase**

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## **15 Redemption**

### **15.1 Scheduled redemption**

Each Debt Instrument is redeemable by the Issuer on the Maturity Date at its Final Redemption Amount unless:

- (a) the Debt Instrument has been previously redeemed; or
- (b) the Debt Instrument has been purchased and cancelled; or
- (c) the Pricing Supplement states that the Debt Instrument has no fixed maturity date.

### **15.2 Early redemption for taxation reasons**

The Issuer may redeem the Debt Instruments in a Series in whole (but not in part) before their Maturity Date at their Early Redemption Amount (Tax) if the Issuer is required under Condition 20.2 (“Withholding Tax”) to pay an additional amount in respect of a Debt Instrument.

However, the Issuer may only do so:

- (a) if the Issuer has given at least 30 days’ (and no more than 60 days’) notice to the Registrar or the Principal Paying Agent, as the case may be, and the Holders (which notice is irrevocable); and
- (b) if, before the Issuer gives the notice under paragraph (a), the Registrar or the Principal Paying Agent, as the case may be, has received:
  - (i) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
  - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer, to the effect that the Issuer would be required under Condition 20.2 (“Withholding Tax”) to pay an additional amount in respect of the Debt Instruments of that Series on the next payment due; and
- (c) if the Debt Instruments are Fixed Rate Debt Instruments, no notice of redemption may be given more than 90 days prior to the earliest date on which the Issuer would be obliged to pay the additional amounts of a payment in respect of the Debt Instruments then due; and
- (d) if the Debt Instruments to be redeemed are Floating Rate Debt Instruments or Variable Interest Debt Instruments:
  - (i) the proposed redemption date is an Interest Payment Date; and
  - (ii) no notice of redemption may be given more than 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay the additional amounts of a payment in respect of the Debt Instruments were then due.



### 15.3 Early redemption at the option of the Issuer (Issuer call)

If the Pricing Supplement states that the Issuer may redeem all or some of the Debt Instruments before their Maturity Date under this Condition 15.3, the Issuer may redeem so many of the Debt Instruments specified in the Pricing Supplement at their Early Redemption Amount (Call).

However, the Issuer may only do so if:

- (a) the Issuer has given at least 15 days' (and no more than 60 days') (or any other period specified in the relevant Pricing Supplement) notice to the Registrar or the Principal Paying Agent, as the case may be, and the Holders; and
- (b) the proposed redemption date is an Early Redemption Date (Call).

If only some of the Debt Instruments in the Series are to be redeemed, the Debt Instruments to be redeemed ("**Redeemed Debt Instruments**") will be selected no later than 30 days before the date fixed for redemption ("**Selection Date**"):

- (i) in the case of Redeemed Debt Instruments represented by Definitive Bearer Debt Instruments, individually by lot in the city in which the Principal Paying Agent's Specified Office is located or as otherwise specified in the relevant Pricing Supplement;
- (ii) in the case of Redeemed Debt Instruments represented by a Global Debt Instrument, in accordance with the rules of the relevant Clearing System; and
- (iii) in the case of Registered Debt Instruments, in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices and the need to ensure that the prepaid amount of any redeemed Debt Instruments must be an integral multiple of the Specified Denomination,

subject always to compliance with applicable laws and the requirements of any relevant listing authority, stock exchange and/or quotation system.

In the case of Redeemed Debt Instruments represented by Definitive Bearer Debt Instruments, a list of the serial numbers of such Redeemed Debt Instruments will be published in accordance with Condition 28.1(a) not less than 15 days (or such shorter period as is specified in the applicable Pricing Supplement) before the date fixed for redemption.

No exchange of the relevant Global Debt Instrument is permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption under this Condition 15.3. The Issuer must notify the Holders of this restriction at least five days (or such shorter period as is specified in the relevant Pricing Supplement) before the Selection Date.

### 15.4 Early redemption at the option of Holders (investor put)

If the relevant Pricing Supplement states that the Holder may require the Issuer to redeem all or some of the Debt Instruments before their Maturity Date at their Early Redemption Amount (Put) under this Condition 15.4, the Issuer must do so if the following conditions are satisfied.

The conditions are:

- (a) the Holder has given at least 30 days' notice (or any other period of notice specified in the relevant Pricing Supplement) to the Issuer;
- (b) if the Debt Instruments to be redeemed are Definitive Bearer Debt Instruments, they are to be redeemed in whole;
- (c) if the Debt Instruments to be redeemed are Registered Debt Instruments, the amount of Debt Instruments to be redeemed is, or is a multiple of, their Specified Denomination;
- (d) if the Debt Instruments to be redeemed are Bearer Debt Instruments, the Holder has delivered, to the specified office of the Principal Paying Agent during normal business hours:
  - (i) if the Debt Instruments are in Definitive Bearer Form, the Debt Instruments to be redeemed; and
  - (ii) a completed and signed redemption notice (in the form obtainable from the Specified Office of the Registrar or the Principal Paying Agent, as the case may be); and
- (e) the notice referred to in paragraph (d)(ii) specifies:
  - (i) a bank account to which the payment should be made or an address to where a cheque for payment should be sent; and
  - (ii) if the Debt Instruments to be redeemed are Registered Debt Instruments, the Early Redemption Amount (Put) at which those Debt Instruments are to be redeemed.

A Holder may not exercise its option under this Condition 15.4 in respect of any Debt Instrument which is the subject of an exercise by the Issuer of its option to redeem such Debt Instrument under Condition 15.2 ("Early redemption for taxation reasons") or Condition 15.3 ("Early redemption at the option of the Issuer (Issuer call)").

## 15.5 Calculation of Early Redemption Amounts

Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption at any time before the Maturity Date of:

- (a) a Debt Instrument (other than a Zero Coupon Debt Instrument and a Variable Redemption Debt Instrument but including any Instalment Debt Instrument or Partly-Paid Debt Instrument) is an amount equal to the sum of the outstanding principal amount and interest (if any) accrued on it;
- (b) a Zero Coupon Debt Instrument is an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Debt Instrument becomes due and payable; and

- (c) a Variable Redemption Debt Instrument is an amount determined by the Calculation Agent in accordance with the relevant Pricing Supplement that would on the due date for redemption have the effect of preserving for the Holder the economic equivalent of the obligations of the Issuer to make payment of the Final Redemption Amount on the Maturity Date.

Where the calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year must be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 15.5.

#### **15.6 Instalments**

Instalment Debt Instruments will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount will be determined under Condition 15.5 (“Calculation of Early Redemption Amounts”).

#### **15.7 Partly Paid Debt Instruments**

Partly Paid Debt Instruments will be redeemed at maturity in accordance with the provisions of the applicable Pricing Supplement. In the case of Early Redemption, the Early Redemption Amount will be determined under Condition 15.5 (“Calculation of Early Redemption Amounts”).

#### **15.8 Effect of notice of redemption**

Any notice of redemption given under this Condition 15 (“Redemption”) is irrevocable and obliges the Issuer to redeem the Debt Instruments at the time and in the manner specified in the notice.

#### **15.9 Purchase**

The Issuer, each Guarantor or any of their respective Subsidiaries may at any time purchase Debt Instruments in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased with those Debt Instruments. If purchases are made by tender, tenders must be available to all Holders alike.

#### **15.10 Cancellation**

All Debt Instruments so redeemed or purchased by the Issuer, each Guarantor or any of their respective Subsidiaries under Condition 15.9 (“Purchase”) (and any unmatured Coupons attached to or surrendered with them) will be cancelled forthwith and may not be reissued or resold.

### **Part 6 Payments**

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## **16 Payments**

### **16.1 Method of payment**

Except to the extent these Conditions provide otherwise:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency; and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

### **16.2 Payments in U.S. dollars**

Despite any Condition, if any amount of principal or interest in respect of Bearer Debt Instruments is payable in U.S. dollars, those U.S. dollar payments of principal or interest in respect of those Debt Instruments may be made at the Specified Office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with Specified Offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such Specified Offices outside the United States of the full amount of principal and interest on the Bearer Debt Instruments in the manner provided above when due;
- (b) payment of the full amount of that principal and interest at all those Specified Offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) the payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

### **16.3 Payments subject to fiscal laws**

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 20 ("Taxation"); and (ii) any withholding or deduction required pursuant to FATCA.

### **16.4 Payments on business days**

If the date for payment of any amount in respect of any Debt Instrument is not a Payment Business Day, the Holder is not entitled to payment until the next following Payment Business Day in the relevant place and is not entitled to further interest or other payment in respect of such delay.

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## **17 Payments in respect of Definitive Bearer Debt Instruments**

### **17.1 Presentation of Definitive Bearer Debt Instruments, Receipts and Coupons**

Payments of:

- (a) principal in respect of a Definitive Bearer Debt Instrument will be made only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Definitive Bearer Debt Instrument;
- (b) interest in respect of a Definitive Bearer Debt Instrument will be made only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of a Coupon;
- (c) instalments of principal in respect of a Definitive Bearer Debt Instrument, other than the final instalment, will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt and the presentation of the Definitive Bearer Debt Instrument to which it appertains; and
- (d) the final instalment of principal in respect of a Definitive Bearer Debt Instrument will be made only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Definitive Bearer Debt Instrument.

Each Definitive Bearer Debt Instrument, Receipt, and Coupon which is required to be presented under these Conditions must be presented at the Specified Office of any Paying Agent outside the United States.

### **17.2 Validity of Receipts**

Receipts presented without the Definitive Bearer Debt Instrument to which they appertain do not constitute valid obligations of the Issuer.

### **17.3 Unmatured Receipts**

When a Definitive Bearer Debt Instrument becomes due and repayable, all unmaturred Receipts relating to it (whether or not attached) are void and no payment is required to be made in respect of them.

### **17.4 Fixed Rate Debt Instruments and unmaturred Coupons**

Fixed Rate Debt Instruments in definitive bearer form must be presented for payment together with all unmaturred Coupons appertaining to them (including Coupons falling to be issued on exchange of matured Talons).

If any unmaturred Coupons are not presented for payment in accordance with this Condition 17.4:

- (a) the amount of any missing unmaturred Coupon (or, in the case of payment not being made in full, the same proportion of the amount of that missing unmaturred Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment; and
- (b) each amount of principal deducted under paragraph (a) will be paid against surrender of the relative missing Coupon at any time before the expiry of 10 years

after the Relevant Date in respect of such principal (whether or not that Coupon would otherwise have become void under Condition 21 (“Time limit for claims”)) or, if later, five years from the date on which that Coupon would otherwise have become due.

#### **17.5 Fixed Rate Debt Instruments and unmatured Talons**

If a Fixed Rate Debt Instrument in definitive bearer form becomes due and repayable before its Maturity Date, all unmatured Talons appertaining to it are void and no further Coupons will be issued in respect of them.

#### **17.6 Other Definitive Bearer Debt Instruments and unmatured Coupons and Talons**

When any Floating Rate Debt Instruments or Variable Debt Instrument in definitive bearer form becomes due and repayable, all unmatured Coupons and Talons relating to it (whether or not attached) are void and no payment or, as the case may be, exchange for further Coupons may be made in respect of them.

If the due date for redemption of any Definitive Bearer Debt Instrument is not an Interest Payment Date, any interest accrued in respect of that Debt Instrument from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date is payable only against presentation and surrender of the relevant Definitive Bearer Debt Instrument.

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### **18 Payments in respect of Global Debt Instruments**

#### **18.1 Presentation of Global Debt Instrument**

Payments of principal and any interest in respect of Debt Instruments represented by any Global Debt Instrument will be made:

- (a) against presentation or surrender, as the case may be, of that Global Debt Instrument at the Specified Office of any Paying Agent outside the United States; and
- (b) otherwise in the manner specified in the relevant Global Debt Instrument.

#### **18.2 Records of payments**

A record of each payment made against presentation or surrender of any Global Debt Instrument, distinguishing between any payment of principal and any payment of interest, will be made on that Global Debt Instrument by the Paying Agent to which it was presented and that record is *prima facie* evidence that the payment in question has been made.

#### **18.3 Holders of Global Debt Instruments entitled to payments**

The Holder of a Global Debt Instrument is the only person entitled to receive payments in respect of Debt Instruments represented by that Global Debt Instrument and:

- (a) the Issuer is discharged by payment to, or to the order of, the Holder of such Global Debt Instrument in respect of each amount so paid; and

- (b) each person shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial Holder of a particular principal amount of Debt Instruments represented by a Global Debt Instrument must look solely to Euroclear or Clearstream Luxembourg, as the case may be, for that person's share of each payment so made by the Issuer, or to the order of, the Holder of such Global Debt Instrument.

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## **19 Payments in respect of Registered Debt Instruments**

### **19.1 Registrar is sole paying agent**

The Registrar will act as the sole paying agent for Registered Debt Instruments under the Issuing and Paying Agency Agreement.

### **19.2 Method of payment - Debt Instruments in a Clearing System**

If Registered Debt Instruments are held in a Clearing System, payments of principal and interest will be made to the person registered at the close of business on the relevant Record Date as the Holder of the Registered Debt Instrument, by crediting on the relevant payment date the amount then due to the account of the Holder in accordance with the regulations of that Clearing System.

### **19.3 Method of payment - Debt Instruments not in a Clearing System**

If Registered Debt Instruments are not held in a Clearing System, payments of principal and interest will be made to the persons registered at the close of business on the relevant Record Date as the Holders of the Registered Debt Instrument, subject in all cases to normal banking practice and all applicable laws and regulations. Payment will be made:

- (a) by cheques despatched by post on the relevant payment date; or
- (b) at the option of the Holder by the Registrar giving irrevocable instructions for the effecting of a transfer of the relevant funds to an account with a bank in the Principal Financial Centre specified by the Holder to the Registrar; or
- (c) in any other manner in which the Registrar and the Holder agree.

In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Registrar gives irrevocable instructions for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the Holder on the same day as the day on which the instructions are given.

If a cheque posted or an electronic transfer for which irrevocable instructions have been given by the Registrar is shown, to the satisfaction of the Registrar, not to have reached the Holder and the Registrar is able to recover the relevant funds, the Registrar may make such other arrangements as it thinks fit for the effecting of the payment.

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## **20 Taxation**

### **20.1 No set-off, counterclaim or deductions**

All payments in respect of the Debt Instruments (including, without limitation, payments under the Debt Instrument Deed Poll, Second Deed Poll, Third Deed Poll or the Guarantee Deed Poll) must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes unless required by law.

### **20.2 Withholding tax**

If a law requires the Issuer or any Guarantor to withhold or deduct an amount in respect of Taxes from a payment in respect of the Debt Instruments (including, without limitation, payments under the Debt Instrument Deed Poll, the Second Deed Poll, the Third Deed Poll or the Guarantee Deed Poll) such that the Holder would not actually receive on the due date the full amount provided for under the Debt Instruments, then:

- (a) the Issuer or the relevant Guarantor agrees to withhold or deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) subject to Condition 20.3 (“Withholding tax exemptions”), if the amount deducted or withheld is in respect of Taxes imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision of it, an additional amount is payable so that, after making the deduction and further withholding or deductions applicable to additional amounts payable under this paragraph (b), the Holder is entitled to receive (at the time the payment is due) the amount it would have received if no withholding or deductions had been required.

### **20.3 Withholding tax exemptions**

Condition 20.2(b) will not apply in relation to any payment in respect of any Debt Instrument (including, without limitation, payments under the Debt Instrument Deed Poll, the Second Deed Poll, the Third Deed Poll or the Guarantee Deed Poll):

- (a) which is to a Holder (or a third party on its behalf) who is liable to such Taxes in respect of that Debt Instrument by reason of its deriving payment in respect of it carrying on business at or through a permanent establishment of the Holder in the Commonwealth of Australia or its territories; or
- (b) which is more than 30 days after the Relevant Date except to the extent that a Holder would have been entitled to additional amounts under Condition 20.2(b) on presenting the same, or making demand, for payment on the last day of the period of 30 days; or
- (c) which is on account of Taxes which are payable by reason of the Holder being an associate of the Issuer or the applicable Guarantor for the purposes of section 128F or 128FA of the Australian Tax Act; or
- (d) which would not be required to be deducted or withheld if the Holder had provided the Issuer or the relevant Guarantor with any of its name, address, Australian business number (ABN), Australian tax file number, registration number or similar details or evidence of any relevant tax exemption or similar details; or



- (e) in a case where the Issuer or the relevant Guarantor receives a notice or direction under section 260-5 of Schedule 1 to the Taxation Administration Act 1953, section 255 of the Australian Tax Act or any analogous provisions, any amounts paid or deducted from sums payable to the Holder by the Issuer or the relevant Guarantor in compliance with such notice or direction; or
- (f) which is on account of Taxes which are payable to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to the Issuer, the applicable Guarantor or its agent or any tax authority where (in the case of Bearer Debt Instruments) the relevant Debt Instrument is presented for payment or (in the case of Registered Debt Instruments) where the demand for payment is made; or
- (g) in such other circumstances as may be specified in the Pricing Supplement.

Notwithstanding any other provision of these Conditions, if the Issuer, or any other person through whom payments on the Debt Instruments are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Issuer shall be entitled to make such withholding or deduction and shall have no obligation to gross up any payment under these Conditions or to pay any additional amount or other amount for such withholding or deduction.

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## **21 Time limit for claims**

### **21.1 Time limit**

A claim against the Issuer for a payment under a Debt Instrument, Receipt or Coupon (which in this Condition 21.1, does not include a Talon) is void unless presented for payment within five years (in the case of principal) and three years (in the case of interest) from the Relevant Date.

### **21.2 Discharge of the Issuer**

The Issuer is discharged from its obligation to make a payment in respect of a Registered Debt Instrument to the extent that:

- (a) the relevant Registered Debt Instrument certificate (if any) has not been surrendered to the Registrar within; or
- (b) a cheque which has been duly dispatched in the Specified Currency remains uncashed at the end of the period of:

five years (in the case of principal) and three years (in the case of interest) from the Relevant Date.

### **21.3 Void payments**

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void under these Conditions.

## **Part 7 Default**

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## 22 Events of Default

### 22.1 Event of Default

An Event of Default occurs in relation to the Debt Instruments if:

- (a) **(non-payment)**: default is made in the payment on the due date of interest or principal in respect of any of the Debt Instruments, which default is not remedied within five days after the earlier of the Issuer or the Guarantor either becoming aware of such default or receiving from the Holder written notice of such default; or
- (b) **(breach of other obligations)**: the Issuer or a Guarantor does not perform or comply with any one or more of its other obligations in respect of the Debt Instruments (including, without limitation, its obligations under the Debt Instrument Deed Poll, the Second Deed Poll, the Third Deed Poll or the Guarantee Deed Poll, as the case may be) which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after the earlier of the Issuer or the Guarantor receiving from a Holder written notice of such default; or
- (c) **(cross acceleration)**:
  - (i) any other present or future indebtedness of the Issuer or a Guarantor for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or the relevant Guarantor; or
  - (ii) any such indebtedness is not paid when due or, as the case may be, within the greater of any applicable grace period (as initially agreed) or 10 Business Days; or
  - (iii) the Issuer or a Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds AUD25,000,000 or its equivalent; or

- (d) **(judgment)** a judgment or award is obtained and not set aside or satisfied within 15 Business Days against the assets of the Issuer or a Guarantor, in an amount exceeding AUD25,000,000 unless and for so long as the Issuer or the relevant Guarantor, as the case may be, is diligently pursuing in good faith an appeal from the judgment or award; or
- (e) **(enforcement proceedings)**: distress, attachment, execution or other legal process is levied, enforced or sued out on, or a Security Interest is enforced, or becomes enforceable, against the assets of a Guarantor, and is not discharged or stayed within 30 days and which, in each such case, is in respect of an amount is at least AUD25,000,000 unless (in the case of a Security Interest) and for so long as the enforcement or enforceability of the Security Interest is being diligently and in good faith disputed by the Issuer or the relevant Guarantor, as the case may be; or

- (f) **(responsible entity)** in relation to any of (w) the Issuer, (x) Stockland Trust Management Limited (ABN 86 001 900 741) in its capacity as responsible entity of the Stockland Trust (ARSN 092 897 348) (**STML**) (unless it is replaced as responsible entity of the Stockland Trust within 30 Business Days), (y) Stockland Trust Management Limited in its personal capacity (but not its capacity as responsible entity of any other managed investments scheme), or (z) each other Guarantor:
- (i) except for the purposes of a solvent reconstruction or amalgamation, that person ceases or suspends the conduct of all or a substantial part of its business;
  - (ii) that person stops or suspends payment of all or a class of its debts;
  - (iii) that person is insolvent within the meaning of section 95A of the Corporations Act;
  - (iv) an administrator is appointed over the assets of that person or its directors resolve to appoint an administrator; or
  - (v) except for the purposes of a solvent reconstruction or amalgamation, an order is made or a resolution is passed for:
    - (A) the winding up or dissolution of that person; or
    - (B) that person's entering into any arrangement, compromise or composition with or assignment for the benefit of its creditors or any class of them or any of them (and, in the case of STML, who are creditors of STML in the relevant capacity); or
- (g) **(controller appointed)** a controller (as defined in the Corporations Act) is appointed in respect of the whole or a substantial part of the assets of Stockland Finance Pty Limited, the Stockland Trust or a Guarantor (other than Stockland Trust Management Limited); or
- (h) **(scheme)** in relation to the Stockland Trust any of the following events provided it has an adverse effect on the obligations of the Issuer and the Guarantors as a whole to repay, or guarantee repayment of, principal in respect of the Debt Instruments:
- (i) the Constitution is amended in a material respect in a manner contrary to the Constitution or the law, rescinded or revoked;
  - (ii) the Constitution does not at any time contain full particulars of the terms of the Stockland Trust and of rights and entitlements of the members of the Stockland Trust (except those provided under statute or the law);
  - (iii) STML does any act or thing which constitutes a material breach of the Constitution;
  - (iv) STML ceases to be the responsible entity of the Stockland Trust (unless it is replaced as responsible entity of the Stockland Trust within 30 Business Days);
  - (v) an order is made in any court for:

- (A) removal of STML as responsible entity of the Stockland Trust (unless it is replaced as responsible entity of the Stockland Trust within 30 Business Days); or
  - (B) the assets of the Stockland Trust to be brought into court or administered by the court or under its control; or
- (vi) other than with the approval of the Holders by Extraordinary Resolution, a resolution is passed for the removal of STML as responsible entity of the Stockland Trust (unless it is replaced as responsible entity of the Stockland Trust within 30 Business Days and the replacement responsible entity has assumed the obligations of STML in respect of the Debt Instruments including, without limitation, its obligations under the Debt Instrument Deed Poll, Second Deed Poll, or Third Deed Poll (as applicable));
- (vii) the members of the Stockland Trust resolve to wind up the Stockland Trust, or STML is required to wind up the Stockland Trust under the Constitution or applicable law, or the winding up of the Stockland Trust commences;
- (viii) the Stockland Trust is held by a court or is conceded by STML not to have been constituted or to have been imperfectly constituted such that the interests of the Holders are materially prejudiced;
- (ix) STML ceases to be entitled to be indemnified out of the assets of the Stockland Trust in respect of its obligations to the Holders or to have a lien over them; or
- (x) any successor of STML as responsible entity of the Stockland Trust fails to enter into and deliver such documents and instruments as are necessary in order to assume the rights and obligations of STML as responsible entity of the Stockland Trust under the Guarantor Deed Poll or Third Deed Poll; or
- (i) **(unenforceable)** any of the Debt Instruments, the Debt Instrument Poll, the Second Deed Poll, the Third Deed Poll or the Guarantee Deed Poll is or becomes wholly or partly void, voidable or unenforceable under the laws of England, New South Wales or the Commonwealth of Australia or is claimed to be so by the Issuer or a Guarantor, provided such event has an adverse effect on the obligations of the Issuer and the Guarantors as a whole to repay, or guarantee the repayment of, principal in respect of the Debt Instruments.

## 22.2 Acceleration by Notice

If any Event of Default occurs and is subsisting, then a Holder may by written notice to the Issuer (with a copy to the Registrar and each Guarantor) declare that the Early Termination Amount (together with all accrued interest (if any)) applicable to each Debt Instrument held by the Holder to be due and payable immediately or on such other date specified in the notice.

## **22.3 Notice of Event of Default**

If an Event of Default occurs, the Issuer must promptly after becoming actually aware of it notify the Holders, the Principal Paying Agency and Registrar of it (specifying details of it).

# **Part 8 General**

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## **23 Agents**

### **23.1 Role of Agents**

In acting under the relevant Agency Agreement and in connection with the Debt Instruments, each Agent acts solely as agent of the Issuer and each Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Holders.

### **23.2 Appointment and replacement of Agents**

The Agents for each Series of Debt Instruments are specified in the relevant Pricing Supplement.

Subject to Condition 23.3 (“Required Agents”), the Issuer and each Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint a successor agent and additional paying agents.

### **23.3 Required Agents**

The Issuer shall:

- (a) at all times maintain a Registrar for so long as there are any Registered Debt Instruments Outstanding;
- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, at all times maintain a Calculation Agent;
- (c) maintain a Paying Agent in Singapore, where the Debt Instruments may be presented or surrendered for payment or redemption, in the event that the global Debt Instrument are exchanged for definitive Debt Instruments, for so long as the Debt Instruments are listed on the SGX-ST and the rules of the SGX-ST so require; and
- (d) if and for so long as the Debt Instruments are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, maintain a Paying Agent having its Specified Office in such place as may be required by such listing authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Holders.

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## **24 Replacement of lost or damaged Bearer Debt Instruments and Coupons**

If any Bearer Debt Instrument or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of:

- (a) the Principal Paying Agent; and
- (b) if the Debt Instruments are then listed on any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system,

subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the relevant Agent may reasonably require. Mutilated or defaced Debt Instruments or Coupons must be surrendered before replacements will be issued.

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## **25 Meetings of Holders, Modification and Waiver**

### **25.1 Meetings provisions**

The relevant Agency Agreement contains provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Holders of any Series to consider any matter affecting their interest, including the modification of these Conditions or any provisions of the Agency Agreement or the Debt Instrument Deed Poll or the Third Deed Poll, as the case may be.

Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or any Guarantor and must be convened by the Issuer upon the request in writing of Holders holding not less than 10% of the aggregate principal amount of the outstanding Debt Instruments. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing more than 50% of the aggregate principal amount of the outstanding Debt Instruments or, at any adjourned meeting, two or more persons being or representing Holders whatever the principal amount of the Debt Instruments held or represented. However, Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Holders at which two or more persons holding or representing not less than 66 $\frac{2}{3}$ % or, at any adjourned meeting, 25% of the aggregate principal amount of the outstanding Debt Instruments form a quorum. Any Extraordinary Resolution duly passed at any such meeting is binding on all the Holders, whether present or not.

In addition, a resolution in writing signed by or on behalf of such percentage of the Holders, as would be required to pass the resolution if it had been proposed at a meeting of Holders at which those Holders were present, who for the time being are entitled to receive notice of a meeting of Holders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

## **25.2 Resolutions binding**

An Extraordinary Resolution passed at any meeting of the Holders of any Series is binding on all Holders of such Series, whether or not they are present at the meeting.

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## **26 Variation**

### **26.1 Variation of Debt Instruments and Conditions**

The Debt Instruments, these Conditions or any of the provisions of the Debt Instrument Deed Poll, the Third Deed Poll and the Guarantee Deed Poll may be amended by the Issuer and each Guarantor without the consent of the Holders if the amendment:

- (a) is of a formal, minor or technical nature; or
- (b) is made to correct a manifest error; or
- (c) in the opinion of the directors of the Issuer and each Guarantor, is not materially prejudicial to the interests of the Holders.

### **26.2 Variation of Agency Agreements**

The parties to any Agency Agreement may agree to amend any provision of it, but neither the Issuer nor any Guarantor is permitted to make, and may not agree, to any such amendment without the consent of the Holders unless:

- (a) it is of a formal, minor or technical nature; or
- (b) it is made to correct a manifest error; or
- (c) it is, in the opinion of such parties, not materially prejudicial to the interests of the Holders.

### **26.3 Notice**

Notice of any amendment made in accordance with Condition 26. 1 (“Variation of Debt Instruments and Conditions”) or Condition 26.2 (“Variation of Agency Agreements”) shall promptly be given to the Holders.

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## **27 Further issues**

The Issuer may from time to time, without the consent of the Holders, create and issue further notes having the same terms and conditions as the Debt Instruments in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Debt Instruments of any particular Series.

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## **28 Notices to Holders**

### **28.1 Form**

A notice or other communication in connection with a Debt Instrument to the Holders must be in writing and:

- (a) if the Debt Instrument is a Bearer Debt Instrument, it may be given, and as long as the Debt Instruments are listed on a listing authority, stock exchange and/or quotation system it will be given, in an advertisement published in a leading English daily newspaper having general circulation in that place or (if permitted by the relevant listing authority, stock exchange and/or quotation system) in the case of Debt Instruments represented by a Temporary Global Debt Instrument or Permanent Global Debt Instrument, it may be delivered to the Depositary, Euroclear and Clearstream, Luxembourg, or any other relevant Clearing System for communication by them to the persons shown in their respective records as having interests in those Debt Instruments; or
- (b) if the Debt Instrument is a Registered Debt Instrument by being sent by prepaid post (airmail if appropriate) or left at the address of each Holder or any relevant Holder as shown in the relevant Register at the close of business on the day which is three Business Days prior to the dispatch of the relevant notice or communication; or
- (c) if the Pricing Supplement for the Debt Instrument specifies an additional or alternate newspaper then by publication in that newspaper.

A notice or other communication in connection with a Debt Instrument to the Issuer or the Guarantor must be in writing and given to it at its Specified Office or its registered office in Australia (marked for the attention of the Issuer Secretary).

## **28.2 When effective**

A notice given in accordance with Condition 28.1 ("Form") will be taken to be duly given:

- (a) in the case of publication in a newspaper, on the date of first such publication has been made in all the required newspapers; or
- (b) in the case of delivery to the Euroclear or Clearstream, Luxembourg or another Clearing System, on the fourth weekday after the date of such delivery; or
- (c) in the case of Registered Debt Instruments:
  - (i) in the case of a letter, on the fifth day after posting; and
  - (ii) in the case of a facsimile, on receipt by the sender of a successful transmission report; and
  - (iii) in the case of publication in a newspaper, on the date of publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

## **28.3 Couponholders**

Couponholders are taken for all purposes to have notice of the contents of any notice given to the Holders.



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## 29 Redenomination, renominatisation and reconventioning

### 29.1 Application

This Condition 29 (“Redenomination, renominatisation and reconventioning”) applies to the Debt Instruments only if the relevant Pricing Supplement states that it applies.

### 29.2 Notice of redenomination

If the country of the Specified Currency becomes, or announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Holders on giving at least 30 days’ prior notice to the Holders and the Registrar or the Principal Paying Agent, as the case may be, designate a date (“**Redenomination Date**”), being an Interest Payment Date under the Debt Instruments falling on or after the date on which such country becomes a Participating Member State.

### 29.3 Redenomination

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (a) the Debt Instruments are taken to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Debt Instrument equal to the principal amount of that Debt Instrument in the Specified Currency, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations). However, if the Issuer and the Guarantor determine, after consultation with the Registrar or the Principal Paying Agent, as the case may be, that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions will be taken to be amended so as to comply with such market practice and the Issuer must promptly notify the Holders, each stock exchange (if any) on which the Debt Instruments are then listed and any Agents for the relevant Debt Instruments of such deemed amendments;
- (b) if Bearer Debt Instruments have been issued in definitive form:
  - (i) all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Debt Instruments) will become void with effect from the date (“**Euro Exchange Date**”) on which the Issuer gives notice (“**Euro Exchange Notice**”) to the Holders that replacement Debt Instruments and Coupons denominated in euro are available for exchange (provided that such Debt Instruments and Coupons are available) and no payments will be made in respect thereof;
  - (ii) the payment obligations contained in all Debt Instruments denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Debt Instruments in accordance with this Condition 29) shall remain in full force and effect; and
  - (iii) new Debt Instruments and Coupons denominated in euro will be issued in exchange for Debt Instruments and Coupons denominated in the Specified

Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Holders in the Euro Exchange Notice; and

- (c) all payments in respect of the Debt Instruments (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro by cheque drawn on, or by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the EU.

#### **29.4 Interest**

Following redenomination of the Debt Instruments pursuant to this Condition 29, where Debt Instruments have been issued in definitive form, the amount of interest due in respect of the Debt Instruments will be calculated by reference to the aggregate principal amount of the Debt Instruments presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant Holder.

#### **29.5 Interest Determination Date**

If the Floating Rate Debt Instrument Provisions are specified in the relevant Pricing Supplement as being applicable and Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be taken to be the second Target Settlement Day before the first day of the relevant Interest Period.

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### **30 Governing law and jurisdiction**

#### **30.1 Governing law**

Unless specified otherwise in the relevant Pricing Supplement, the Debt Instruments and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

#### **30.2 Jurisdiction**

Unless specified otherwise in the relevant Pricing Supplement, the Issuer agrees for the benefit of the Holders that the courts of England have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Debt Instruments (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

#### **30.3 Appropriate forum**

Unless specified otherwise in the relevant Pricing Supplement, each of the Issuer and each Guarantor irrevocably waives any objection which it might now or later have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

### 30.4 Process agent

Unless specified otherwise in the relevant Pricing Supplement, each of the Issuer agrees, and the Guarantors have agreed in the Guarantee Deed Poll, that the process by which any Proceedings are begun may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on its behalf, it agrees, on the written demand of any Holder addressed to it and delivered to it, appoint a further person in England to accept service of process on its behalf. Nothing in this paragraph affects the right of any Holder to serve process in any other manner permitted by law.

### 30.5 Non-exclusivity

The submission to the jurisdiction of the courts of England does not (and shall not be construed so as to) limit the right of any Holder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

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## 31 Third party rights

No person has any rights to enforce any term or condition of the Debt Instruments under the Contracts (Rights of Third Parties) Act 1999 of the United Kingdom.

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## 32 Interpretation

### 32.1 Definitions

In these Conditions, the following expressions have the following meanings:

**Accrual Yield** has the same meaning as in the relevant Pricing Supplement.

**Additional Business Centre(s)** means each city specified as such in the relevant Pricing Supplement.

**Additional Financial Centre(s)** means each city specified as such in the relevant Pricing Supplement.

**Agency Agreement** means:

- (a) the Issuing and Paying Agency Agreement; and
- (b) such other agency agreement as the Issuer and each Guarantor may be parties to in relation to an issue of Debt Instruments under the Programme.

**Agent** means the Registrar, the Principal Paying Agent, each Paying Agent, each Calculation Agent and includes any successor, substitute or additional agent appointed under an Agency Agreement from time to time.

**Australian GAAP** means generally accepted accounting principles, standards and practices as in effect from time to time in Australia.

**Australian Tax Act** means the Income Tax Assessment Act 1936 of Australia or the Income Tax Assessment Act 1997 of Australia, as the context requires.

**Bearer Debt Instrument** means a Debt Instrument which is in bearer form and which is specified as such in the Pricing Supplement.

**Business Day** means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in Sydney and each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business in the Principal Financial Centre of the relevant currency and in Sydney and each (if any) Additional Business Centre.

**Business Day Convention** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Pricing Supplement, in relation to any date applicable to any Debt Instrument, have the following meanings:

- (a) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (b) **Modified Following Business Day Convention or Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day;
- (c) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day;
- (d) **FRN Convention, Floating Rate Convention or Eurodollar Convention** means that the date which numerically corresponds to the preceding date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding date occurred, provided however:
  - (i) if there is no such numerically corresponding day in the calendar month in which that date should occur, then that date is the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which case the date is brought forward to the first preceding day which is a Business Day; and
  - (iii) if the preceding date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

- (e) **No Adjustment** means that the Relevant Date shall not be adjusted in accordance with any Business Day Convention.

**Calculation Agent** means The Bank of New York Mellon, London Branch or any other person specified in the relevant Pricing Supplement as the party responsible for calculating the Interest Rate and the amount of interest payable in respect of that Debt Instrument for that Interest Period or such other amount(s) as may be specified in the relevant Pricing Supplement.

**Clearing System** means Euroclear, Clearstream, Luxembourg and any other clearing system designated as such in a relevant Pricing Supplement.

**Clearstream Luxembourg** means Clearstream Banking S.A..

**Common Depositary** means, in relation to a Series of Debt Instruments, the common depositary for Euroclear and Clearstream, Luxembourg.

**Issuer** means Stockland Finance Pty Limited (ABN 48 105 653 567).

**Condition** means the correspondingly numbered condition in these terms and conditions.

**Constitution** means the constitution of the Stockland Trust.

**Corporations Act** means the Corporations Act 2001 of Australia.

**Coupon** means a bearer interest coupon appertaining to a Definitive Bearer Debt Instrument (other than a Zero Coupon Debt Instrument) in or substantially in the form set out in the Agency Agreement, or in such other form as may be agreed between the Issuer and the Principal Paying Agent.

**Couponholders** means, in respect of a Series, the holders of the Coupons.

**Day Count Fraction** means, in respect of the calculation of an amount for any period of time ("**Calculation Period**"), the day count fraction specified in these Conditions or the relevant Pricing Supplement and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number

of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

- (b) if “**Actual/365**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
  - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months unless:
  - (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day is not considered to be shortened to a 30-day month; or
  - (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);
- (f) if “**30E/360**” or “**Eurobond Basis**” is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);
- (g) if “**RBA Bond Basis**” or “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year; and
- (h) any other Day Count Fraction specified in the relevant Pricing Supplement.

**Debt Instrument** means any Loan Note, MTN or TLC or other debt obligation (or evidenced by an instrument) issued, or to be issued, under the Programme.

**Debt Instrument Deed Poll** means the deed poll dated on or about 2 August 2005 executed by the Company and the Guarantors (with the exception of Stockland Finance Pty Limited).

**Definitive Bearer Debt Instrument** means a Bearer Debt Instrument issued in definitive form in or substantially in the form set out in the Agency Agreement and having, where appropriate, Coupons, Talons or Receipts attached on issue in definitive form.

**Directive** means:

- (a) a law; or
- (b) a treaty, an official directive, request, regulation, guideline or policy (whether or not having the force of law).

**Dual Currency Debt Instrument** means a Debt Instrument in respect of which payments of principal or interest or both are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases as indicated in the applicable Pricing Supplement.

**Early Redemption Amount (Call)** means, in respect of any Debt Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement.

**Early Redemption Amount (Put)** means, in respect of any Debt Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement.

**Early Redemption Amount (Tax)** means, in respect of any Debt Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement.

**Early Redemption Date (Call)** means the date so described in the relevant Pricing Supplement.

**Early Redemption Date (Put)** means the date so described in the relevant Pricing Supplement.

**Early Termination Amount** means, in respect of any Debt Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement.

**EU** means the European Union.

**Euroclear** means Euroclear Bank SA/NV.

**Event of Default** means an event so described in Condition 22.

**Extraordinary Resolution** has the meaning given in the Meetings Provisions.

**FATCA** means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service,

the U.S. government or any governmental or taxation authority in any other jurisdiction.

**Final Redemption Amount** means, in respect of any Debt Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement.

**Fixed Coupon Amount** has the meaning given in the relevant Pricing Supplement.

**Fixed Rate Debt Instrument** means a Debt Instrument on which interest is calculated at a fixed rate payable in arrears on a fixed date or fixed dates in each year and on redemption or on such other dates as indicated in the applicable Pricing Supplement.

**Floating Rate Debt Instrument** means a Debt Instrument on which interest is calculated at a floating rate payable 1, 2, 3, 6, or 12 monthly or in respect of such other period or on such date(s) as specified in the applicable Pricing Supplement.

**Global Debt Instrument** means a Temporary Global Debt Instrument or, as the context may require, a Permanent Global Debt Instrument.

**Guarantee Deed Poll** means the deed poll as amended and restated on 16 March 2018 executed by the Guarantors.

**Guarantor** means each of Stockland Corporation Limited (ACN 000 181 733), Stockland Trust Management Limited (ABN 86 001 900 741) in its capacity as responsible entity of the Stockland Trust (ARSN 092 897 348), Stockland Development Pty Limited (71 000 064 835) and Stockland Finance Pty Limited (ABN 48 105 653 567).

**Holder** means, in respect of a Debt Instrument:

- (a) the bearer for the time being of an outstanding Bearer Debt Instrument, Coupon, Talon or Receipt; or
- (b) the person whose name is entered in the Register as the holder of a Registered Debt Instrument; or
- (c) where there are joint holders of a Registered Debt Instrument, the persons whose names appear in the Register as joint holders of the Debt Instrument; or
- (d) for avoidance of doubt where a Global Debt Instrument is entered into a Clearing System, the operator of that Clearing System or the Common Depositary who is the bearer of that Global Debt Instrument, as the case may be.

**Index Linked Interest Debt Instrument** means a Debt Instrument in respect of which the amount payable in respect of interest is calculated by reference to an index or a formula or both as specified in the applicable Pricing Supplement.

**Index Linked Debt Instrument** means an Index Linked Interest Debt Instrument or an Index Linked Redemption Amount Debt Instrument, as the case may be.

**Index Linked Redemption Amount Debt Instrument** means a Debt Instrument in respect of which the amount payable in respect of principal is calculated by reference to an index or a formula or both as specified in the applicable Pricing Supplement.



**Instalment Amount** means the amount so described in the relevant Pricing Supplement.

**Instalment Date** means the date so described in the relevant Pricing Supplement.

**Instalment Debt Instrument** means a Debt Instrument in respect of which the principal amount is payable in one or more instalments, as specified in the applicable Pricing Supplement.

**Interest Commencement Date** means the Issue Date of the Debt Instruments or any other date so described in the relevant Pricing Supplement.

**Interest Determination Date** means the date so described in the relevant Pricing Supplement.

**Interest Payment Date** means each date so described in, or determined in accordance with, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

**Interest Period** means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date.

**Interest Rate** means each rate of interest (expressed as a percentage per annum) payable in respect of the Debt Instruments specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions or the relevant Pricing Supplement.

**ISDA Definitions** means the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Debt Instruments of the relevant Series) published by the International Swaps and Derivatives Association, Inc or, if specified in the relevant Pricing Supplement, the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association Inc..

**Issuer** means in respect of a Debt Instrument, either Stockland Finance Pty Ltd (ABN 48 105 653 567) and Stockland Trust Management Limited (ABN 86 001 900 741) in its capacity as responsible entity of the Stockland Trust (ARSN 092 897 348) as specified in the Pricing Supplement relevant to that Debt Instrument or such other person appointed under the Pricing Supplement as an additional Issuer in accordance with the Programme

and a reference to an “Issuer” in respect of a Debt Instrument is to the individual issuer of such Debt Instrument or otherwise as the context requires.

**Issue Date** means the date on which a Debt Instrument is, or is to be issued, as specified or determined in accordance with the relevant Pricing Supplement.

**Issue Price** means, in respect of a Debt Instrument, the price at which such Debt Instrument is issued as specified in the relevant Pricing Supplement.

**Issuing and Paying Agency Agreement** means the agreement between the Issuer, the Guarantors and the Principal Paying Agent, the Calculation Agent and the Registrar as amended and restated on 16 March 2018.

**Loan Notes** means an instrument evidencing a loan made to the Issuer issued, or to be issued, under the Programme by the Issuer.

**Margin** means the margin specified in, or determined in accordance with, the relevant Pricing Supplement.

**Material Subsidiary** means, at any time, each Subsidiary:

- (a) the book value of the assets of which, together with the assets of the Subsidiaries of such Subsidiary (as would be shown in the consolidated financial statements of the Stockland Group prepared in accordance with Australian GAAP as of such time), exceeds 10% of Total Assets at such time; or
- (b) the revenues of which, together with the revenues of the Subsidiaries of such Subsidiary, for the fiscal year of the Stockland Group ending on or immediately preceding such time exceeded 10% of the consolidated revenues of the Stockland Group for such fiscal year (as shown in the consolidated financial statements of the Stockland Group for such fiscal year prepared in accordance with Australian GAAP).

**Maturity Date** means, in relation to a Debt Instrument, the date specified in the relevant Pricing Supplement as the date for redemption of that Debt Instrument or, in the case of an amortising Debt Instrument, the date on which the last instalment of principal is payable.

**Maximum Interest Rate** has the meaning given in the relevant Pricing Supplement.

**MTN** means a medium term note issued, or to be issued, under the Programme by the Issuer.

**Meetings Provisions** means the provisions for the convening of meetings of, and passing of resolutions by, Holders set out in the relevant Agency Agreement.

**Minimum Interest Rate** has the meaning given in the relevant Pricing Supplement.

**Outstanding** means in relation to the Debt Instruments of all or any Series, all of the Debt Instruments of such Series other than:

- (a) Debt Instruments which have been redeemed or satisfied in full by the Issuer; or
- (b) Debt Instruments for the payment of which funds equal to their aggregate outstanding principal amount are on deposit with the relevant Paying Agent on

terms which prohibit the return of those Debt Instruments or in respect of which the relevant Paying Agent holds an irrevocable direction to apply funds in repayment of Debt Instruments to be redeemed on that day; or

- (c) Debt Instruments which have been purchased or cancelled in accordance with Condition 15.10 (“Cancellation”); or
- (d) Debt Instruments in respect of which a Holder is unable to make a claim as a result of the operation of Condition 21 (“Time limit for claims”); or
- (e) those mutilated or defaced Debt Instruments which have been surrendered and cancelled and in respect of which replacements have been issued under Condition 24 (“Replacement of lost or damaged Bearer Debt Instruments and Coupons”); or
- (f) any Temporary Global Debt Instrument to the extent that it has been exchanged for a Permanent Global Debt Instrument or a Definitive Bearer Debt Instrument and any Permanent Global Debt Instrument to the extent that it has been exchanged for Definitive Bearer Debt Instruments in each case pursuant to its provisions, these Conditions or any relevant Agency Agreement.

**Participating Member State** means a Member State of the EU which adopts the euro as its lawful currency in accordance with the Treaty.

**Partly Paid Debt Instrument** means a Debt Instrument in relation to which the initial subscription moneys are payable to the Issuer in two or more instalments.

**Paying Agent** means, in relation to any Debt Instruments, the Principal Paying Agent, the Registrar and any person appointed to act as paying agent, or any successor paying agent, appointed under the Agency Agreement and such other paying agent in relation to any Debt Instruments as may from time to time be appointed by the Issuer.

**Payment Business Day** means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in euro; and
  - (ii) a TARGET Settlement Day and a day on which dealings in euro may be carried on in Sydney and each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in Sydney and each (if any) Additional Financial Centre.

**Permanent Global Debt Instrument** means a Global Debt Instrument in permanent global form representing Bearer Debt Instruments of one or more Tranches of the same series in such form as may be agreed between the Issuer and the Principal Paying Agent.

**Pricing Supplement** means, in respect of a Tranche, a pricing supplement specifying the relevant issue details in relation thereto.

**Principal Financial Centre** means, in relation to any currency, the principal financial centre for that currency and:

- (a) in relation to euro, it means the principal financial centre of the Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to Australian dollars, it means either Sydney or Melbourne as selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (c) in relation to New Zealand dollars, it means either Wellington or Auckland as selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

**Principal Paying Agent** means The Bank of New York Mellon, London Branch or any other person specified in the relevant Pricing Supplement as being the principal paying agent for the relevant Debt Instruments.

**Programme** means the programme for the issuance of Debt Instruments established by the Issuer and described in Condition 1.1 (“Programme”).

**Programme Agreement** means the programme agreement as amended and restated on 16 March 2018 entered into between the Issuers, the Guarantors and HSBC Bank plc as the Arranger and the Dealers as described therein or such other programme agreement as the Issuers, the Guarantors, Dealers and the Arrangers may be parties to in relation to an issue of Debt Instruments under the Programme.

**Receipt** means a payment receipt relating to the payment of principal on a Debt Instrument in or substantially in the form set out in the Agency Agreement, or in such other form as may be agreed between the Issuer and the Principal Paying Agent.

**Receiptholder** means, in respect of a Series, the holders of the Receipts.

**Record Date** means, in the case of payments of interest or principal, the close of business in the place where the relevant Register is maintained on the eighth calendar day before the Relevant Date for payment or any date so described in the relevant Pricing Supplement.

**Redemption Amount** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Early Redemption Amount (Call), the Early Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement.

**Reference Banks** means the institutions so described in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

**Reference Price** has the meaning given in the relevant Pricing Supplement.

**Reference Rate** means the rate so described in the relevant Pricing Supplement.

**Register** means a register, including any branch register, of Holders of Registered Debt Instruments established and maintained by or on behalf of the Issuer.

**Registered Debt Instrument** means a Debt Instrument which is in registered form and which is specified as such in the applicable Pricing Supplement.

**Registrar** means The Bank of New York Mellon SA/NV Luxembourg Branch or such other person appointed by the Issuer pursuant to the relevant Agency Agreement to maintain the Register in relation to Registered Debt Instruments and perform such payment and other duties as specified in that agreement.

**Regular Period** means:

- (a) in the case of Debt Instruments where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Debt Instruments where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Debt Instruments where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**Relevant Date** means, in relation to any payment, whichever is the later of:

- (a) the date on which the payment in question first becomes due; and
- (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders.

**Relevant Financial Centre** has the meaning given in the relevant Pricing Supplement.

**Relevant Screen Page** means:

- (a) the page, section or other part of a particular information service (including, without limitation, the Reuters Monitor Money Rates Service and the Dow Jones Telerate Service) specified as the Relevant Screen Page in the relevant Pricing Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

**Relevant Time** means the time so described in the relevant Pricing Supplement.

**Reserved Matter** means any proposal to change any date fixed for payment of principal or interest in respect of the Debt Instruments, to reduce the amount of principal or interest payable on any date in respect of the Debt Instruments, to alter the method of calculating the amount of any payment in respect of the Debt Instruments or the date for any such payment, to modify or cancel the Guarantee, to change the currency of any payment under the Debt Instruments or to change the quorum requirement relating to meetings or the majority required to pass an Extraordinary Resolution or to amend this definition.

**Second Deed Poll** means the deed poll dated on or about 4 April 2013 executed by the Issuers and the Guarantors.

**Security Interest** means any mortgage, charge, pledge, lien or other security interest (other than one arising by operation of law).

**Series** means each original issue of a Tranche of Debt Instruments, together with the issue of any further Tranche of Debt Instruments, expressed to form a single Series with the original issue and the Debt Instruments comprising such Tranches being identical in every respect except for the Issue Date, Issue Price and Interest Commencement Date of the Tranche and, in respect of the first interest payment (if any). A Series may comprise Debt Instruments in more than one denomination.

**Specified Currency** means the currency specified in the relevant Pricing Supplement including, Australian dollars, Canadian dollars, Euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Singapore dollars, Pounds Sterling, and United States dollars, or any other freely transferable and freely convertible currency.

**Specified Denomination** has the meaning given in the relevant Pricing Supplement.

**Specified Office** means, in relation to a person, the office specified in the most recent Information Memorandum for the Programme as such other address as is notified to Holders from time to time.

**Specified Period** has the meaning given in the relevant Pricing Supplement.

**STML** means Stockland Trust Management Limited as responsible entity for the Stockland Trust (ARSN 092 897 348) and, unless expressly stated to the contrary, is a reference to Stockland Trust Management Limited (or any duly appointed successor) acting only in its capacity as responsible entity for the Stockland Trust and not in its personal capacity).

**Stockland Group** means Stockland Corporation Limited and the Stockland Trust and each of their respective Subsidiaries.

**Stockland Trust** means the registered managed investments scheme known as the Stockland Trust (ARSN 092 897 348) evidenced by the Constitution.

**Subsidiary** means of another entity which is a subsidiary of the first within the meaning of part 1.2 division 6 of the Corporations Act or is a subsidiary of or otherwise controlled by the first within the meaning of any approved accounting standard.

**Talons** means the bearer talons (if any) appertaining to, and exchangeable in accordance with their provisions for the further Coupons appertaining to, a Definitive Bearer Debt Instrument (other than a Zero Coupon Debt Instrument) in or substantially in the relevant form set out in the Agency Agreement or in such other form as may be agreed between the Issuer and the Principal Paying Agent.

**Talonholders** in respect of a Series, means the holders of the Talons.

**TARGET Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

**Taxes** means taxes, levies, imposts, deductions, charges or withholdings and duties imposed by any authority (including stamp and transaction duties), together with any related interest, penalties and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the Holder.

**Temporary Global Debt Instrument** means a Global Debt Instrument in temporary global form representing Bearer Debt Instruments of one or more Tranches of the same Series.

**Third Deed Poll** means the deed poll dated 16 March 2018 executed by the Issuers and the Guarantors.

**Total Assets** means, at any time, the aggregate book value of all assets of the Stockland Group as would be shown in the consolidated financial statements of the Stockland Group prepared in accordance with Australian GAAP as of such time.

**Tranche** means a tranche of Debt Instruments specified as such in the relevant Pricing Supplement issued on the same Issue Date and on the same Conditions (except that a Tranche may comprise Debt Instruments in more than one denomination).

**Transferable Loan Certificates** or **TLCs** means transferable certificates evidencing a loan made to the Issuer issued, or to be issued under the Programme by the Issuer.

**Treaty** means the Treaty establishing the European Communities, as amended by the Treaty on European Union.

**Variable Interest Debt Instrument** means an Index Linked Interest Debt Instrument or any other variable interest rate note other than a Floating Rate Debt Instrument.

**Variable Debt Instrument** means a Variable Redemption Debt Instrument and Variable Interest Debt Instrument.

**Variable Redemption Debt Instrument** means an Index Linked Redemption Debt Instrument or Dual Currency Debt Instrument.

**Zero Coupon Debt Instrument** means a Debt Instrument which does not carry an entitlement to periodic payment of interest prior to the redemption date of such Debt Instrument and which is issued at a discount to its face value.

### **32.2 References to certain general terms**

Unless the contrary intention appears, a reference in these Conditions to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) anything (including an amount) is a reference to the whole and each part of it;
- (c) a document (including these Conditions) includes any variation or replacement of it;
- (d) law means common law, principles of equity, and laws made by any parliament and regulations and other instruments under those laws and consolidations, amendments, re-enactments or replacements of any of them);
- (e) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (f) the word “person” includes an individual, a firm, a body corporate, an unincorporated association and an authority; and
- (g) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns.

### **32.3 Number**

The singular includes the plural and vice versa.

### **32.4 Headings**

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

### **32.5 References**

Unless the contrary intention appears, in these Conditions:

- (a) a reference to a Holder is a reference to the Holder of Debt Instruments of a particular Series and includes Couponholders, Talonholders and Receiptholders (if any);
- (b) a reference to a Debt Instrument is a reference to a Debt Instrument of a particular Series and includes:
  - (i) any Coupon, Receipt or Talon in relation to that Debt Instrument; and
  - (ii) any replacement Debt Instrument, Coupon, Receipt or Talon issued under the Conditions;



- (c) if Talons are specified in the relevant Pricing Supplement as being attached to the Debt Instruments at the time of issue, references to Coupons are taken to include references to Talons; and
- (d) if Talons are not specified in the relevant Pricing Supplement as being attached to the Debt Instruments at the time of issue, references to Talons are not applicable.

### **32.6 References to principal and interest**

Unless the contrary intention appears, in these Conditions:

- (a) any reference to “principal” is taken to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 20 (“Taxation”), any premium payable in respect of a Debt Instrument, and any other amount in the nature of principal payable in respect of the Debt Instruments under these Conditions;
- (b) any reference to “interest” is taken to include any additional amounts in respect of interest which may be payable under Condition 20 (“Taxation”) and any other amount in the nature of interest payable in respect of the Debt Instruments under these Conditions; and
- (c) if an expression is stated as having the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “Not Applicable” then such expression is not applicable to the Debt Instruments.

## FORM OF PRICING SUPPLEMENT

*The Pricing Supplement that will be issued in respect of each Tranche of Debt Instruments will be substantially in the form set out below. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

### Stockland Finance Pty Limited

(ABN 48 105 653 567)

### Stockland Trust Management Limited in its capacity as responsible entity of the Stockland Trust (ARSN 092 897 348)

(ABN 86 001 900 741)

## €2,000,000,000 Debt Issuance Programme

Issue of

*[Aggregate Principal Amount of Tranche]*

*[MTNs/TLCs/Loan Notes/Other]*

Series No.: [ ]

Tranche No.: [ ]

Terms used in this document are deemed to be defined as such for the purposes of the Terms and Conditions (“**Conditions**”) set forth in the Information Memorandum dated 16 March 2018. This Pricing Supplement (as referred to in the Information Memorandum dated 16 March 2018 in relation to the above Programme) relates to the Tranche of [EMTNs/TLCs/Loan Notes/other] Debt Instruments referred to above.

**[MiFID II product governance / Professional investors and ECPs only target market]** – solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Debt Instruments has led to the conclusion that: (i) the target market for the Debt Instruments is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Debt Instruments to eligible counterparties and professional clients are appropriate. *[Consider any negative target market.]* Any person subsequently offering, selling or recommending the Debt Instruments (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Debt Instruments (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.]

**[PRIIPs Regulation – Prohibition of sales to EEA retail investors]** – the Debt Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Debt Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Debt Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

The particulars to be specified in relation to such Tranche are as follows:

1	Issuer:	Stockland Finance Pty Limited (ABN 48 105 653 567)/ Stockland Trust Management Limited (ABN 86 001 900 741) as responsible entity of the Stockland Trust (ARSN 092 897 348)
2	Guarantors	Stockland Trust Management Limited (ABN 86 001 900 741) as responsible entity of the Stockland Trust (ARSN 092 897 348) Stockland Finance Pty Limited (ABN 48 105 653 567) Stockland Corporation Limited (ABN 43 000 181 733) Stockland Development Pty Limited (ABN 71 000 064 835)
3	Lead Manager:	[Name and ACN/ABN]
4	Calculation Agent	[Specify]
5	Description:	[MTNs/TLCs/Loan Notes/Specify]
6	Listing venue	[Specify]
7	Form	[Registered/Bearer]  [Temporary Global Notes exchangeable for a Permanent Global Notes which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Notes]  [Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice]  [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]  [Registered Global Note]
8	Dealers:	[Name and ACN/ABN]
9	Clearing System	[Euroclear/Clearstream, Luxembourg/[Specify]]
10	Aggregate Principal Amount of Tranche:	[Specify]
11	Specified Currency:	[Specify]
12	If interchangeable with existing Series:	[Specify]
13	Issue Date:	[Specify]
14	Issue Price:	[Specify]
15	Record Date	[In the case of payments of interest, the close of business in the place where the relevant Register is maintained on the eighth calendar day before the

		relevant date for payment or any date so described in the relevant Pricing Supplement.]
16	Reference Banks	<i>[If none are specified, the four major banks specified by the Calculation Agent in the market that is most closely connected with the Reference Rate]</i>
17	Reference Price	<i>[Specify - for example, LIBOR, EURIBOR or BBSW]</i>
18	Reference Rate	<i>[Specify]</i>
19	Denomination(s):	<i>[Specify]</i>
20	Specified Period	<i>[Specify]</i>
21	Interest:	<i>[Specify]</i>
22	Minimum/Maximum Interest Rate	<i>[Specify/Not Applicable]</i>
23	Margin	<i>[Specify – [+/-] [ ] percent per annum]</i>
24	[Fixed Rate Debt Instruments]	[Applicable] [Condition 10 will apply.]
	(a) Interest Commencement Date:	[Issue Date/Specify other]
	(b) Interest Payment Dates:	<i>[Specify]</i>
	(c) Interest Rate:	<i>[Specify]</i> per cent. per annum/Not Applicable
	(d) Fixed Coupon Amount:	\$( <i>[Specify]</i> ) per [ <i>[Specify]</i> ]/Not Applicable
	(e) Day Count Fraction:	<i>[Specify - Actual/365 or Actual/Actual, Actual/365 (Fixed) or Australian Bond Basis, Actual/360, thirty/360 or 360/360 or Bond Basis, 30E/360 or Eurobond Basis, RBA Bond Basis]</i>
	(f) Relevant Time	<i>[Specify]</i>
25	[Floating Rate Debt Instruments]	[Applicable] [Condition 11 will apply.] <i>[If not applicable, delete the remaining sub-paragraphs of this paragraph]</i>
	(a) Interest Commencement Date:	[Issue Date/ Specify other]
	(b) Interest Payment Dates:	<i>[Specify - [ ] in each year, [adjusted in accordance with [specify Business Day Convention and any applicable Additional Financial Centre(s) for the definition of Business Day]/not adjusted]]</i>
	(c) Interest Rate:	<i>[Specify - [ ] percent per annum [payable annually/semi-annually/quarterly/monthly] in arrears]</i>
	(d) ISDA Determination:	[Applicable/Not Applicable]
	(e) Screen Rate Determination:	[Applicable/Not Applicable]
	(f) Relevant Screen Page	<i>[Specify]</i>

	(g) Designated Maturity	[Specify]
	(h) Reset Date	[Specify]
26	[Instalment Debt Instrument]	[If applicable specify provisions]
27	[Index Linked Interest Debt Instruments]	[If applicable, specify provisions]
28	[Dual Currency Debt Instruments]	[If applicable, specify provisions]
29	[Partly Paid Debt Instruments]	[If applicable, specify provisions]
30	[Non-interest bearing]	[Applicable]
31	Accrual Yield	[Specify]
32	Reference Price:	[Specify]
33	Day Count Fraction:	[Specify - Actual/365 or Actual/Actual, Actual/365 (Fixed) or Australian Bond Basis, Actual/360, thirty/360 or 360/360 or Bond Basis, 30E/360 or Eurobond Basis, RBA Bond Basis]
34	Applicable Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Floating Rate Convention/Eurodollar Convention/No Adjustment] <i>[If nothing is specified Following Business Day Convention applies. Care should be taken to match the maturity date (as well as other key dates) of the Debt Instruments with any underlying swap transactions. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No adjustment") in relation to the maturity date of the Debt Instruments to disapply the applicable Business Day Convention.]</i>
	(a) for Interest Payment Dates:	[Specify]
	(b) for Maturity Dates:	[Specify]
	(c) any other date:	[Specify]
35	Business Day - Additional Business Centre(s)	[Specify - [CHF] Zurich, Sydney, Melbourne [GBP] London, Sydney, Melbourne [AUD] Sydney, Melbourne [EUR] TARGET, London, Sydney, Melbourne [JPY] Tokyo, Sydney, Melbourne [RMB] Hong Kong, Sydney, Melbourne [[SGD] Singapore, Sydney, Melbourne]

		[Not Applicable/give details]]
36	Additional Financial Centre(s)	[Specify]
37	Maturity Date:	[Specify - Fixed rate - specify date Floating rate - specify Interest Payment Date falling in the relevant month and year]
38	Final Redemption Amount:	[Specify]
39	Early Redemption	[Applicable]
40	Early Redemption Amount (Call)	<i>[Specify - N.B. Consideration to be given to the calculation of the Early Redemption Amount (Call). It is likely to be based upon a make-whole amount which would be calculated in accordance with a formula that will need to be detailed on a case by case basis for each Series as specified in the Pricing Supplement, having regard to the present value on the Early Redemption Date (Call) of the principal amount of the Debt Instruments and scheduled or anticipated interest on the Debt Instruments up to and including the original Maturity Date. The present value would be calculated by reference to a discount and benchmark rate, details of which to be attached as an annex to the Pricing Supplement]</i>
41	Early Redemption Date (Call)	[Specify]
42	Early Redemption Amount (Put)	[Specify]
43	Early Redemption Date (Put)	[Specify]
44	Early Redemption Amount (Tax)	[Specify]
45	Final Redemption Amount	[Specify]
46	Notice period (if other than as set out in the Terms and Conditions)	<i>[Specify - N.B. If setting notice periods which are different to those provided in the Terms and Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agents]</i>
47	Minimum Redemption Amount	[Specify]
48	Maximum Redemption Amount	[Specify]
49	Early Termination Amount	[Specify]
50	Instalment Amount	[Specify/Not Applicable]
51	Instalment Date	[Specify/Not Applicable]
52	Additional or alternate newspapers	[Specify]

53	Redenomination (Condition 29)	[Applicable/Not Applicable]
54	Method of distribution	[Syndicated/Non-syndicated]
55	Public offer test	[Compliant/Not compliant]
56	Withholding Tax	[Specify]
57	Notices	[Specify any other means of effective communications]
58	Governing law	[English law/specify other]
59	Change of control	[Not applicable/The provisions set out below apply.]  [If applicable, give details of change of control provision]
60	U.S. Selling Restrictions	[Regulation S Category 2; TEFRA D][NB: TEFRA D rules should apply to issues of Debt Instruments unless it is agreed by the Issuer at the time of completion of the Pricing Supplement that TEFRA C rules should apply or that TEFRA D rules should not be applied to a particular issue of Debt Instruments]
61	Additional selling restrictions:	[Not Applicable/give details]
62	Approved Jurisdictions (marketing in EU member states only):	[Austria] [Belgium] [Denmark] [France] [Germany] [Ireland] [Italy] [Luxembourg] [Netherlands] [Norway] [Portugal] [Spain] [United Kingdom]
63	Other Terms and Conditions:	[Specify, if applicable.]
64	Legal Entity Identifier (LEI)	[Specify]

## CONFIRMED

By: .....

[Name]

Authorised Officer of the Issuer

Date: .....

## GUARANTEE DEED POLL

### Details

**Interpretation** – definitions are at the end of this deed before the schedules

Parties	Guarantors	
<b>Guarantors</b>	Name	<b>Stockland Trust Management Limited</b> in its capacity as responsible entity of the Stockland Trust (ARSN 092 897 348)
	ABN	86 001 900 741
	Address	Level 25, 133 Castlereagh Street, Sydney NSW 2000
	Fax	(61 2) 8988 2671
	Email	treasury@stockland.com.au
	Attention	Group Treasurer
	Name	<b>Stockland Finance Pty Limited</b>
	ABN	48 105 653 567
	Address	Level 25, 133 Castlereagh Street, Sydney NSW 2000
	Fax	(61 2) 8988 2671
	Email	treasury@stockland.com.au
	Attention	Group Treasurer
	Name	<b>Stockland Corporation Limited</b>
	ABN	43 000 181 733
	Address	Level 25, 133 Castlereagh Street, Sydney NSW 2000
	Fax	(61 2) 8988 2671
	Email	treasury@stockland.com.au
	Attention	Group Treasurer
	Name	<b>Stockland Development Pty Limited</b>



ABN	71 000 064 835
Address	Level 25, 133 Castlereagh Street, Sydney NSW 2000
Fax	(61 2) 8988 2671
Email	treasury@stockland.com.au
Attention	Group Treasurer

---

**Programme Documents**

include:

- this Guarantee Deed Poll;
- the Programme Agreement;
- the Debt Instrument Deed Poll;
- the Second Deed Poll;
- the Third Deed Poll;
- the Issuing and Paying Agency Agreement.

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**Governing law**

England

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**Date of deed poll**

See Signing page

# Guarantee Deed Poll

## General terms

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### **1 What the Guarantor undertakes in this guarantee**

#### **1.1 Effect of guarantee**

The Guarantor acknowledges that it could become liable to pay the Holders:

- (a) under the guarantee in clause 2.2 (“Guarantee”);
- (b) under the indemnity in clause 2.3 (“Indemnity”);
- (c) interest under clause 3 (“Interest”); and
- (d) Costs and other expenses under clause 11 (“Costs and indemnities”).

#### **1.2 Joint and individual liability**

The Guarantor is liable for all the obligations under this guarantee both individually and jointly with any one or more other persons who are a “Guarantor”.

#### **1.3 Acknowledgement**

The Guarantor acknowledges that it is responsible for making itself aware of the financial position of the Issuer and any other person who guarantees payment of the Guaranteed Money.

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### **2 Guarantee and indemnity**

#### **2.1 Consideration**

The Guarantor acknowledges that the Holders are acting in reliance on the Guarantor incurring obligations and giving rights under this guarantee.

#### **2.2 Guarantee**

The Guarantor unconditionally and irrevocably guarantees payment to the Holders of the Guaranteed Money. If the Issuer does not pay the Guaranteed Money on time and in accordance with the Programme Documents then the Guarantor agrees to pay the Guaranteed Money to the Holders on demand from the Holders.

#### **2.3 Indemnity**

The Guarantor indemnifies the Holders against any liability or loss arising, and any Costs it suffers or incurs:

- (a) if the Issuer does not, or is unable to, pay the Guaranteed Money in accordance with the Programme Documents; or
- (b) if an obligation the Issuer would otherwise have to pay the Guaranteed Money is found to be void, voidable or unenforceable; or
- (c) if an obligation the Guarantor would otherwise have under clause 2.2 (“Guarantee”) is found to be unenforceable for any reason (whether or not known or existing at the date of this deed); or
- (d) if the Holder is obliged, or agrees, to pay an amount to a trustee in bankruptcy or liquidator (of an Insolvent person) in connection with a payment by the Guarantor or the Issuer for any reason (including, without limitation, bankruptcy, insolvency, winding-up, dissolution or similar law of any jurisdiction) to refund all or any part of any amount received by it. (For example, the Holder may have to, or may agree to, pay interest on the amount); or
- (e) if the Guarantor defaults under this guarantee; or
- (f) in connection with any person exercising, or not exercising, rights under this guarantee.

The Guarantor agrees to pay amounts due under this indemnity on demand from the Holder.

## **2.4 Holder Demand**

A Holder will not make demand on the Guarantor:

- (a) in the case of moneys which are payable by the Issuer on demand, before making demand on the Issuer; and
- (b) in all other cases, before the Issuer has failed to pay, when due to be paid, the moneys specified in the demand.

## **2.5 Holder demand at any time and from time to time**

Subject to clause 2.4 (“Holder Demand”), a Holder may make demand on the Guarantor at any time and from time to time.

## **2.6 Judgment prima facie evidence against Guarantor**

In the absence of manifest error:

- (a) non-payment by the Issuer in accordance with the terms of the Programme Documents; or
- (b) a judgment which a Holder obtains against the Issuer,

will be prima facie evidence against the Guarantor in respect of any demand made by the Holder on the Guarantor under this guarantee.

---

### **3 Interest**

#### **3.1 Obligation to pay interest**

The Guarantor agrees to pay interest at the Default Rate on:

- (a) any part of the Guaranteed Money which is due for payment but which is not otherwise incurring interest; and
- (b) any amount under this guarantee (other than under clause 2.2 (“Guarantee”)) which is not paid on the due date for payment.

The interest accrues daily from (and including) the due date to (but excluding) the date of actual payment and is calculated on actual days elapsed and a year of 365 days.

The Guarantor agrees to pay interest under this clause on demand from the Holder.

#### **3.2 Compounding**

Interest payable under clause 3.1 (“Obligation to pay interest”) which is not paid when due for payment may be added to the overdue amount by the Holder at intervals which the Holder determines from time to time or, if no determination is made, every 30 days. Interest is payable on the increased overdue amount at the Default Rate in the manner set out in clause 3.1 (“Obligation to pay interest”).

#### **.3 Interest following judgment**

If a liability becomes merged in a judgment, the Guarantor agrees to pay interest on the amount of that liability as an independent obligation. This interest:

- (a) accrues daily from (and including) the date the liability becomes due for payment both before and after the judgment up to (but excluding) the date the liability is paid; and
- (b) is calculated at the judgment rate or the Default Rate (whichever is higher).

The Guarantor agrees to pay interest under this clause on demand from the Holder.

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### **4 Nature of guarantee**

The guarantee in clause 2.2 (“Guarantee”) is a continuing obligation despite any intervening payment, settlement or other thing and extends to all of the Guaranteed Money. The Guarantor waives any right it has of first requiring the Holder to commence proceedings or enforce any other right against the Issuer or any other person before claiming from the Guarantor under this guarantee.

As between the Guarantor and the Holder, but without affecting the Issuer's obligations, the Guarantor will be liable under this Guarantee as if it were sole principal debtor and not merely as surety.

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## **5 Reinstatement of rights**

Under the law relating to Insolvency, a person may claim that a transaction (including a payment) in connection with this guarantee or the Guaranteed Money is void or voidable. If a claim is made and upheld, conceded or compromised, then:

- (a) the Holder is immediately entitled as against the Guarantor to the rights in respect of the Guaranteed Money to which it was entitled immediately before the transaction; and
- (b) on request from the Holder, the Guarantor agrees to do anything (including signing any document) to restore to the Holder any Security Interest (including this guarantee) held by it from the Guarantor immediately before the transaction.

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## **6 Rights of the Holder are protected**

Rights given to Holders under this guarantee, and the Guarantor's liabilities under it, are not affected by any act or omission of the Holder or any other person. For example, those rights and liabilities are not affected by:

- (a) any act or omission:
  - (i) varying or replacing any arrangement under which the Guaranteed Money is expressed to be owing, such as by increasing a Programme limit or extending the term;
  - (ii) releasing the Issuer or giving the Issuer a concession (such as more time to pay);
  - (iii) releasing any person who gives a guarantee or indemnity in connection with any of the Issuer's obligations (including under clause 16 ("Release of Guarantors"));
  - (iv) releasing, losing the benefit of, or not obtaining any Security Interest or negotiable instrument;
  - (v) by which the obligations of any person who guarantees any of the Issuer's obligations (including under this guarantee) may not be enforceable;
  - (vi) by which any person who was intended to guarantee any of the Issuer's obligations does not do so, or does not do so effectively;

- (vii) by which a person who is a co-surety or co-indemnifier for payment of the Guaranteed Money is discharged under an agreement or by operation of law;
- (viii) by which any Security Interest which could be registered is not registered;
- (b) a person dealing in any way with a Security Interest, guarantee, indemnity, judgment or negotiable instrument;
- (c) the death, mental or physical disability or insolvency of any person including the Guarantor or the Issuer;
- (d) changes in the membership, name or business of any person;
- (e) the Issuer opening an account with the Holder;
- (f) acquiescence or delay by the Holder or any other person;
- (g) an assignment of rights in connection with the Guaranteed Money.

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## **7 No merger**

This guarantee does not merge with or adversely affect, and is not adversely affected by, any of the following:

- (a) any other guarantee, indemnity, or Security Interest, or other right or remedy to which the Holder is entitled; or
- (b) a judgment which the Holder obtains against the Guarantor, the Issuer or any other person in connection with the Guaranteed Money.

The Holder may still exercise its rights under this guarantee as well as under the judgment, Security Interest or right or remedy.

---

## **8 Guarantor's rights**

### **8.1 Guarantor's rights are suspended**

As long as any of the Guaranteed Money remains unpaid, the Guarantor may not, without the Issuer's consent:

- (a) reduce its liability under this guarantee by claiming that it or the Issuer or any other person has a right of set-off or counterclaim against the Holder; or
- (b) exercise any legal right to claim to be entitled to the benefit of another guarantee, indemnity, or Security Interest given in connection with the Guaranteed Money or any other amount payable under this guarantee. (For example, the Guarantor may not try to enforce or require the enforcement of any Security Interest the Holder has taken to ensure repayment of the Guaranteed Money.); or

- (c) claim an amount from the Issuer, or another guarantor of the Guaranteed Money; or
- (d) claim an amount in the Insolvency of the Issuer or of another guarantor of the Guaranteed Money.

## **8.2 Guarantor's right of proof limited**

The Guarantor agrees not to exercise a right of proof after an event occurs relating to the insolvency of the Issuer or another guarantor of the Guaranteed Money.

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# **9 Payments**

## **9.1 Manner of payment**

The Guarantor agrees to make payments under this guarantee:

- (a) in full without set-off or counterclaim and without any deduction in respect of Taxes unless prohibited by law; and
- (b) if the payment relates to the Guaranteed Money, in the currency in which the payment is due, and otherwise in United States dollars in immediately available funds and in accordance with the applicable payment provisions in the Conditions.

## **9.2 Currency of payment**

The Guarantor waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if the Holder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual Costs in connection with the conversion; and
- (b) the Guarantor satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the Costs of the conversion.

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# **10 Withholding tax**

If a law requires the Guarantor to deduct an amount in respect of Taxes from a payment under this guarantee such that the Holder would not actually receive on the due date the full amount provided for under this guarantee, then:

- (a) the Guarantor agrees to deduct the amount for the Taxes (and any further deduction applicable to any further payment due under paragraph (c) below); and

- (b) the Guarantor agrees to pay the amount deducted to the relevant authority in accordance with applicable law and give the original receipts to the Holder; and
- (c) if the amount deducted is in respect of Taxes imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision of it, the Guarantor agrees to pay an additional amount so that, after making the deduction and further deductions applicable to additional amounts payable under this clause, the Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions had been required. Except that no additional amounts are payable under this clause (c) in relation to any payment to a Holder in respect of the Debt Instruments:
  - (i) which is to a Holder (or a third party on its behalf) who is liable to such Taxes in respect of that Debt Instrument by reason of its deriving payment in respect of it carrying on business at or through a permanent establishment of the Holder in the Commonwealth of Australia or its territories;
  - (ii) which is more than 30 days after the Relevant Date except to the extent that a Holder would have been entitled to additional amounts under Condition 20.2(b) on presenting the same, or making demand, for payment on the last day of the period of 30 days; or
  - (iii) which is on account of Taxes which are payable by reason of the Holder being an associate of the Issuer or the applicable Guarantor for the purposes of section 128F or 128FA of the Australian Tax Act; or
  - (iv) which would not be required to be deducted or withheld if the Holder had provided the relevant Guarantor with any of its name, address, Australian business number (ABN), Australian tax file number, registration number or similar details or evidence of any relevant tax exemption or similar details; or
  - (v) in a case where the relevant Guarantor receives a notice or direction under section 260-5 of Schedule 1 to the Taxation Administration Act 1953, section 255 of the Australian Tax Act or any analogous provisions, any amounts paid or deducted from sums payable to the Holder by the relevant Guarantor in compliance with such notice or direction; or
  - (vi) which is on account of Taxes which are payable to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to the Issuer, the applicable Guarantor or its agent or any tax authority where (in the case



of Bearer Debt Instruments) the relevant Debt Instrument is presented for payment or (in the case of Registered Debt Instruments) where the demand for payment is made; or

- (vii) in such other circumstances as may be specified in the Pricing Supplement.

Notwithstanding any other provision of this deed, if the Guarantor, or any other person through whom payments on the Debt Instruments are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Guarantor shall be entitled to make such withholding or deduction and shall have no obligation to gross up any payment under this deed or to pay any additional amount or other amount for such withholding or deduction.

The Holder agrees to use reasonable endeavours to minimise any increase or reduction of the kind contemplated by this clause.

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## **11 Costs and indemnities**

### **11.1 What the Guarantor agrees to pay**

The Guarantor agrees to pay or reimburse the Holder on demand for the Holder's Costs in enforcing or preserving rights (or considering doing so) in connection with the guarantee.

The Holder may debit any of these amounts to the Guarantor's account before asking the Guarantor to pay.

### **11.2 Indemnity**

The Guarantor indemnifies the Holder against any liability or loss arising from, and any Costs incurred in connection with, the payment, omission to make payment or delay in making payment of an amount referred to in clause 11.1 ("What the Guarantor agrees to pay"). The Guarantor agrees to pay amounts due under this indemnity on demand from the Holder.

### **11.3 Items included in loss, liability and Costs**

The Guarantor agrees that the Costs referred to in clause 11.1 ("What the Guarantor agrees to pay") and the liability or loss and any Costs referred to in clause 11.2 ("Indemnity"), include legal Costs in accordance with any written agreement as to legal costs (whether or not the Guarantor is a party to the agreement) or, if no agreement, on whichever is the higher of a full indemnity basis or solicitor and own client basis.

### **11.4 Currency conversion on judgment debt**

If a judgment, order or proof of debt for an amount in connection with this guarantee is expressed in a currency other than the currency in which the amount is due under this guarantee, then the Guarantor indemnifies the Holder against:

- (a) any difference arising from converting the other currency if the rate of exchange used by the Holder under clause 9.2 (“Currency of payment”) for converting currency when it receives a payment in the other currency is less favourable to the Holder than the rate of exchange used for the purpose of the judgment, order or acceptance of proof of debt; and
- (b) the Costs of conversion.

## **11.5 Payment for Guarantor’s obligations**

The Guarantor agrees to pay for anything that it agrees to do under this guarantee.

---

## **12 Application of payments**

### **12.1 Application of money**

A Holder may apply money paid by the Issuer or the Issuer’s estate or a Guarantor or otherwise towards satisfaction of the Guaranteed Money and other money payable under a Programme Document in the manner it sees fit.

### **12.2 Order of payment**

A Holder may use money received under this Agreement towards paying any part of the Guaranteed Money the Holder chooses. This applies even if that part only falls due after the Holder gives a notice of demand.

### **12.3 Suspense account**

A Holder may place in an interest bearing suspense account any payment it receives from the Guarantor under clause 2.2 (“Guarantee”) (and any net interest on that payment after tax) for as long as it thinks prudent and need not apply the payment or net interest towards satisfying the Guaranteed Money or other money payable under a Programme Document.

### **12.4 Remaining money**

The Holders agree to pay any money remaining after the Guaranteed Money is paid either to the nominated Guarantor (which the Holder may do by paying it into an account in the nominated Guarantor’s name) or to another person entitled to it. In doing so, it does not incur any liability to the Guarantor. The Holders do not pay the nominated Guarantor interest on any money remaining after the nominated Guaranteed Money is paid.

### **12.5 Credit from date of receipt**

A Guarantor is only credited with money from the date the relevant Holder actually receives it.

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## **13 Dealing with interests**

A Holder may assign or otherwise deal with its rights under this deed in any way it considers appropriate. If the Holder does this, the Guarantor may not claim against any assignee (or any other person who has an interest in this deed) any right of set-off or other rights the Guarantor has against the Holder.

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## **14 Notices**

### **14.1 Form**

Unless expressly stated otherwise in this deed, all notices, certificates, consents, approvals, waivers and other communications in connection with this deed must be in writing, signed by an Authorised Officer of the sender and marked for attention as set out or referred to in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

### **14.2 Form – communications sent by email**

Communications sent by email need not be marked for attention in the way stated in clause 14.1 (“Form”). However, the email must state the first and last name of the sender.

Communications sent by email are taken to be signed by the named sender.

### **14.3 Delivery**

They must be:

- (a) left at the address set out or referred to in the Details; or
- (b) sent by prepaid post (airmail if appropriate) to the address set out or referred to in the Details; or
- (c) sent by fax to the fax number set out or referred to in the Details; or
- (d) delivered to the Clearing System (if applicable); or
- (e) sent by email to the address set out in the Details.

However if the intended recipient has notified a changed postal address or changed fax number, then the communication must be to that address or number.

### **14.4 When effective**

They take effect from the time they are received unless a later time is specified in them.

### **14.5 Receipt - postal**

If sent by post, they are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

#### **14.6 Receipt - fax**

If sent by fax, they are taken to be received at the time shown in the transmission report as the time that the whole fax was sent.

#### **14.7 Receipt - email**

If sent by email, they are taken to be received:

- (a) when the sender receives an automated message confirming delivery;  
or
- (b) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

#### **14.6 Receipt - general**

Despite clauses 14.5 (“Receipt - postal”), 14.6 (“Receipt - fax”) and 14.7 (“Receipt - email”), if they are received after 5pm in the place of receipt or on a non-business day, they are taken to be received at 9am on the next business day.

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### **15 New Guarantors**

A person becomes a party to this deed as a Guarantor (after the date of this deed) by signing and delivering to the Holders an accession deed poll substantially in the form of schedule 1 to this deed and doing any other thing the Holders reasonably request to ensure the enforceability of that person’s obligations as a Guarantor.

---

### **16 Release of Guarantors**

Notwithstanding any other term of this deed (other than clause 5 (“Reinstatement of rights”)), upon publication in a newspaper of general circulation in England of a notice substantially in the form of schedule 2 to this deed, any Guarantor specified in such notice, shall cease to be a Guarantor and shall be automatically released from its obligations in connection with this deed, without the need for the execution or delivery of any other document if, as at the date of publication of such notice there are no outstanding Debt Instruments.

---

### **17 Limitation of liability**

#### **17.1 Limitation of Obligor’s liability**

Each Holder acknowledges that in the case of a Guarantor who acts as Responsible Entity or trustee of a trust:

- (a) the Obligations (defined below) are incurred by the Guarantor solely in its capacity as either Responsible Entity or trustee of the relevant trust; and
- (b) except to the extent of the Guarantor's or any Agent's fraud, negligence, breach of trust or breach of duty, the Guarantor will not be liable to pay or satisfy any Obligations except out of the assets of the relevant trust against which it is actually indemnified in respect of any liability incurred by it as responsible entity or trustee of the relevant trust; and
- (c) except to the extent of fraud, negligence, breach of trust or breach of duty by the Guarantor or any Agent, a Holder may enforce its rights against the Guarantor arising from non-performance of the Obligations only to the extent of the Guarantor's right of indemnity out of the assets of the relevant trust against which the Guarantor is actually indemnified; and
- (d) if a Holder does not recover all money owing to it arising from non-performance of the Obligations by enforcing the rights referred to in paragraph (c), it may not, except in the case of fraud, negligence, breach of trust or breach of duty by the Guarantor or any Agent, seek to recover the shortfall by:
  - (i) bringing proceedings against the Guarantor in its personal capacity; or
  - (ii) applying to have the Guarantor wound up or proving in the winding up of the Guarantor, unless another creditor has initiated proceedings to wind up the Guarantor; and
- (d) Except to the extent of fraud, negligence, breach of trust or breach of duty by the Guarantor or any Agent, a Holder releases the Guarantor from any personal liability whatsoever in respect of any loss or damage which it may suffer as a result of any:
  - (i) breach by the Guarantor of its duties under any Programme Document; or
  - (ii) non-performance by the Guarantor of the Obligations,

which cannot be paid or satisfied out of the assets out of which the Guarantor is actually indemnified in respect of any liability incurred by it as responsible entity of the relevant trust; and
- (f) Nothing in paragraphs (c) or (d) above is to be taken as derogating from the limitation of the Guarantor's liability contained in paragraphs (b) and (e) above.

## **17.2 Guarantor's liability limited to right of indemnity**

Any liability of Stockland Trust Management Limited (ABN 86 001 900 741) in its capacity as responsible entity of the Stockland Trust (ARSN 092 897

348) (“**STML**”) arising in connection with the Programme Documents is limited to the extent that STML is able to be indemnified for that liability out of the Assets of the Stockland Trust under the Constitution of the Stockland Trust. Each Holder is deemed to have acknowledged and agreed that it may enforce its rights against STML with respect to the non-observance of STML’s Obligations only to the extent necessary to enforce the party’s rights, powers and remedies against STML in respect of the Assets of the Stockland Trust.

However, despite anything in this clause 17.2, STML is personally liable in its corporate capacity to the extent that a liability under the Programme Documents arises out of STML’s own fraud, gross negligence, wilful default, breach of trust or breach of duty which disentitles it from an indemnity out of the Assets of the Stockland Trust in relation to the relevant liability.

For the purpose of this clause 17.2:

“**Assets**” includes all assets, property and rights of personal or any nature whatsoever.

“**Obligations**” means all obligations and liabilities of whatsoever kind, undertaken or incurred by STML under or in respect of the Programme Documents or any deed, agreement or other instrument collateral to the Programme Documents or given or entered into pursuant to the Programme Documents whether express or implied by statute or other legal requirements or arising otherwise howsoever.

---

## 18 Exclusions from Guaranteed Money

The Guarantors may at any time by notice to the Holders in accordance with clause 14 (“**Notices**”), exclude from the term Guaranteed Money in respect of future but not presently issued Debt Instruments:

- (a) any obligation or liability of the Issuer, either actual or contingent, howsoever incurred, or arising out of facts and circumstances which occur, after the Exclusion Date (as defined below); or
- (b) any specified obligation or liability of a particular type of the Issuer, either actual or contingent, howsoever incurred by the Issuer, or arising out of facts and circumstances which occur, after the Exclusion Date,

with effect on and after the date (“**Exclusion Date**”) specified in the notice (which must be not less than three days after the date of the notice). The exclusion of an obligation or liability from the term Guaranteed Money under this clause 18 does not in any way limit the obligations or liabilities of the Guarantor in respect of any of the Guaranteed Money which is not so excluded. For the avoidance of doubt, no such notice shall be given with respect to any outstanding Debt Instruments.

---

## **19 General**

### **19.1 Prompt performance**

If a Programme Document specifies when the Guarantor agrees to perform an obligation, the Guarantor agrees to perform it by the time specified. The Guarantor agrees to perform all other obligations promptly.

### **19.2 Consents**

The Guarantor agrees to comply with all conditions in any consent a Holder gives in connection with a Programme Document.

### **19.3 Certificates**

A Holder may give the Guarantor a certificate about an amount payable or other matter in connection with a Programme Document. The certificate is sufficient evidence of the amount or matter, unless it is proved to be incorrect.

### **19.4 Set-off**

A Holder may set off any amount due for payment by the Holder to the Guarantor against any amount due for payment by the Guarantor to the Holder under a Programme Document.

### **19.5 Discretion in exercising rights**

A Holder may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless a Programme Document expressly states otherwise.

### **19.6 Partial exercising of rights**

If a Holder does not exercise a right or remedy fully or at a given time, the Holder may still exercise it later.

### **19.7 No liability for loss**

A Holder is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy.

### **19.8 Conflict of interest**

A Holder's rights and remedies under a Programme Document may be exercised even if this involves a conflict of duty or the Holder has a personal interest in their exercise.

### **19.9 Remedies cumulative**

A Holder's rights and remedies under a Programme Document are in addition to other rights and remedies given by law independently of any Programme Document.

#### **19.10 Indemnities**

The indemnities in this deed are continuing obligations, independent of the Guarantor's other obligations under this Agreement and continue after this deed ends. It is not necessary for a Holder to incur expense or make payment before enforcing a right of indemnity under this deed.

#### **19.11 Inconsistent law**

To the extent permitted by law, this Programme Document prevails to the extent it is inconsistent with any law.

#### **19.12 Supervening legislation**

Any present or future legislation which operates to vary the obligations of the Guarantors in connection with a Programme Document with the result that a Holder's rights, powers or remedies are adversely affected (including by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

#### **19.13 Time of the essence**

Time is of the essence in any Programme Document in respect of an obligation of the Guarantor to pay money.

#### **19.14 Variation and waiver**

Unless a Programme Document expressly states otherwise, a provision of any Programme Document, or right created under it, may not be waived or varied except in writing signed by the party or parties to be bound.

#### **19.15 Confidentiality**

Each party agrees not to disclose information provided by any other party that is not publicly available except:

- (a) in connection with any person exercising rights or dealing with rights or obligations under a Programme Document (including in connection with preparatory steps such as negotiating with any potential assignee of a Holder's rights or other person who is considering contracting with a Holder in connection with a Programme Document); or
- (b) to officers, employees, legal and other advisers and auditors of a Holder; or
- (c) to any party to a Programme Document or any Related Entity of any party to a Programme Document, provided the recipient agrees to act consistently with this clause; or
- (d) with the consent of the party who provided the information (such consent not to be unreasonably withheld); or
- (e) as required by any law, any Programme Document or stock exchange.



Each party consents to disclosures made in accordance with this clause.

#### **19.16 Each signatory bound**

This deed binds each person who signs this deed even if another person who was intended to sign does not sign it or is not bound by it.

#### **19.17 Counterparts**

This deed may consist of a number of copies, each signed by one or more parties to the deed. If so, the signed copies are treated as making up the one document.

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### **20 Governing law and jurisdiction**

#### **20.1 Governing law**

This agreement and any non-contractual obligations arising out of or in connection with it shall be governed by the law in force in England.

#### **20.2 Jurisdiction**

The Guarantors agree that the courts of England have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this agreement (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submit to the jurisdiction of such courts.

#### **20.53 Appropriate forum**

The Guarantors irrevocably waive any objection which it might have now or in the future to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

#### **20.4 Process agent**

The Guarantors agree that the process by which any Proceedings in England are begun may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on its behalf, it agrees, on the written demand of any Holder, when appointed addressed to it and delivered to it, appoint a further person in England to accept service of process on its behalf. Nothing in this paragraph affects the right of any Holder to serve process in any other manner permitted by law.

#### **20.5 Non-exclusivity**

The submission to the jurisdiction of the courts of England does not (and shall not be construed so as to) limit the right of any Holder to take Proceedings in any other court of competent jurisdiction, nor does the taking of Proceedings

in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

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## 21 Interpretation

**21.1** The following words share these meanings in this deed unless the contrary intention appears.

**Conditions** mean in relation to the Debt Instruments of any Series the terms and conditions applicable to those Debt Instruments including:

- (a) in the case of Bearer Debt Instruments, the terms and conditions endorsed on, or incorporated by reference in, those Bearer Debt Instruments; and
- (b) in the case of Registered Debt Instruments issued in certificated form, the terms and conditions endorsed on or incorporated by reference in the certificates representing those Registered Debt Instruments; and
- (c) the terms and conditions set out in the Information Memorandum,

each as amended, completed, supplemented or replaced by the relevant Pricing Supplement.

**Costs** includes charges and expenses incurred in relation to the failure of a Guarantor to comply with its obligations under this deed, including those incurred in connection with advisers.

**Controller** has the meaning it has in the Corporations Act.

**Default Rate** means the rate 2% per annum above the 60 day “Bank Bill Swap Reference Rate” last published on or before that day in The Australian Financial Review (or if no such rate is published, another rate set by the Holder in good faith).

**FATCA** means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

**Guaranteed Money** means, at any time, all amounts then due for payment or which will or may become due for payment or which remain unpaid, by the

Issuer to a Holder (for its own account or for the account of another person) in connection with this deed (including transactions in connection with them).

**Information Memorandum** means the most recent information memorandum issued by Stockland Finance Pty Limited and Stockland Trust Management Limited in its capacity as responsible entity of the Stockland Trust in connection with the Debt Instruments and the Programme and dated on or about 16 March 2018 as amended, supplemented, updated or replaced from time to time including the documents incorporated by reference into the most recent information memorandum (including, without limitation, any relevant Pricing Supplement).

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it has had a Controller appointed, is in liquidation, in provisional liquidation, under administration or wound up or has had a Receiver appointed to any part of its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Holders); or
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 60 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the Holder reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

**Issuer** means, in respect of a Debt Instrument, either Stockland Finance Pty Ltd (ABN 48 105 653 567) and Stockland Trust Management Limited (ABN 86 001 900 741) in its capacity as responsible entity of the Stockland Trust (ARSN 092 897 348) as specified in the Pricing Supplement relevant to that Debt Instrument or such other person appointed under the Pricing Supplement as an additional Issuer in accordance with the Programme Documents and a reference to an “Issuer” in respect of a Debt Instrument is to the individual issuer of such Debt Instrument and a reference to “Issuers” is a reference to all of them.

**Pricing Supplement** has the meaning given to it in the Conditions.

**Programme Documents** has the meaning it has in the Details.

**Related Entity** has the meaning it has in the Corporations Act.

**Stockland Trust** means the Stockland Trust (ARSN 092 897 348).

## **21.2 Terms defined in the Conditions**

A term which has a defined meaning in the Conditions has the same meaning when used in this deed unless it is expressly defined in this deed when the meaning in this deed prevails.

## **21.3 References to certain general terms**

Unless the contrary intention appears, in this deed:

- (a) a reference to a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) an agreement, representation or warranty by two or more persons binds them jointly and each of them individually but an agreement, representation or warranty by a Holder binds a Holder individually only;
- (d) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (e) a reference to a document (including this deed) includes any variation or replacement of it;
- (f) the word “law” includes common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (g) a reference to accounting standards is a reference to the accounting standards as defined in the Corporations Act and a reference to an accounting term is a reference to that term as it is used in those accounting standards, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (h) a reference to Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (i) the word “person” includes an individual, a firm, a body corporate, an unincorporated association and an authority;

- (j) a reference to a particular person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (k) the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (l) a reference to the Corporations Act is a reference to the Corporations Act 2001 (Cwlth).

#### **21.4 Number**

The singular includes the plural and vice versa.

#### **21.5 Headings**

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this deed.

#### **21.6 Cross guarantee**

This deed takes effect as a cross-guarantee and cross-indemnity when one or more of the debtors under the Programme are the same as one or more of the Guarantors. In those circumstances it is a separate guarantee and indemnity in relation to each debtor as if that person were:

- (a) the only person referred to as a debtor; and
- (b) excluded from the definition of "Guarantor".

**EXECUTED** as a deed

# Guarantee Deed Poll

## Schedule 1 - Form of New Guarantor Deed Poll

### Deed Poll

<b>New Guarantor</b>	Name	<b>#insert full name#</b>
	ABN/ACN/ARB N	<b>#insert#</b>
	Address	<b>#insert#</b>
	Telephone	<b>#telephone number#</b>
	Fax	<b>#fax number#</b>
	Attention	<b>#insert#</b>
<b>Original Agreement</b>	Guarantee Deed Poll between the Guarantors (each as defined therein) and as amended and restated on or about 16 March 2018.	
<b>Governing law of this deed poll</b>	The same as the Original Agreement described above.	

**BY THIS DEED POLL** the New Guarantor described above, for the benefit of the parties to the Original Agreement:

- (a) irrevocably agrees that from the date of this deed poll it is a Guarantor;
- (b) irrevocably agrees to comply with and be bound by all current and future obligations of the Guarantor under the Original Agreement;
- (c) acknowledges having read a copy of the Original Agreement before signing this deed poll;
- (d) gives, as at the date of this deed poll, all representations and warranties on the part of the Guarantor contained in the Original Agreement; and
- (e) acknowledges receiving valuable consideration for this deed poll.

The New Guarantor provides the following documents:

- (a) a certificate signed by a director, secretary or other Authorised Officer of the New Guarantor confirming that such New Guarantor is, and after giving this

deed poll will be, solvent and able to pay all of its debts as and when they become due and payable; and

- (b) certified copies of all documents evidencing the internal authorisation and approval required by the New Guarantor to give this deed poll.

The “Interpretation” clause of the Original Agreement described above applies to this deed poll as if it was fully set out in this deed poll.

**DATED** [                      ]

**EXECUTED** as a deed poll

**[Insert execution clause for New Guarantor]**

# Guarantee Deed Poll

## Schedule 2 - Form of Notice of Release of Guarantor

### Notice of Release

<b>Party</b>	<b>Retiring Guarantor</b> as described below.
<b>Retiring Guarantor</b>	[Name and ABN/ACN/ARBN of Retiring Guarantor]
<b>Issuer</b>	[Stockland Finance Pty Limited (ABN 48 105 653 567)/ Stockland Trust Management Limited (ABN 86 001 900 741) in its capacity as responsible entity for the Stockland Trust (ASRN 092 897 348)]
<b>Original Agreement</b>	Guarantee Deed Poll between the Guarantors (each as defined therein) dated on or about 2 August 2005 and amended on or about 4 April 2013 and as amended and restated on or about 16 March 2018.

There are no outstanding Debt Instruments.

Accordingly, the Retiring Guarantor hereby gives notice in accordance with clause 16 of the Original Agreement of the release of the Retiring Guarantor described above from all liability under the Original Agreement.

Nothing in this deed affects:

- (a) the obligations of the Retiring Guarantor described above other than under the Original Agreement; or
- (b) the rights and obligations of any other person.



## AUSTRALIAN TAXATION

### Australian Taxation

*The following is a summary of the Australian withholding tax treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “**Australian Tax Act**”), the Taxation Administration Act 1953 of Australia and any relevant rulings, judicial decisions or administrative practice at the date of this Information Memorandum, of payments of interest (as defined in the Australian Tax Act) on the Debt Instruments to be issued by the Issuer under the Programme and certain other matters. The summary is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Debt Instruments (including, dealers in securities, custodians or other third parties who hold Debt Instruments on behalf of any other persons).*

*Prospective Holders of Debt Instruments should also be aware that particular terms of issue of any Series of Debt Instruments may affect the tax treatment of that and other Series of Debt Instruments. Information regarding taxes in respect of Debt Instruments may also be set out in the relevant Pricing Supplement.*

*This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular Holder of Debt Instruments. It is a general guide only and should be treated with appropriate caution. Prospective holders of Debt Instruments should consult their professional advisers concerning the tax implications of an investment in the Debt Instruments for their particular circumstances.*

#### 1. Australian interest withholding tax

The Australian Tax Act characterises securities as either “debt interests” (for all entities) or “equity interests” (for companies) including for the purposes of Australian interest withholding tax (“**IWT**”) and dividend withholding tax. For Australian IWT purposes, “interest” is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts.

##### *Non-Australian Holders*

Australian IWT is payable at a rate of 10% of the gross amount of interest paid by the Issuer to non-residents of Australia for tax purposes that do not acquire their Debt Instruments in the course of carrying on a business at or through a permanent establishment in Australia, and Australian tax residents that acquire their Debt Instruments in the course of carrying on a business outside of Australia, unless an exemption applies.

##### *The ‘public offer’ exemption from Australian IWT*

An exemption from Australian IWT is available in respect of interest that is paid on the Debt Instruments issued by the Issuer under section 128F (in respect of Stockland Finance) and 128FA (in respect of STML as responsible entity of the Stockland Trust) of the Australian Tax Act if the following conditions are met:

- (a) the Issuer is either:
  - (i) a “company” as defined in section 128F(9) (which includes certain companies acting as a trustee) and is a resident of Australia when it issues the Debt Instruments and when interest is paid; or

- (ii) a trustee of an “eligible unit trust” as defined in section 128FA(8) when it issues the Debt Instruments and when interest is paid;
- (b) the Debt Instruments are issued in a manner which satisfies the public offer test in section 128F or section 128FA of the Australian Tax Act (as applicable). There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering the Debt Instruments for issue. In summary, the five methods are:
  - offers to 10 or more unrelated financiers or securities dealers that carry on the business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
  - offers to 100 or more investors of a certain type;
  - offers of listed Debt Instruments;
  - offers via publicly available information sources; and
  - offers to a dealer, manager or underwriter who offers to sell the Debt Instruments within 30 days by one of the preceding methods.

The issue of any of the Debt Instruments (whether in global form or otherwise) and the offering of interests in any of the Debt Instruments by one of these methods should satisfy the public offer test;

- (c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Debt Instruments or interests in the Debt Instruments were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by sections 128F(5) and 128FA(6) of the Australian Tax Act (as applicable); and
- (d) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by sections 128F(6) and 128FA(4) of the Australian Tax Act (as applicable).

#### *Associates*

- (a) Debt Instruments issued by Stockland Finance

An “associate” for the purposes of section 128F of the Australian Tax Act includes (when the Issuer is not a trustee):

- a person or entity which holds more than 50% of the voting shares in, or otherwise controls, the Issuer;
- an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Issuer;
- a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust; and

- a person or entity which is an “associate” of another person or entity which is an “associate” of the Issuer under the first bullet point above.

(b) Debt Instruments issued by STML as responsible entity of the Stockland Trust

Since STML is the trustee of a public unit trust for the purposes of section 128FA(8) of the Australian Tax Act, the Issuer is treated as if it were a company, subject to certain modifications, in determining which entities are “associates” of the Issuer for the purposes of section 128FA of the Australian Tax Act.

Therefore, an “associate” of the Issuer for the purposes of section 128FA of the Australian Tax Act includes:

- a person or entity which holds more than 50% of the voting interests in, or otherwise controls, the Issuer;
- an entity in which more than 50% of the voting interests are held by, or which is otherwise controlled by, the Issuer;
- a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust, and
- a person or entity which is an “associate” of another person or entity which is an “associate” of the Issuer under the first bullet point above.

However, in respect of each of the above, “associate” does not include:

- (A) onshore associates (ie Australian resident associates who do not acquire and hold the Debt Instruments in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who acquire and hold the Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia); or
- (B) offshore associates (ie Australian resident associates who acquire and hold the Debt Instruments in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not acquire and hold the Debt Instruments in the course of carrying on business through a permanent establishment in Australia) who are acting in the capacity of:
  - (i) in the case of sections 128F(5) and 128FA(6), a dealer, manager or underwriter in relation to the placement of the relevant Debt Instruments, or a clearing house, custodian, funds manager or responsible entity of a registered scheme (for the purposes of the Corporations Act 2001 of Australia); or
  - (ii) in the case of sections 128F(6) and 128FA(4), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (for the purposes of the Corporations Act 2001 of Australia).

*Compliance with section 128F or 128FA of the Australian Tax Act*

Unless otherwise specified in any relevant Pricing Supplement (or another relevant supplement to this Information Memorandum), the Issuer intends to issue the Debt

Instruments in a manner which will satisfy the requirements of section 128F or section 128FA of the Australian Tax Act (as applicable).

#### *Exemptions under certain double tax conventions*

The Australian government has signed a number of new or amended double tax conventions (“**New Treaties**”) with a number of countries (each a “**Specified Country**”). The New Treaties apply to interest derived by a resident of a Specified Country.

The New Treaties effectively prevent IWT applying to interest derived by:

- the governments of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- a “financial institution” resident in a Specified Country which is unrelated to and dealing wholly independently with the Issuer. The term “financial institution” refers to either a bank or any other enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest paid under a back to back loan or an economically equivalent arrangement will not qualify for this exemption.

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation. This listing is available to the public on the Federal Treasury’s Department website.

#### *Debt Instruments in bearer form*

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of (currently) 45% on the payment of interest on Debt Instruments in bearer form if the Issuer fails to disclose the names and addresses of the Holders to the Australian Taxation Office.

Section 126 does not apply to the payment of interest on Debt Instruments in bearer form held by non-residents who do not carry on business at or through a permanent establishment in Australia where the issue of those Debt Instruments has satisfied the requirements of section 128F or 128FA of the Australian Tax Act or IWT is payable.

In addition, the Australian Taxation Office has confirmed that for the purpose of section 126 of the Australian Tax Act, the holder of debentures (such as the Debt Instruments in bearer form) means the person in possession of the debentures. Section 126 is therefore limited in its application to persons in possession of Debt Instruments in bearer form who are residents of Australia or non-residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia. Where interests in Debt Instruments in bearer form are held through Euroclear or Clearstream, Luxembourg, the Issuer intends to treat the operators of those clearing systems as the Holders of those Debt Instruments for the purposes of section 126 of the Australian Tax Act.

#### *Payment of additional amounts*

As set out in more detail in the relevant Terms and Conditions for the Debt Instruments, and unless expressly provided to the contrary in the relevant Pricing Supplement (or another relevant supplement to this Information Memorandum), if the Issuer is at any time compelled or authorised by law to deduct or withhold an amount in respect of any

Australian taxes imposed or levied by the Commonwealth of Australia or any political subdivision thereof in respect of the Debt Instruments, the Issuer must, subject to certain exceptions, pay such additional amounts as are necessary in order to ensure that the net amounts received by the Holders of those Debt Instruments after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If the Issuer is compelled by law in relation to any Debt Instruments to deduct or withhold an amount in respect of any Taxes and pay an additional amount to a Holder, the Issuer will have the option to redeem the Debt Instruments in a Series in whole (but not in part) in accordance with the relevant Terms and Conditions.

#### *Payments under the Guarantee*

It is unclear whether or not any payment by a Guarantor under the Guarantee on account of interest owing by the Issuer in respect of the Debt Instruments would be subject to Australian IWT. There are good arguments that such payments (other than interest paid on an overdue amount) do not constitute “interest” for Australian withholding tax purposes, and, if so, would not be subject to Australian IWT.

The Australian Taxation Office has, however, published a Taxation Determination stating that payments by a guarantor in respect of debentures are entitled to the benefit of the exemption contained in section 128F (or section 128FA) if payments of interest in respect of those debentures by the Issuer are exempt from Australian IWT. However, there is some doubt as to whether the Taxation Determination applies in the context of the Guarantee and whether the reasoning adopted in the Taxation Determination is strictly correct.

If such payments are characterised as “interest” for Australian withholding tax purposes, Australian IWT at the rate of 10% will be payable on payments of interest (as defined in section 128A(1AB) of the Australian Tax Act), or interest paid on an overdue amount, by such a Guarantor to non-residents (other than non-residents holding the Debt Instruments in the course of carrying on a business at or through a permanent establishment in Australia) or residents of Australia holding the Debt Instruments in the course of carrying on a business at or through a permanent establishment outside Australia., unless an exemption applies.

As set out in more detail in the Guarantee, if the Guarantor is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian taxes imposed or levied by the Commonwealth of Australia or any political subdivision thereof in respect of payments under the relevant Guarantee, the relevant Guarantor must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the Holders of those Debt Instruments after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required.

## **2. Other tax matters**

Under Australian laws as presently in effect:

- (a) *income tax - offshore Holders* - assuming the requirements of section 128F (or section 128FA) of the Australian Tax Act are satisfied with respect to the Debt Instruments (as applicable), payments of principal and interest (as defined in section 128A(1AB) of the Australian Tax Act) to a Holder of the Debt Instruments who is a non-resident of Australia and who, during the taxable year, does not hold the Debt

Instruments in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes; and

- (b) *income tax - Australian Holders* - Australian residents or non-Australian residents for tax purposes who hold the Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia (“**Australian Holders**”), will be assessable for Australian income tax purposes on income either received or accrued due to them in respect of the Debt Instruments. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Australian Holder and the terms and conditions of the Debt Instruments. Special rules apply to the taxation of Australian residents who hold the Debt Instruments in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and
- (c) *gains on disposal of Debt Instruments - offshore Debt Holders* - a Holder of the Debt Instruments, who is a non-resident of Australia and who, during the taxable year, does not hold the Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Debt Instruments, provided such gains do not have an Australian source, or, where the non-Australian resident Holder is located in a country with which Australia has concluded a double tax convention, those Debt Instruments are not held, and the sale and disposal of the Debt Instruments does not occur, as part of a business carried on at or through a permanent establishment in Australia. A gain arising on the sale of Debt Instruments by a non-Australian resident holder to another non-Australian resident where the Debt Instruments are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not be regarded as having an Australian source; and
- (d) *gains on disposal of Debt Instruments - Australian Holders* - Australian Holders that are residents of Australia for tax purposes will be required to include any gain or loss on disposal of the Debt Instruments in their taxable income. Special rules apply to the taxation of Australian residents who hold the Debt Instruments in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and
- (e) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Debt Instruments as interest for withholding tax purposes when certain Debt Instruments originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on business at or through a permanent establishment in Australia.

If the Debt Instruments are not issued at a discount and do not have a maturity premium, these rules should not apply to the Debt Instruments. These rules also do not apply in circumstances where the deemed interest would have been exempt under section 128F (or section 128FA) of the Australian Tax Act (as applicable) if the Debt Instruments had been held to maturity by a non-resident; and

- (f) *death duties* - no Debt Instruments will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; and
- (g) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Debt Instruments; and
- (h) *other withholding taxes on payments in respect of Debt Instruments* - section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (“**Taxation Administration Act**”) imposes a type of withholding tax at the rate of (currently) 47% on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“**TFN**”), (in certain circumstances) an Australian Business Number (“**ABN**”) or proof of some other exception (as appropriate). A Bill has been introduced into the Federal Parliament which, if passed, would increase the rate of withholding to 47.5% from 1 July 2019.

Assuming the requirements of section 128F (or section 128FA) of the Australian Tax Act (as applicable) are satisfied with respect to the Debt Instruments, then the requirements of section 12-140 do not apply to payments to a Holder of Debt Instruments in registered form who is not a resident of Australia for tax purposes and not holding those Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of Holders of Debt Instruments in registered form may be subject to a withholding where the Holder of those Debt Instruments does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate); and

- (i) *other withholding taxes on payments in respect of guarantee* - payments by the Guarantors under the Guarantee may be made free and clear of the withholdings required under section 12-140 of Schedule 1 to the Taxation Administration Act, provided that tax at the rate of (currently) 47% may be required to be withheld from payments under the Guarantee to Australian residents or non-residents carrying on business through a permanent establishment in Australia unless the relevant Holder has quoted a TFN, (in certain circumstances) an ABN or proof of some other exception (as appropriate). A Bill has been introduced into the Federal Parliament which, if passed, would increase the rate of withholding to 47.5% from 1 July 2019; and
- (j) *supply withholding tax* - payments in respect of the Debt Instruments can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the Taxation Administration Act; and
- (k) *goods and services tax (GST)* - neither the issue nor receipt of the Debt Instruments will give rise to a liability for GST in Australia on the basis that the supply of Debt Instruments will comprise either an input taxed financial supply or (in the case of a supply to a non-Australian resident Holder outside Australia and certain areas offshore of Australia, which together comprise the “indirect tax zone”) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Debt Instruments, would give rise to any GST liability in Australia; and
- (l) *debt/equity rules* - Division 974 of the Australian Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and Australian

IWT. The Issuer intends to issue Debt Instruments which are to be characterised as “debt interests” for the purposes of the tests contained in Division 974 and the returns paid on the Debt Instruments are to be “interest” for the purpose of section 128F or 128FA of the Australian Tax Act.; and

- (m) *additional withholdings from certain payments to non-residents* - the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of the Debt Instruments will need to be monitored.

### **U.S. Foreign Account Tax Compliance Act**

Under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”), a 30% withholding (“**FATCA withholding**”) may be required if (i)(A) an investor does not provide information sufficient for the Issuer or any other non-U.S. financial institution (“**FFI**”) through which payments on the Debt Instruments are made to determine the Holder’s status under FATCA, or (B) an FFI to or through which payments on the Debt Instruments are made is a “non-participating FFI”; and (ii) the Debt Instruments are treated as debt for U.S. federal income tax purposes and the payment is made in respect of Debt Instruments issued or modified after the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register, or the Debt Instruments are treated as equity for U.S. federal income tax purposes, whenever issued. This withholding is not expected to apply prior to 1 January 2019.

Reporting Australian Financial Institutions (“**RAFI**s”) under the Australia–U.S. FATCA Intergovernmental Agreement dated 28 April 2014 (“**Australian IGA**”) must comply with specific due diligence procedures to identify their account holders and provide the Australian Taxation Office (“**ATO**”) with information on financial accounts held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service. Consequently, Holders may be requested to provide certain information and certifications to the Issuer and to any other financial institutions through which payments on the Debt Instruments are made. A RAFI that complies with its obligations under the Australian IGA will not be subject to FATCA withholding on amounts it receives, and will not be required to deduct FATCA withholding from payments it makes, other than in certain prescribed circumstances.

In the event that any amount is required to be withheld or deducted from a payment on the Debt Instruments as a result of FATCA, pursuant to the terms and conditions of the Debt Instruments, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

### **Common Reporting Standard**

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. Holders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian



Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

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## SUBSCRIPTION AND SALE

Under the Programme Agreement dated 2 August 2005 between the Issuer, the Guarantors, Barclays Bank PLC as amended and restated on 4 April 2013 between those parties, and as further amended and restated on 16 March 2018 between the Issuers, Guarantors and HSBC Bank plc (as Dealer and Arranger as described therein) (as amended and supplemented from time to time, “**Programme Agreement**”), the Debt Instruments will be offered by the Issuer through the Dealers. The Issuer has the sole right to accept any offer to purchase Debt Instruments and may accept that offer in whole or (subject to the terms of the offer) in part. Each Dealer has the right to reject any offer to purchase Debt Instruments made to it in whole or (subject to the terms of such offer) in part. The Issuer is entitled under the Programme Agreement to appoint one or more Dealers as a dealer for a particular Tranche of Debt Instruments or the Programme generally.

Any of the Dealers or their respective affiliates may purchase the Debt Instruments for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Debt Instruments and/or other securities of the Issuers or the Guarantors or their respective subsidiaries or associates at the same time as the offer and sale of the Debt Instruments or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Debt Instruments to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be purchasers of the Debt Instruments). Furthermore, investors in the Debt Instruments may include entities affiliated with the Group.

In the Programme Agreement, the Issuer and the Guarantors have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Debt Instruments under the Programme.

The Issuers, failing whom the Guarantor, will pay each relevant Dealer a commission as agreed between them in respect of Debt Instruments subscribed by it. The Issuers and Guarantors have agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Debt Instruments on a syndicated basis will be stated in the relevant Pricing Supplement.

The Issuers and the Guarantors have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Debt Instruments. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Debt Instruments in certain circumstances prior to payment for such Debt Instruments being made to the Issuers.

Each Dealer has agreed under the Programme Agreement and each further Dealer appointed under the Programme will be required to agree to comply with any applicable law or directive in any jurisdiction in which it may subscribe for, offer, sell, or transfer Debt Instruments and to not directly or indirectly subscribe for, offer, sell or transfer Debt Instruments or distribute any Information Memorandum or other offering material in relation to the Debt Instruments in any jurisdiction, except in circumstances that will result in compliance by the Dealer with any applicable law or directive of that jurisdiction.

With regards to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

The following selling restrictions apply:

## **1 General**

No action has been taken in any jurisdiction that would permit a public offering of the Debt Instruments or possession or distribution of the Information Memorandum or other offering material in any jurisdiction where action for that purpose is required.

Persons who receive this Information Memorandum are required by the Issuer and the Dealers to comply with any applicable law and directive in each jurisdiction in which they purchase, offer, sell or deliver Debt Instruments or have in their possession or distribute or publish this Information Memorandum or other offering material and to obtain any authorisation required by them for the purchase, offer, sale or delivery by them of any Debt Instruments under any applicable law or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and none of the Issuer, the Arranger, or any Dealer has responsibility for such matters.

In these selling restrictions, “directive” includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply.

## **2 Australia**

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Debt Instruments has been or will be lodged with the Australian Securities and Investments Commission (“ASIC”). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that unless the relevant Pricing Supplement (or another supplement to any Information Memorandum) otherwise provides, it:

- (a) has not offered or invited applications, and will not offer or invite applications for the issue, sale or purchase of the Debt Instruments in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive Information Memorandum or other offering material or advertisement relating to the Debt Instruments in Australia,

unless (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in other currencies but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 or 7.9 of the Corporations Act, (ii) such action complies with all applicable laws, regulations and directives in Australia (including without limitation the licensing regulations in Chapter 7 of the Corporations Act), and does not require any document to be lodged with ASIC and (iii) the offer or invitation is not made to a person in Australia who is a “retail client” for the purposes of Section 761G of the Corporations Act.

## **3 Prohibition of Sales to EEA Retail Investors**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the offering and marketing of the Debt Instruments will be conducted in the EU, only in the Approved Jurisdictions (as

specified in the applicable Pricing Supplement), and will not be conducted in any other EU member state.

In addition:

Each Dealer has further represented, warranted or agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Debt Instruments to any retail investor in the European Economic Area (**EEA**).

For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive, and the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Debt Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Debt Instruments.

The expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Debt Instruments to be offered so as to enable an investor to decide to purchase or subscribe to the Debt Instruments.

#### **4 Selling Restrictions addressing additional United Kingdom Securities Laws**

In relation to each Tranche of Debt Instruments, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) **(regulated activities)** in relation to any Debt Instruments which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Debt Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Debt Instruments would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) by the Issuer;
- (a) **(investment advertisements)** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Debt Instruments in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or (if applicable) the relevant Guarantor; and
- (b) **(general compliance)** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Debt Instruments in, from or otherwise involving the United Kingdom.

## **5 The United States of America**

### **Securities Act**

Neither the Debt Instruments nor the Guarantee have been, nor will they be, registered under the US Securities Act of 1933, as amended (the “**Securities Act**”). The Debt Instruments may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Rule 902(k) of Regulation S under the Securities Act) (“U.S. persons”). Each Dealer represents, warrants and agrees, that it has offered and sold, and shall offer and sell, the Debt Instruments only in “offshore transactions” (as defined in Regulation S under the Securities Act) to persons that are not U.S. persons in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to the Debt Instruments, and it and they have complied and shall comply with the offering restrictions requirement of Regulation S. Each Dealer agrees to notify the Lead Manager(s) when it has completed the distribution of its portion of the Debt Instruments so that the Lead Manager(s) may determine the completion of the distribution of all Debt Instruments of that tranche and notify the other Dealers of the end of the distribution compliance period. Each Dealer also agrees that, at or prior to confirmation of sale of the Debt Instruments, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Debt Instruments from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of Debt Instruments of which such Debt Instruments are a part, except in either case in “offshore transactions” (as defined in Regulation S under the Securities Act) in accordance with Rule 903 of Regulation S under the Securities Act.

Terms used above have the meaning given to them by Regulation S under the Securities Act.”

Each Dealer has represented and warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not entered and it will not enter into any contractual arrangement with any distributor (as such term is defined in Regulation S) with respect to the distribution or delivery of the Debt Instruments, except with its affiliates or with the prior written consent of the Issuer and the Principal Guarantors.

Terms used in this section have the meanings given to them by Regulation S under the Securities Act.

### **Bearer Debt Instruments with a maturity of more than one year**

Bearer Debt Instruments with a maturity of more than one year are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations under it.

In particular, in relation to bearer Debt Instruments with a maturity of one year or more:

- (a) each Dealer has represented, and each further Dealer appointed under the Programme will be required to represent, that:
  - (i) except to the extent permitted under U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (“**D Rules**”) and § 1.163-5(c)(2)(i)(C) (“**C Rules**”):
    - (A) it has not offered or sold, and agreed that during the 40-day restricted period it will not offer or sell, Debt Instruments to a person who is within the United States or its possessions or to a United States person; and
    - (B) it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Debt Instruments that are sold during the restricted period;
  - (ii) it has, and it has agreed that throughout the restricted period it will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Debt Instruments are aware that such Debt Instruments may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
  - (iii) it is acquiring the Debt Instruments for purposes of resale in connection with their original issue and if it retains Debt Instruments for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulations §1.163-5(c)(2)(i)(D)(6); and
- (b) with respect to each affiliate that acquires from it Debt Instruments for the purpose of offering or selling such Debt Instruments during the restricted period, each Dealer has either:
  - (i) repeated and confirmed the representations and agreements contained in clause (a) on its behalf; or
  - (ii) agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in clause (a).

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the D Rules.

### **Indexed Debt Instruments and Dual Currency Debt Instruments**

Each issue of Indexed Debt Instruments and Dual Currency Debt Instruments may be subject to additional U.S. selling restrictions agreed between the Issuer and the relevant Dealer as a term of the issue and purchase of such Debt Instruments which are set out in the relevant Pricing Supplement. Each relevant Dealer will be required to agree that it will offer, sell or deliver those Debt Instruments only in compliance with those additional U.S. selling restrictions.

## 6 Hong Kong

In relation to each Tranche of Debt Instruments issued by the Issuer, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold, and will not offer or sell in Hong Kong, by means of any document, any Debt Instruments except for Debt Instruments which are a “structured product” as defined in the Securities and Futures Ordinance (Cap 571) of Hong Kong other than (i) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation, or document relating to the Debt Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Debt Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

## 7 Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Debt Instruments or caused the Debt Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell any Debt Instruments or cause the Debt Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Debt Instruments, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Debt Instruments to be issued from time to time by the Issuers pursuant to the Programme may not be circulated or distributed, nor may any Debt Instruments be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under

Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Debt Instruments are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Debt Instruments pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(2) of the SFA or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## **8 Japan**

The Debt Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) ("**FIEA**"). Accordingly, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not directly or indirectly offered or sold and will not, directly or indirectly, offer or sell any Debt Instruments in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.



## **9 Canada**

The Debt Instruments have not and will not be qualified for sale under the securities laws of any province or territory of Canada. Each Dealer appointed under the Programme has represented and agreed that:

- (a) it has not offered, sold or distributed and will not offer, sell or distribute any Debt Instruments directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with the applicable securities laws of any province or territory of Canada; and
- (b) it has not and will not distribute or deliver this Information Memorandum, or any other offering material in connection with any offering of Debt Instruments in Canada, other than in compliance with the applicable securities laws of any province or territory of Canada.

Additional selling restrictions in relation to Canada may be set out in the relevant Pricing Supplement issued in respect of the issue of Debt Instruments. Each Dealer will be required to agree that it will offer, sell and distribute such Debt Instruments only in compliance with such additional Canadian selling restrictions.

## **10 Switzerland**

None of the Issuers has been licensed for distribution with the Swiss Financial Market Supervisory Authority (“**FINMA**”) as a foreign collective investment scheme pursuant to Article 120 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended (“**CISA**”). Also, the Issuers have not appointed a Swiss paying agent and representative. Accordingly, investors in the Debt Instruments do not benefit from the specific investor protection provided by CISA and the supervision by the FINMA. Each Dealer has acknowledged and agreed to the foregoing, and each further Dealer appointed under the Programme will be required to so acknowledge and agree.

Each Dealer has accordingly represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in Switzerland, the Debt Instruments will be offered and sold by it exclusively to prudentially regulated financial institutions pursuant to Article 10 para. 3 lit. a and b of CISA; and
- (ii) neither this Information Memorandum, any Pricing Supplement, nor any other information supplied in connection with the Programme or the offer of any Debt Instruments will be taken or transmitted into, or distributed, directly or indirectly in Switzerland by it, save that any such documents or information may be handed out or made available in Switzerland exclusively to prudentially regulated financial institutions pursuant to Article 10 para. 3 lit. a and b of CISA.

## **11 People’s Republic of China**

Each Dealer represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Debt Instruments are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special

Administrative Regions or Taiwan) (“**PRC**”), except as permitted by all relevant laws and regulations of the PRC.

This Information Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, any Debt Instruments in the PRC to any person to whom it is unlawful to make the offer of solicitation in the PRC.

The Debt Instruments may not be offered, sold or delivered, or offered, sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly (i) by means of any advertisement, invitation, document or activity which is directed at, or the contents of which are likely to be accessed or read by, the public in the PRC, or (ii) to any person within the PRC, other than in full compliance with the relevant laws and regulations of the PRC.

Investors in the PRC are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, those which may be required by the China Securities Regulatory Commission, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission, and complying with all relevant PRC laws and regulations, including, but not limited to, all relevant foreign exchange regulations and/or securities investment regulations.

### **13 General**

These selling restrictions may be changed by the Issuer after consultation with the Arranger and the Dealers following a change in any law or directive or in its interpretation or administration by an authority or the introduction of a new law or directive. Any change will be set out in the Pricing Supplement issued in respect of the Debt Instruments to which it relates (or in another supplement to this Information Memorandum).

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Debt Instruments, or possession or distribution of the Information Memorandum or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Debt Instruments or has in its possession or distributes the Information Memorandum, any other offering material or any Pricing Supplement therefore in all cases at its own expense.

## **GENERAL INFORMATION**

### **Listing of the Debt Instruments**

Application has been made to the SGX-ST for permission to deal in and the quotation for any Debt Instruments that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. For so long as any Debt Instruments are listed on the SGX-ST and the rules of the SGX-ST so require, the relevant Issuer shall appoint and maintain a paying agent in Singapore, where such Debt Instruments may be presented or surrendered for payment or redemption, in the event that the global Debt Instrument(s) representing such Debt Instruments is exchanged for definitive Debt Instruments. In addition, in the event that the global Debt Instrument(s) is exchanged for definitive Debt Instruments, an announcement of such exchange will be made by or on behalf of the relevant Issuer or the Issuers, as the case may be, through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Debt Instruments, including details of the paying agent in Singapore.

### **Authorisations**

The establishment of the Programme was authorised by the authorised representatives of the Issuer and the Guarantors. The Issuer and the Guarantors have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Debt Instruments.

No Australian governmental approvals are currently required for or in connection with the issue of Debt Instruments by the Issuer or for or in connection with the performance and enforceability of such Debt Instruments or the Guarantee. However, the Banking (Foreign Exchange) Regulations and other regulations in Australia prohibit payments, transactions and dealings with assets or named individuals or entities subject to international sanctions or associated with terrorism.

## **Documents Available**

For as long as the Programme remains in effect or any Debt Instruments are outstanding, copies of the following documents may be inspected during normal business hours at the principal office of the Issuer, namely:

- (a) the constitution of the Issuers;
- (b) the current Information Memorandum and any supplementary Information Memorandum in relation to the Programme, together with any amendments;
- (c) any reports, letters or other documents referred to in this Information Memorandum;
- (d) the Third Deed Poll;
- (e) the Guarantee Deed Poll;
- (f) the Programme Agreement;
- (g) the accounts and consolidated accounts of the Issuer beginning with the accounts for the years ended 30 June 2016 and 30 June 2017; and
- (h) any documents incorporated into this Information Memorandum by reference (see “Documents Incorporated by Reference” above).

## **Significant or material change**

There has been no significant change in the financial or trading position of the Stockland Group since 31 December 2017 and there has been no material adverse change in the financial position or prospects of the Stockland Group since 31 December 2017, except to the extent disclosed in this Information Memorandum.

## **Independent Auditors**

The auditors of the Group are PricewaterhouseCoopers, ABN 52 780 433 757, who have audited the consolidated financial statements incorporated by reference herein for the years ended 30 June 2017 and 30 June 2016, without qualification, in accordance with generally accepted auditing standards in Australia for each of the two financial years ended on 30 June 2017. The auditors of the Group have no material interest in the Group.

With respect to the unaudited financial information of the Group for the half year ended 31 December 2017 and 2016 incorporated by reference in this Information Memorandum, PricewaterhouseCoopers reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated 21 February 2018, incorporated by reference herein states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

No financial information in this Information Memorandum other than the financial statements incorporated by reference (see section headed “Documents Incorporated by Reference” above) has been audited. Where in this Information Memorandum it indicates that the Issuer’s financial statements have been audited, these statements will have been audited according to Australian auditing requirements. Australian auditing requirements have no significant departures from International Standards on Auditing.

## **DIRECTORY**

### **The Issuers**

#### **Stockland Finance Pty Limited**

Level 25, 133 Castlereagh Street Sydney NSW 2000  
Australia

#### **Stockland Trust Management Limited as responsible entity of the Stockland Trust**

Level 25, 133 Castlereagh Street  
Sydney NSW 2000  
Australia

### **The Guarantors**

#### **Stockland Trust Management Limited as responsible entity of the Stockland Trust**

**Stockland Finance Pty Limited**  
**Stockland Corporation Limited**  
**Stockland Development Pty Limited**

Level 25, 133 Castlereagh Street  
Sydney NSW 2000  
Australia

### **Arranger and Dealer**

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

### **Principal and Paying Agent,**

### **Issuing and Paying Agent,**

### **Calculation Agent**

### **The Bank of New York Mellon**

London Branch  
One Canada Square  
40<sup>th</sup> Floor  
London E14 5AL  
England

### **Registrar**

#### **The Bank of New York Mellon SA/NV Luxembourg Branch**

2-4 Rue Eugéné Ruppert  
Vertigo Building - Polaris  
L-2453, Luxembourg

**Legal Advisers**

*To the Issuers and Guarantors as to  
Australian and English law*

**King & Wood Mallesons**

Level 61  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia

*To the Arranger and Dealers as to  
English law*

**Linklaters Singapore Pte. Ltd.**

One George Street #17-01  
Singapore 049145

**Auditor**

*To the Issuers and the Guarantors*

**PricewaterhouseCoopers**

One International Towers Sydney Watermans Quay  
Barangaroo GPO BOX 2650  
Sydney NSW 2001 Australia