

## **Stratus Properties Inc. Stock Ownership Guidelines**

We believe that it is important for our Company's board of directors and the executive leadership team to align their interests with the long-term interests of our shareholders. Accordingly, on March 26, 2013, our board of directors adopted stock ownership guidelines that establish target levels of stock ownership for each non-employee director and each member of our executive leadership team that should be met over a five-year period.

### **Non-Employee Directors**

To comply with the stock ownership guidelines, each non-employee director is expected to own shares of our common stock with a total market value of at least three times his or her annual cash retainer (which is currently \$35,000) or \$105,000. The value of the stock ownership is calculated based on the three-year trailing average monthly stock price. Our Nominating and Corporate Governance Committee administers the guidelines for our non-employee directors.

### **Executive Officers**

To comply with the stock ownership guidelines, the Chief Executive Officer is expected to own shares of our common stock with a total market value of at least three times his or her base salary. The Chief Financial Officer is expected to own shares of our common stock with a total market value of at least one times his or her base salary. The value of the stock ownership is calculated based on the three-year trailing average monthly stock price. Our Compensation Committee administers the guidelines for our executive officers.

### **Compliance Period**

Under the guidelines, stock ownership levels are expected to be achieved by each non-employee director and executive officer within five years of his or her appointment or election. Stock ownership levels are calculated and reviewed annually. Each non-employee director and executive officer is notified on an annual basis of their compliance with the guidelines.