

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, our board of directors has 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.