

Notice of Annual General Meeting

Notice is hereby given that the seventy fifth Annual General Meeting (AGM) of St. Modwen Properties PLC (the Company) will be held in the Evolution Suite, Innovation Centre, 1 Devon Way, Longbridge Technology Park, Birmingham B31 2TS on Wednesday, 23rd March 2016 at 12.00 noon to consider and, if thought fit, to pass the following resolutions. Resolutions 1 to 15 inclusive will be proposed as ordinary resolutions and resolutions 16 to 19 will be proposed as special resolutions.

Ordinary business

1. That the Annual Report and Financial Statements for the financial year ended 30th November 2015 be received.
2. That the Directors' Remuneration Report, excluding the part containing the directors' remuneration policy, set out on pages 70 to 93 of the Annual Report and Financial Statements for the financial year ended 30th November 2015 be approved.
3. That a final dividend for the financial year ended 30th November 2015 of 3.85p per ordinary share payable on 1st April 2016 to those shareholders on the register of members at the close of business on 4th March 2016 be declared.
4. That Rob Hudson be elected as a director.
5. That Ian Bull be re-elected as a director.
6. That Steve Burke be re-elected as a director.
7. That Kay Chaldecott be re-elected as a director.
8. That Simon Clarke be re-elected as a director.
9. That Lesley James be re-elected as a director.
10. That Richard Mully be re-elected as a director.
11. That Bill Oliver be re-elected as a director.
12. That Bill Shannon be re-elected as a director.
13. That Deloitte LLP be re-appointed as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid.
14. That the Audit Committee be authorised to determine the remuneration of the Company's auditor on behalf of the Board.

Special business

15. That, in substitution for all existing authorities and without prejudice to previous allotments or offers or agreement to allot made pursuant to such authorities, the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 2006 Act) to exercise all the powers of the Company to:
 - (a) allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £7,395,899; and
 - (b) allot equity securities (within the meaning of section 560 of the 2006 Act) up to a further aggregate nominal amount of £7,359,899 in connection with an offer by way of a rights issue to:

- (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any country or territory,

such authorities to expire at the conclusion of the AGM of the Company to be held after the date of the passing of this resolution or 22nd June 2017, whichever is the earlier, but, in each case, so that the Company may make offers and enter into agreements before the expiry of such authority which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after such expiry and the directors may allot shares or grant such rights under any such offer or agreement as if the authority had not expired.

Special resolution

16. That, in substitution for all existing powers and subject to the passing of resolution 15, the directors be generally empowered pursuant to section 570 of the Companies Act 2006 (the 2006 Act) to allot equity securities (within the meaning of section 560 of the 2006 Act) for cash pursuant to the authority conferred by resolution 15 and/or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the 2006 Act, in each case free of the restriction in section 561 of the 2006 Act, provided that such power to be limited to:
 - (a) the allotment of equity securities pursuant to the authority granted by paragraph (a) of resolution 15 and/or an allotment which constitutes an allotment of equity securities by virtue of section 560(3) of the 2006 Act (in each case otherwise than in the circumstances set out in paragraph (b) of this resolution) up to a nominal amount of £2,218,769; and
 - (b) the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted by paragraph (b) of resolution 15, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only):
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any country or territory,

Notice of Annual General Meeting (continued)

Special business (continued)

such power to expire at the conclusion of the AGM of the Company to be held after the date of the passing of this resolution or 22nd June 2017, whichever is the earlier, but so that the Company may make offers and enter into agreements before the power expires which would or might require equity securities to be allotted after such power expires and the directors may allot equity securities under any such offer or agreement as if the power had not expired.

Special resolution

17. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the 2006 Act) to make market purchases (as defined in section 693 of the 2006 Act) of ordinary shares of 10p each in its capital (Ordinary Shares) on such terms and in such manner as the directors may from time to time determine provided that:

- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 22,187,698;
- (b) the minimum price which may be paid for an Ordinary Share is 10p (exclusive of expenses);
- (c) the maximum price which may be paid for an Ordinary Share is the highest of (in each case exclusive of expenses):
 - (i) an amount equal to 105% of the average market value of an Ordinary Share for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid for any number of Ordinary Shares on the London Stock Exchange; and
- (d) this authority shall, unless previously renewed, expire at the conclusion of the AGM of the Company to be held after the date of the passing of this resolution or 22nd June 2017, whichever is the earlier, except in relation to the purchase of any Ordinary Shares the contract for which was concluded before the date of expiry of the authority and which would or might be completed wholly or partly after that date.

Special resolution

18. That a general meeting other than an AGM may be called on not less than 14 clear days' notice.

Special resolution

19. That the new Articles of Association of the Company produced to the meeting and initialled by the Chairman for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, its existing Articles of Association.

Recommendation

The Board confirms that, in its opinion, all of the resolutions are in the best interests of the Company and its shareholders as a whole. The directors unanimously recommend that shareholders vote in favour of each of the above resolutions, as they intend to do in respect of their own beneficial shareholdings.

By order of the Board

Tanya Stote

Company Secretary

18th February 2016

St. Modwen Properties PLC

Registered number: 349201

Registered Office: Park Point, 17 High Street, Longbridge, Birmingham B31 2UQ

Explanatory notes to proposed resolutions

Ordinary resolutions

For a resolution proposed as an ordinary resolution to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 1 – Annual Report and Financial Statements

Resolution 1 is an ordinary resolution to receive the Annual Report and Financial Statements for the financial year ended 30th November 2015. Copies will be available at the AGM.

Resolution 2 – Directors' Remuneration Report

Resolution 2 is an ordinary resolution to approve the Directors' Remuneration Report, other than the part containing the directors' remuneration policy. Resolution 2 is an advisory resolution and does not affect the future remuneration paid to any director. A resolution to approve the directors' remuneration policy (set out in full in the Annual Report and Financial Statements for the year ended 30th November 2013 which is available at www.stmodwen.co.uk) was approved by shareholders at the 2014 AGM.

Resolution 3 – Declaration of final dividend

Resolution 3 is an ordinary resolution by which shareholders are asked to declare a final dividend. The directors recommend a final dividend for the financial year ended 30th November 2015 of 3.85p per ordinary share. If approved, this will be paid on 1st April 2016 to shareholders on the register of members at the close of business on 4th March 2016.

Resolutions 4 to 12 – Election and re-election of directors

Resolutions 4 to 12 are ordinary resolutions which deal with the election and re-election of the directors.

Following his appointment to the Board on 28th September 2015 and in accordance with the Company's Articles of Association, Rob Hudson will retire and offer himself for election at the 2016 AGM. All other directors will retire and offer themselves for re-election in accordance with the 2014 UK Corporate Governance Code.

Biographical details of all directors are set out on pages 48 and 49.

The performance of the Board as a whole, as well as the contribution made by individual directors, has been reviewed during the course of the year. After considering this evaluation, the Chairman has confirmed that the performance of every executive and non-executive director continues to be effective, that they continue to demonstrate commitment to their respective roles, and that their respective skills complement one another to enhance the overall operation of the Board.

Resolutions 13 and 14 – Auditor appointment and remuneration

At last year's AGM shareholders re-appointed Deloitte LLP as auditor of the Company to hold office until the conclusion of the 2016 AGM. Deloitte has expressed a willingness to continue in office and the Audit Committee has reviewed the effectiveness of the audit process and recommends their re-appointment. Therefore resolutions 13 and 14 are ordinary resolutions to re-appoint Deloitte LLP as auditor until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Audit Committee to determine their remuneration on behalf of the Board.

Resolution 15 – Authority to allot shares

The authority conferred on the directors at last year's AGM to allot shares in the Company expires at the conclusion of the 2016 AGM. Resolution 15 is an ordinary resolution to renew this authority.

The Investment Association (IA) guidelines on directors' authority to allot shares state that IA members will permit, and treat as routine, resolutions seeking authority to allot new shares representing up to one-third of a company's issued share capital. In addition, they will treat as routine a request for authority to allot shares representing an additional one-third of a company's issued share capital provided that it is only used to allot shares pursuant to a fully pre-emptive rights issue.

Paragraph (a) of resolution 15 will, if resolution 15 is passed, authorise the directors to allot shares up to a maximum aggregate nominal amount of £7,395,899, which represents one-third of the Company's issued ordinary share capital as at 9th February 2016 (being the latest practicable date prior to the publication of the notice of AGM). Paragraph (b) of resolution 15 proposes that, in accordance with IA guidance, an additional authority be conferred on the directors to allot shares in connection with a rights issue up to a further maximum aggregate nominal amount of £7,395,899.

The authorities sought in paragraphs (a) and (b) of resolution 15 are in substitution for all existing authorities granted in the Company's Articles of Association or otherwise, and are without prejudice to previous allotments or agreements or offers to allot made under such existing authorities. The authorities will each expire at the earlier of the conclusion of the next AGM of the Company and 22nd June 2017.

The directors have no present intention of exercising these authorities other than to fulfil the Company's obligations under its share incentive schemes approved previously by shareholders, but believe that it is in the best interests of the Company to have the authorities available to respond to market developments and to enable allotments to take place without the need for a general meeting should they determine that it is appropriate to do so.

Special resolutions

For a resolution proposed as a special resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Notice of Annual General Meeting (continued)

Explanatory notes to proposed resolutions (continued)

Resolution 16 – Authority to dispaly pre-emption rights

If the directors wish to allot new shares and other equity securities company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

Resolution 16 is a special resolution which seeks to renew the authority conferred on the directors at last year's AGM to issue equity securities of the Company for cash without application of the pre-emption rights as provided by section 561 of the Companies Act 2006.

Paragraph (a) of resolution 16 will, if resolution 16 is passed, authorise the directors to allot new shares pursuant to the authority given in paragraph (a) of resolution 15 for cash up to a maximum aggregate nominal value of £2,218,769, equivalent to 10% of the Company's issued ordinary share capital as at 9th February 2016 (being the latest practicable date prior to the publication of the notice of AGM) without the shares first being offered to existing shareholders in proportion to their existing holdings.

In addition, in light of the IA guidance described in the explanation of resolution 15 above, paragraph (b) of resolution 16 will, if resolution 16 is passed, authorise the directors to allot new shares pursuant to the authority given by paragraph (b) of resolution 15 for cash in connection with a rights issue without the shares first being offered to existing shareholders in proportion to their existing holdings.

This authority is in line with institutional shareholder guidance, and in particular with the Pre-Emption Group's Statement of Principles (the Pre-Emption Principles) revised in March 2015 to allow the authority for an issue of shares for cash otherwise than in connection with a pre-emptive offer to be increased from 5% to 10% of a company's issued ordinary share capital, provided that the company confirms that it intends to use the additional 5% authority only in connection with an acquisition or specified capital investment (within the meaning of the Pre-Emption Principles). The directors therefore confirm, in accordance with the Pre-Emption Principles:

- (a) that to the extent the authority in paragraph (a) of resolution 16 is used for an issue of ordinary shares with a nominal value in excess of £1,109,384, representing 5% of the Company's issued ordinary share capital as at 9th February 2016 (being the latest practicable date prior to the publication of the notice of AGM), they intend that this authority will only be used in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue; and
- (b) that, excluding any shares issued in connection with an acquisition or specified capital investment as described above, they intend not to issue more than 7.5% of the Company's issued ordinary share capital for cash other than to existing shareholders in any rolling three-year period without prior consultation with shareholders.

The authorities sought in paragraphs (a) and (b) of resolution 16 are in substitution for all existing authorities granted in the Company's Articles of Association or otherwise, and are without prejudice to previous allotments or agreements or offers to allot made under such existing authorities. The authorities will each expire at the earlier of the conclusion of the next AGM of the Company and 22nd June 2017.

The directors have no present intention of exercising this authority other than to fulfil the Company's obligations under its share incentive schemes approved previously by shareholders, but consider it prudent to obtain the flexibility that this authority provides.

Resolution 17 – Authority to purchase shares

Resolution 17 is a special resolution to renew the authority granted to the directors at last year's AGM to make market purchases of its own ordinary shares through the market as permitted by the Companies Act 2006 and within institutional shareholder guidelines. No shares were purchased during the year and the Company does not hold any shares in treasury.

If passed, the resolution gives authority for the Company to purchase up to 22,187,698 of its ordinary shares, which represents 10% of the Company's issued ordinary share capital as at 9th February 2016 (being the latest practicable date prior to the publication of the notice of AGM). The resolution specifies the minimum and maximum prices which may be paid for any ordinary shares purchased under this authority. The authority will expire at the earlier of the conclusion of the next AGM of the Company and 22nd June 2017.

The directors have no present intention for the Company to exercise the authority granted by this resolution to purchase its own shares. They would do so only after taking account of the overall financial position of the Company and in circumstances where to do so would be regarded by the Board as being in the best interests of shareholders generally and result in an increase in earnings per ordinary share. The Company may either cancel any shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them).

As at 9th February 2016 (being the latest practicable date prior to the publication of the notice of AGM), the Company had options outstanding over 6,047,076 ordinary shares, representing 2.73% of the issued share capital on that date. If the Company was to purchase the maximum number of shares permitted pursuant to this resolution, the options outstanding at 9th February 2016 would represent 3.41% of the issued share capital.

Resolution 18 – Notice period of general meetings

Resolution 18 is a special resolution to renew an authority granted at last year's AGM to allow the Company to hold general meetings (other than AGMs) on not less than 14 clear days' notice.

Changes made to the Companies Act 2006 by The Companies (Shareholders' Rights) Regulations 2009 increased the notice period required for general meetings of the Company to 21 clear days unless shareholders approve a shorter notice period, which cannot be less than 14 clear days. This approval will be effective until the Company's next AGM when it is intended that a similar resolution will be proposed.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. AGMs will continue to be held on at least 21 clear days' notice.

Resolution 19 – Adoption of new Articles of Association

The Company regularly reviews the suitability of its Articles of Association following developments in applicable law and regulation and UK market practice. It is proposed that the Company adopts new Articles of Association (the New Articles) principally in order to reflect developments in current practice, and to provide clarification and additional flexibility in relation to certain matters. The existing Articles of Association were most recently updated and adopted by the Company on 26th March 2010. A summary of the principal changes being proposed in the New Articles are summarised in the Appendix to this notice of AGM. Other changes, which are deemed to be of a minor, non-substantive, technical or clarificatory nature (including, where relevant, to certain defined terms), have not been noted in the Appendix. A copy of the Company's existing Articles of Association, a copy of the New Articles and a copy marked up to show the proposed changes will be available for inspection at the registered office of the Company and at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF during normal business hours from the date of this notice of AGM until the close of the AGM, and at the place of the AGM from 15 minutes before the start of the meeting until the end of the meeting.

Shareholder notes**1. Entitlement to attend and vote**

To be entitled to attend and vote at the AGM (and for the purpose of determining the number of votes they may cast), shareholders must be entered on the Company's register of members at 6.00pm on Monday, 21st March 2016 (or, in the event of any adjournment, at 6.00pm on the date which is two days before the date of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting in respect of the number of shares registered in their name at that time. It is proposed that all votes on the resolutions at the AGM will be taken by way of a poll.

2. Appointment of proxies - general

A shareholder entitled to attend and vote at the meeting convened by the notice of AGM is entitled to appoint a proxy to exercise all or any of his or her rights to attend and to speak and vote on his or her behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company but must attend the meeting in person.

For the appointment to be effective, a proxy form (or electronic appointment of proxy, see note 4 below) must be received by the Company's registrar not less than 48 hours before the time of the meeting, i.e. not later than 12.00 noon on Monday, 21st March 2016. The appointment of a proxy will not prevent a shareholder from subsequently attending the meeting and voting in person if he or she is entitled to do so and so wishes.

3. Appointment of proxies – proxy form

A proxy form which may be used to make such appointment and give proxy instructions has been sent to shareholders. If you do not have a proxy form and believe that you should have one, or if you require additional forms to appoint more than one proxy, please contact the Company's registrars, Equiniti, on 0371 384 2198 (overseas callers should dial +44 (0)121 415 7047. Lines are open from 8.30am to 5.30pm, Monday to Friday excluding UK bank holidays). Alternatively photocopy the proxy form which has been sent to you. All forms must be signed and should be returned together in the same envelope.

The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote. Please note that the vote withheld option on the proxy form is provided to enable you to abstain on any particular resolution; it is not a vote in law and will not be counted in the calculation of votes for or against the resolution. If you sign the proxy form and return it without any specific directions your proxy will vote or abstain from voting at his or her discretion. If you wish to appoint a proxy other than the Chairman of the meeting, please insert the name of your chosen proxy holder in the space provided on the proxy form. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if the proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).

In the case of joint holders, the vote of the senior joint holder who tenders a vote, whether in person or by proxy, in respect of the holding will be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names appear in the Company's register of members in respect of the joint holding. In the case of a corporate shareholder, the proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer or attorney. In the case of an individual, the proxy form must be signed by the appointing shareholder. Any alterations made to the proxy form should be initialled.

Notice of Annual General Meeting (continued)

Shareholder notes (continued)

4. Appointment of proxies electronically

Shareholders who would prefer to register the appointment of their proxy electronically via the internet can do so through Equiniti's website at www.sharevote.co.uk using their personal Voting ID, Task ID and Shareholder Reference Number (which are printed on the proxy form). Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk. Full details and instructions on these electronic proxy facilities are given on the respective websites. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 12.00 noon on Monday, 21st March 2016.

5. Appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies for the AGM, and any adjournment(s) thereof, through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Ltd's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual (available at www.euroclear.com). The message, regardless of whether it relates to the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by the latest time for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. Changing and revoking proxy instructions

To change your proxy instruction simply submit a new proxy appointment using the methods set out above. The deadline for receipt of proxy appointments (see note 2 above) also applies in relation to amended instructions. Where two or more valid separate appointments of proxy are received in respect of the same share and for the same meeting, those received last by Equiniti will take precedence.

In order to revoke a proxy instruction, a shareholder will need to inform the Company by sending a signed hard copy notice clearly stating his/her intention to revoke a proxy appointment to Equiniti Ltd, Aspect House, Spencer Road, Lancing BN99 6DA. In the case of a corporate shareholder, the revocation notice must be executed under its common seal or signed on its behalf by a duly authorised officer or attorney. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice. The revocation must be received no later than 12.00 noon on Monday, 21st March 2016. If a shareholder attempts to revoke his or her proxy appointment but the revocation is received after the time specified the original proxy appointment will remain valid. Termination of proxy appointments made through CREST must be made in accordance with the procedures described in the CREST Manual.

7. Corporate representatives

A corporate shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares. Representatives of shareholders that are corporations will have to produce evidence of their proper appointment when attending the AGM. Please contact Equiniti for further guidance.

8. Nominated persons

Any person to whom this notice is sent who is not a shareholder but is a person nominated by a shareholder under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement with the shareholder who nominated him/her, have a right to be appointed, or have someone else appointed, as a proxy for the AGM. If a Nominated Person has no such right or does not wish to exercise it, he/she may, under any such agreement, have a right to give voting instructions to the shareholder.

The statement of the rights of shareholders in relation to the appointment of proxies set out in notes 2 to 7 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by shareholders of the Company. If you are a Nominated Person it is important to remember that your main contact in terms of your investment remains the registered shareholder or the custodian or broker who administers the investment on your behalf.

9. Shareholder participation

Any shareholder attending the AGM has the right to ask questions relating to the business of the meeting and the Company has an obligation to answer such questions unless (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

10. Availability of information on website

A copy of this notice of AGM, and other information required by section 311A of the Companies Act 2006, can be found on the Company's website at www.stmodwen.co.uk.

11. Website publication of audit concerns

Shareholders satisfying the threshold requirements in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter that such shareholder proposes to raise at the meeting relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last AGM.

The Company cannot require the shareholders requesting the publication to pay its expenses in complying with the request. Any statement placed on the website must also be sent to the Company's auditor no later than the time the statement is made available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website under section 527 of the Companies Act 2006.

12. Total voting rights

As at 9th February 2016 (being the latest practicable date prior to the publication of the notice of AGM), the Company's issued share capital consisted of 221,876,988 shares carrying one vote each. Therefore the total voting rights in the Company as at 9th February 2016 was 221,876,988.

13. Documents available for inspection

The following documents are available for inspection at the registered office of the Company during normal business hours and will be at the place of the AGM from 15 minutes before the start of the meeting until the end of the meeting:

- (i) copies of the directors' service contracts with the Company;
- (ii) copies of the non-executive directors' letters of appointment;
- (iii) a copy of the Company's existing Articles of Association, a copy of the New Articles and a copy of the existing Articles of Association marked up to show the proposed changes; and
- (iv) a copy of the Company's indemnity for directors.

14. Communication with the Company

You may not use any electronic address provided in this notice of AGM or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Notice of Annual General Meeting Appendix

This appendix sets out a summary of the principal changes proposed to be made to the Company's existing Articles of Association.

1. Share warrants

The Small Business, Enterprise and Employment Act 2015 prohibits the creation of new bearer shares and requires existing bearer shares to be converted into registered shares. In light of this, the provisions in the existing Articles of Association relating to share warrants have been removed from the New Articles.

2. Retirement and re-election of directors

The New Articles have been amended to reflect the Company's established practice, in line with the UK Corporate Governance Code and current best practice, that all directors be subject to annual re-election by shareholders. The New Articles provide that at each AGM every director retires from office and each director wishing to remain in office is required to stand for election or re-election as appropriate.

3. Directors below minimum through vacancies

The New Articles include language to deal with a situation where the number of directors required under the Articles of Association falls below the minimum. Currently the Board's powers in this regard are limited. The amended wording in the New Articles would allow the Board to remain fully functional in this situation until additional directors have been appointed.

4. Directors' fees

The cap on the fees payable to directors for their services in the office of director has been increased in the New Articles from £600,000 per annum to £800,000 per annum. This increase would provide the Company with sufficient headroom and flexibility in order to increase the number of directors and maintain its directors' fees in line with the market. Whilst the Company does not anticipate any significant increase to directors' fees or any significant increases to the size of the Board, the directors believe that it is prudent to maintain flexibility in this regard. Any increase to fees will be in line with the directors' remuneration policy, last approved by shareholders in 2014.

5. Company name

The New Articles give the directors the power to resolve to change the Company's name, as permitted by the Companies Act 2006.

6. Dividend payment procedure

The New Articles have been amended following guidance published by the ICSA Registrars' Group in March 2014 to provide the Company with additional flexibility to prescribe the manner in which dividends are paid. Currently the Company pays dividends by electronic payment, cheque or similar financial instrument. The use of cheques and similar financial instruments has reduced in recent years and there has been a significant focus on the development of new payment methods, which are intended to improve the security of payments to shareholders and to reduce costs. Although the existing Articles of Association permit the payment of dividends by electronic means, the New Articles allow the directors to determine how dividends are paid to shareholders, which method shall be the default method for paying dividends and whether shareholders may (or may not) make an election for payments to be made other than in the default manner. It is not the Board's intention to change the current methods of payment at this time. However, it is important that the Company is able to cater for new developments and changes in practice, including considering the efficiency and costs saving that would flow from a change to electronic only payment. The New Articles further specify when a dividend or other sum will be treated as unclaimed for the purposes of the Articles of Association.

7. Scrip dividends

The existing Articles of Association already enable the directors to offer shareholders a scrip dividend scheme if authorised by an ordinary resolution of the shareholders. In line with recent institutional investor guidance, the provision stating that a resolution to authorise a scrip dividend for a period of five years has been removed.

8. Indemnity and insurance

As permitted by the Companies Act 2006, provisions for the indemnification of a director of an associated company against liabilities incurred in connection with that associated company's activities as trustee of an occupational pension scheme of the Company have been included in the New Articles.

9. Generally

Generally, the opportunity has been taken to bring clearer language into the New Articles wherever appropriate.