

ST. MODWEN PROPERTIES PLC
 (“St. Modwen” or “the Company”)

Remuneration arrangements for Mark Allan

Further to the appointment of Mark Allan to the Board on 1st November 2016, initially as Chief Executive Designate and then, with effect from 1st December 2016, as Chief Executive, a summary of his remuneration arrangements is set out below. Full details will be included in the Directors’ Remuneration Report in the 2016 Annual Report which will be published on 24th February 2017.

- Base salary of £565,000 per annum.
- A pension allowance of 15% of base salary and other benefits in accordance with the approved remuneration policy.
- Eligible to participate in the Company’s annual bonus arrangements.
- Eligible to participate in the Company’ long-term share-based incentive arrangements, with the initial annual award to be granted in 2017 at a value of 180% of base salary in line with the approved policy on remuneration in recruitment situations.
- Minimum shareholding requirement of 200% of base salary. The normal expectation is that this is achieved no later than five years from appointment.

The Company agreed to compensate Mark Allan for unvested share-based incentives awarded to him by his previous employer and forfeited as a consequence of him joining St. Modwen. The compensation comprised the grant, on 2nd November 2016, of an award over 694,325 shares in the Company under and subject to the terms of a share award agreement entered into upon reliance of FCA Listing Rule 9.4.2(2).

The award was on a like-for-like basis at a level consistent with the fair value at the time of recruitment and comprises distinct nil cost option tranches with their corresponding vesting date and relevant performance condition (if any) as noted in the table below.

Tranche	Number of shares comprised within tranche	Tranche’s relevant vesting date	Relevant performance condition
One	138,539 shares	10 April 2017	None.
Two	211,353 shares	10 April 2017	That which would have applied to the relevant former employer LTIP award granted in April 2014 with a normal performance period expiring 31 st December 2016.
Three	105,708 shares	10 April 2018	
Four	159,134 shares	2 April 2018	That which would have applied to the relevant former employer LTIP award granted in April 2015 with a normal performance period expiring 31 st December 2017.
Five	79,591 shares	2 April 2019	

The tranches will normally vest on their vesting date subject to Mark Allan's continued service and to the extent to which the relevant performance condition (where applicable) is satisfied. The tranches will normally remain exercisable to their vested extent for a period of six months from time of vesting (or such longer period as the Board approves during such period).

On exercise, the tranches will be satisfied using existing shares only.

The award includes an entitlement to a cash payment following a tranche's vesting date in respect of the dividend equivalent value that would have accrued under the forfeited awards to the extent they had vested.

The arrangements noted above have been approved by the Remuneration Committee and are consistent with Company's remuneration policy approved by shareholders at the 2014 AGM.