



April 24, 2020

Dear Fellow Stockholders:

You are cordially invited to attend the 2020 Annual Meeting of Stockholders (the “Annual Meeting”) of Armada Hoffler Properties, Inc., which will be held at The Westin Virginia Beach Town Center, located at 4535 Commerce Street, Virginia Beach, VA 23462, on June 17, 2020, at 10:00 a.m. Eastern Time.

The matters expected to be acted upon at the meeting are described in detail in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement.

In accordance with U.S. Securities and Exchange Commission rules, we are using the Internet as our primary means of furnishing proxy materials to our stockholders. Because we are using the Internet, most stockholders will not receive paper copies of our proxy materials. We will instead send our stockholders a notice with instructions for accessing the proxy materials and voting via the Internet. This notice also provides information on how our stockholders may obtain paper copies of our proxy materials if they so choose. We believe the use of the Internet makes the proxy distribution process more efficient and less costly, and helps in conserving natural resources.

The Notice of Annual Meeting, this Proxy Statement, the proxy card sample and our 2019 Annual Report to Stockholders/Form 10-K for the year ended December 31, 2019 are available at <http://www.proxyvote.com> and may also be accessed through our website at [www.ArmadaHoffler.com](http://www.ArmadaHoffler.com) under the “Investors” section. If you would like to receive a paper or e-mail copy of these documents, you must request one. There is no charge to you for requesting a copy.

Your vote is important. Please cast your vote as soon as possible over the Internet, by telephone, or by completing and returning the proxy card to ensure that your shares are represented. Your vote by written proxy will ensure your representation at the Annual Meeting regardless of whether or not you attend in person. Returning the proxy does not deprive you of your right to attend the Annual Meeting and to vote your shares in person.

On behalf of our Board of Directors and our employees, we thank you for your continued interest in and support of our company. We look forward to seeing you on June 17, 2020.

Sincerely,

A handwritten signature in black ink, appearing to read "L. S. Haddad".

Louis S. Haddad  
*President, Chief Executive Officer and Director*

A handwritten signature in black ink, appearing to read "Daniel A. Hoffler".

Daniel A. Hoffler  
*Executive Chairman of the Board of Directors*





**ARMADA HOFFLER PROPERTIES, INC.**  
**222 Central Park Avenue**  
**Suite 2100**  
**Virginia Beach, Virginia 23462**

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**To Be Held on June 17, 2020**

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NOTICE IS HEREBY GIVEN that the 2020 Annual Meeting of Stockholders (the “Annual Meeting”) of Armada Hoffler Properties, Inc. will be held at The Westin Virginia Beach Town Center, located at 4535 Commerce Street, Virginia Beach, VA 23462, on Wednesday, June 17, 2020, at 10:00 a.m. Eastern Time, for the following purposes:

- (1) to elect the nine director nominees named in the Proxy Statement to serve as directors for one-year terms until the 2021 annual meeting of stockholders and until their successors are duly elected and qualify;
- (2) to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2020;
- (3) to approve, in an advisory (non-binding) vote, the compensation of our named executive officers; and
- (4) to transact such other business as may properly come before the Annual Meeting or any adjournment(s) or postponement(s) of the Annual Meeting.

The Proxy Statement accompanying this notice describes each of these items of business in detail. The Board of Directors has fixed the close of business on April 15, 2020 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and any adjournments or postponements of the Annual Meeting. Accordingly, only stockholders of record at the close of business on that date are entitled to notice of and to vote at the Annual Meeting and any adjournments or postponements of the Annual Meeting.

We currently intend to hold the Annual Meeting in person. However, we are actively monitoring developments with respect to the coronavirus (COVID-19) and the advice and guidance of public health officials, including guidelines on limits to the number of people permitted to congregate in one location. We are sensitive to the public health and travel concerns our stockholders may have and the protocols that federal, state, and local governments may impose. In the event it is not possible or advisable to hold the Annual Meeting in person, we will announce any change in date, time or location of the meeting as promptly as practicable, which may include postponing or adjourning the Annual Meeting or holding the Annual Meeting by means of remote communication. We will make any announcement regarding a change to the date, location or format of the Annual Meeting by issuing a press release, by filing definitive additional materials with the U.S. Securities and Exchange Commission and by taking all other steps necessary to inform our stockholders of the change. Please monitor our website at <http://ir.armadahoffler.com/>, news releases and our filings with the U.S. Securities and Exchange Commission for updated information. If you are planning to attend the Annual Meeting, please check the website one week prior to the meeting date. As always, we encourage you to vote your shares prior to the Annual Meeting.

**Your vote is important. Whether or not you expect to attend the Annual Meeting, please vote via the Internet, by telephone, or complete, date, sign and promptly return the proxy card so that your shares may be represented at the Annual Meeting.**

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read "U.A.O. 12", is written over the signature line.

Michael P. O'Hara  
*Chief Financial Officer, Treasurer and Corporate Secretary*  
Virginia Beach, Virginia  
April 24, 2020

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 17, 2020.**

**This Notice of Annual Meeting, Proxy Statement, proxy card sample and our 2019 Annual Report to Stockholders/Form 10-K for the year ended December 31, 2019 are available at [www.proxyvote.com](http://www.proxyvote.com).**

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**ARMADA HOFFLER PROPERTIES, INC.**  
**222 Central Park Avenue**  
**Suite 2100**  
**Virginia Beach, Virginia 23462**

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**PROXY STATEMENT**

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**ABOUT THE MEETING**

**Why am I receiving this Proxy Statement?**

This Proxy Statement contains information related to the solicitation of proxies in connection with our 2020 Annual Meeting of Stockholders (the “Annual Meeting”), to be held at The Westin Virginia Beach Town Center, located at 4535 Commerce Street, Virginia Beach, VA 23462, on June 17, 2020, at 10:00 a.m. Eastern Time, for the purposes stated in the accompanying Notice of Annual Meeting of Stockholders. This solicitation is made by Armada Hoffer Properties, Inc. on behalf of our Board of Directors (also referred to as the “Board” in this Proxy Statement). “We,” “our,” “us” and the “Company” refer to Armada Hoffer Properties, Inc.

We have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the “Notice”) to our stockholders of record on April 15, 2020 (the “Record Date”). All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or to request to receive a printed set of the proxy materials. Instructions on how to request a printed copy by mail or electronically may be found in the Notice and on the website referred to in the Notice, including an option to request paper copies on an ongoing basis. On or about April 24, 2020, we intend to make this Proxy Statement available on the Internet and to mail the Notice to all stockholders entitled to vote at the Annual Meeting. We intend to mail this Proxy Statement, together with a proxy card, to those stockholders entitled to vote at the Annual Meeting who have properly requested paper copies of such materials, within three business days of such request.

The Notice, this Proxy Statement, the proxy card sample and our 2019 Annual Report to Stockholders/Form 10-K for the year ended December 31, 2019 are available at <http://www.proxyvote.com>. You are encouraged to access and review all of the important information contained in the proxy materials before voting.

**What am I being asked to vote on?**

You are being asked to vote on the following proposals:

- ***Proposal 1 (Election of Directors):*** The election of the nine director nominees named in this Proxy Statement, each for a term expiring at the 2021 annual meeting of stockholders, and until his or her successor is duly elected and qualifies;
- ***Proposal 2 (Ratification of Ernst & Young LLP):*** The ratification of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2020;
- ***Proposal 3 (Advisory Vote on Executive Compensation):*** The approval (on an advisory basis) of the compensation of our named executive officers; and
- ***To transact any other business that may properly come before the Annual Meeting or any adjournment(s) or postponement(s) of the Annual Meeting.***

**What are the Board’s voting recommendations?**

The Board recommends that you vote as follows:

- **Proposal 1 (Election of Directors):** “FOR” each of the nine Board nominees named in this Proxy Statement for election as directors;
- **Proposal 2 (Ratification of Ernst & Young LLP):** “FOR” the ratification of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2020; and
- **Proposal 3 (Advisory Vote on Executive Compensation):** “FOR” the approval of the compensation of our named executive officers;

### **Who is entitled to vote at the Annual Meeting?**

Only holders of record of our common stock at the close of business on the Record Date (April 15, 2020) are entitled to receive notice of the Annual Meeting and to vote at the Annual Meeting. Our common stock constitutes the only class of securities entitled to vote at the Annual Meeting.

### **What are the voting rights of stockholders?**

Each share of our common stock outstanding on the Record Date entitles its holder to cast one vote on each matter to be voted on.

No dissenters’ rights are provided under the Maryland General Corporation Law, our Articles of Amendment and Restatement or our amended and restated bylaws with respect to any of the proposals described in this Proxy Statement.

### **Who can attend the Annual Meeting?**

All holders of our common stock at the close of business on the Record Date (April 15, 2020), or their duly appointed proxies, are authorized to attend the Annual Meeting. Admission to the Annual Meeting will be on a first-come, first-served basis. If you attend the Annual Meeting, you may be asked to present valid photo identification, such as a driver’s license or passport, before being admitted. Cameras, recording devices and other electronic devices will not be permitted at the Annual Meeting. For directions to the Annual Meeting, contact Investor Relations at (757) 366-6684.

Please note that if you are the beneficial owner of shares held in “street name” (that is, through a bank, broker or other nominee), you will need to bring a copy of the brokerage statement reflecting your share ownership as of the Record Date.

### **What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

Many stockholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

- *Stockholder of record.* If your shares are registered directly in your name with our transfer agent, Broadridge Financial Solutions, Inc., you are considered the stockholder of record of those shares and the Notice is being sent directly to you by us.
- *Beneficial owner of shares held in street name.* If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the “beneficial owner” of shares held in “street name,” and the Notice is being forwarded to you by your broker or nominee, which is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker on how to vote your shares and are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you bring with



you a legal proxy from the organization that holds your shares giving you the right to vote the shares at the Annual Meeting.

### **What will constitute a quorum at the Annual Meeting?**

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of our common stock outstanding on the Record Date (April 15, 2020) will constitute a quorum, permitting the stockholders to conduct business at the Annual Meeting. We will include abstentions and broker non-votes in the calculation of the number of shares considered to be present at the Annual Meeting for purposes of determining the presence of a quorum at the Annual Meeting. As of the Record Date, there were 56,492,059 shares of our common stock outstanding.

If a quorum is not present to transact business at the Annual Meeting or if we do not receive sufficient votes in favor of the proposals by the date of the Annual Meeting, the persons named as proxies may propose one or more adjournments of the Annual Meeting to permit solicitation of additional proxies. The chairperson of the Annual Meeting shall have the power to adjourn the Annual Meeting.

### **What are broker non-votes?**

Broker non-votes occur when nominees, such as banks and brokers holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial owners at least ten days before the Annual Meeting. If that happens, the nominees may vote those shares only on matters deemed “routine” by the New York Stock Exchange (the “NYSE”), the exchange on which shares of our common stock are listed. On non-routine matters, nominees cannot vote without instructions from the beneficial owner, resulting in a so-called “broker non-vote.”

Proposal 2 (Ratification of Ernst & Young LLP) is the only proposal that is considered “routine” under the NYSE rules. If you are a beneficial owner and your shares are held in the name of a broker or other nominee, the broker or other nominee is permitted to vote your shares on the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2020, even if the broker or other nominee does not receive voting instructions from you.

Under NYSE rules, Proposal 1 (Election of Directors) and Proposal 3 (Advisory Vote on Executive Compensation) are considered “non-routine” proposals. Consequently, if you do not give your broker or other nominee voting instructions, your broker or other nominee will not be able to vote on these proposals, and broker non-votes may exist with respect to the election of directors and the advisory vote on executive compensation.

### **How many votes are needed for the proposals to pass?**

The proposals to be voted on at the Annual Meeting have the following voting requirements:

- **Proposal 1 (Election of Directors):** The affirmative vote of a majority of the votes cast at a meeting at which a quorum is present is required for the election of directors. For purposes of the election of directors, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.
- **Proposal 2 (Ratification of Ernst & Young LLP):** The affirmative vote of a majority of the votes cast at a meeting at which a quorum is present is required to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2020. For purposes of the vote on the ratification of Ernst & Young LLP as our independent registered public accounting firm, abstentions will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.
- **Proposal 3 (Advisory Vote on Executive Compensation):** The affirmative vote of a majority of the votes cast at a meeting at which a quorum is present is required to approve, on an advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement. For purposes of the

advisory vote on executive compensation, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

### **Will any other matters be voted on?**

As of the date of this Proxy Statement, we are not aware of any matters that will come before the Annual Meeting other than those disclosed in this Proxy Statement. If any other matters are properly brought before the Annual Meeting, the persons named in the accompanying proxy card will vote the shares represented by the proxies on the other matters in the manner recommended by our Board of Directors, or, if no such recommendation is given, in the discretion of the proxy holders.

### **How do I vote?**

If you are a registered stockholder, you may submit your proxy by U.S. mail, Internet or telephone by following the instructions in the Notice. If you requested a paper copy of the proxy materials, you also may submit your proxy card by mail by following the instructions included with your proxy card. The deadline for submitting your proxy card by Internet or telephone is 11:59 p.m. Eastern Time on June 16, 2020, which is the day before the Annual Meeting date. The designated proxy will vote according to your instructions. You may also attend the Annual Meeting and vote in person.

If you are a street name or beneficial stockholder because your shares are held in a brokerage account or by a bank or other nominee, your broker or nominee firm will provide you with the Notice. Follow the instructions on the Notice to access our proxy materials and vote by Internet or to request a paper or email copy of our proxy materials. If you receive these materials in paper form, the materials include a voting instruction card so that you can instruct your broker or nominee on how to vote your shares.

If you submit your proxy without specifying how you would like your shares voted, your shares will be voted in accordance with the Board's recommendations specified above under "What are the Board's voting recommendations?" and in accordance with the discretion of the proxy holders with respect to any other matters that may be voted upon at the Annual Meeting.

### **If I plan to attend the Annual Meeting, should I still vote by proxy?**

Yes. Voting in advance does not affect your right to attend the Annual Meeting. If you send in your proxy card and also attend the Annual Meeting, you do not need to vote again at the Annual Meeting unless you want to change your vote. Written ballots will be available at the meeting for stockholders of record. Beneficial owners who wish to vote in person at the Annual Meeting must request a legal proxy from the organization that holds their shares and bring that legal proxy to the Annual Meeting.

### **How are proxy card votes counted?**

If the notice and access proxy card is validly submitted and not subsequently revoked, it will be voted as directed by you. Unless contrary instructions are given, the persons designated as proxy holders on the proxy card will vote: "FOR" the election of all nominees for our Board of Directors named in this Proxy Statement; "FOR" the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2020; "FOR" the approval of the compensation of our named executive officers and as recommended by our Board of Directors with regard to any other matters that may properly come before the Annual Meeting, or, if no such recommendation is given, in their own discretion.

**May I revoke my vote after I return my proxy card?**

Yes. You may revoke a previously granted proxy and change your vote at any time before the taking of the vote at the Annual Meeting by (i) filing with our Corporate Secretary a written notice of revocation or a duly executed proxy card bearing a later date or (ii) attending the Annual Meeting and voting in person.

**Who pays the costs of soliciting proxies?**

We will pay the costs of soliciting proxies, including preparation and mailing of the Notice, preparation and assembly of this Proxy Statement, the proxy card and the 2019 Annual Report to Stockholders/Form 10-K for the year ended December 31, 2019, coordination of the Internet and telephone voting process and any additional information furnished to you by the Company. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of our common stock beneficially owned by others to forward to such beneficial owners. We may reimburse persons representing beneficial owners of shares of our common stock for their costs of forwarding solicitation materials to such beneficial owners. Original solicitation of proxies by Internet and mail may be supplemented by telephone, facsimile or personal solicitation by our directors, officers or other regular employees.

**You should rely only on the information provided in this Proxy Statement. We have not authorized anyone to provide you with different or additional information. You should not assume that the information in this Proxy Statement is accurate as of any date other than the date of this Proxy Statement or, where information relates to another date set forth in this Proxy Statement, then as of that date.**

## PROPOSAL 1: ELECTION OF DIRECTORS

Our Board of Directors is currently comprised of nine directors, all of whom have terms expiring at the Annual Meeting. The nine nominees below, all of whom are currently serving as directors of the Company, have been nominated by our Board of Directors for re-election to serve as directors for one-year terms until the 2021 annual meeting of stockholders and until their successors are duly elected and qualify. Based on its review of the relationships between the director nominees and the Company, our Board of Directors has affirmatively determined that the following directors are “independent” directors under the rules of the NYSE and under applicable rules of the Securities and Exchange Commission (the “SEC”): Mses. Eva S. Hardy and Dorothy McAuliffe and Messrs. George F. Allen, James A. Carroll, James C. Cherry and John W. Snow.

The Board knows of no reason why any nominee would be unable to serve as a director. If any nominee is unavailable for election or service, the Board may designate a substitute nominee and the persons designated as proxy holders on the proxy card will vote for the substitute nominee recommended by the Board. Under these circumstances, the Board may also, as permitted by our amended and restated bylaws, decrease the size of our Board of Directors.

### *Nominees for Election for a One-Year Term Expiring at the 2021 Annual Meeting*

The following table sets forth the name and age of each nominee for director, indicating all positions and offices with us currently held by the director.

Name	Age <sup>(1)</sup>	Title	Director Since
George F. Allen	68	Independent Director	2013
James A. Carroll	52	Independent Director	2013
James C. Cherry	69	Lead Independent Director	2013
Louis S. Haddad	62	President, Chief Executive Officer, Vice Chairman of the Board of Directors	2013
Eva S. Hardy	75	Independent Director	2015
Daniel A. Hoffler	71	Executive Chairman of the Board of Directors	2013
A. Russell Kirk	72	Director	2013
Dorothy S. McAuliffe	57	Independent Director	2019
John W. Snow	80	Independent Director	2013

(1) Age as of April 24, 2020.

Set forth below are descriptions of the backgrounds and principal occupations of each of our directors, and the period during which he or she has served as a director.

**George F. Allen.** Mr. Allen has served as a director since our initial public offering. Mr. Allen currently serves as the President of George Allen Strategies, a consulting firm founded by Mr. Allen, as well as on the board of directors of several technology companies, including Lee Technologies, nanoRisk Assessment and Material Intellect, Inc. He is also presently the Reagan Ranch Presidential Scholar for the Young America’s Foundation. Mr. Allen has served the Commonwealth of Virginia in the House of Delegates, U.S. House of Representatives, as Governor of Virginia and in the U.S. Senate. Mr. Allen also served as the Chairman of the National Republican Senatorial Committee for the 2004 election cycle. Mr. Allen holds an undergraduate degree and a law degree from the University of Virginia.

Based on his demonstrated leadership abilities and his experience in government representing a state in which we do a significant amount of business, we have determined that Mr. Allen should serve as a director.

**James A. Carroll.** Mr. Carroll has served as a director since our initial public offering. Mr. Carroll is the President and Chief Executive Officer of Crestline Hotels & Resorts, LLC, a leading hospitality management company that manages 117 hotel properties throughout 28 states and the District of Columbia. Mr. Carroll originally joined Barceló Crestline Corporation in 2004 as Senior Vice President and Treasurer. He was named Chief Financial Officer in 2006 and promoted to President and Chief Executive Officer of Crestline Hotels & Resorts, LLC, in 2010. Prior to joining Crestline, Mr. Carroll held several operations and financial management positions at Dell, Inc. Mr. Carroll served as a Naval Aviator and Lieutenant in the United States Navy. Mr. Carroll holds an M.B.A. from the Harvard Business School and is a graduate of the U.S. Naval Academy. He also serves as Chairman of the Board for the non-profit organization ServiceSource, Inc., and serves on the Board of Directors for the American Hotel & Lodging Association (AHLA).

Based on his experience in multiple executive roles at a leading company in the real estate industry, his demonstrated leadership abilities and his financial expertise, we have determined Mr. Carroll should serve as a director.

**James C. Cherry.** Mr. Cherry has served as a director since our initial public offering and our lead independent director since 2019. He has served as a director of South State Corporation (NASDAQ: SSB), a bank holding company based in Columbia, South Carolina, since December 2017; as a director of Beach Community Bank, based in Fort Walton Beach, Florida, since July 2018; and, as a director of Magna Imperio Systems Corporation, based in Houston, Texas, since January 2019. He served as CEO and as a director of Park Sterling Corporation (NASDAQ: PSTB), a bank holding company headquartered in Charlotte, North Carolina, since its formation in August 2010 until November 2017 and its wholly-owned subsidiary, Park Sterling Bank, a regional financial services company, since its initial public offering in August 2010 until November 2017. From 1974 until June 2006, Mr. Cherry served Wachovia Corporation and its principal Wachovia Bank in various leadership positions, including as Chairman and Chief Executive Officer for the Mid-Atlantic Banking, President of Virginia Banking, and Head of Trust and Investment Management. He chaired the Virginia Bankers Association in 2006-2007.

Based on his experience as an executive at a publicly-traded company and his financial and banking expertise, we have determined that Mr. Cherry should serve as a director.

**Louis S. Haddad.** Mr. Haddad has served as our President and Chief Executive Officer and a director since the formation of the Company. He has served as the Vice Chairman of our Board of Directors since 2019. Mr. Haddad has more than 30 years of experience in the commercial real estate industry. Mr. Haddad has served in executive roles within our predecessor entities since 1987, including Chief Executive Officer of our predecessor entities between 1999 and the completion of our initial public offering in 2013, and President of our predecessor between 1996 and 1999. From 1987 to 1996, Mr. Haddad served as President of Armada Hoffler Construction Company. Additionally, Mr. Haddad served as an on-site construction supervisor for Armada Hoffler Construction Company from 1985 until 1987. Prior to joining Armada Hoffler, Mr. Haddad worked at Harkins Builders, which provides construction management services, in Baltimore, Maryland.

Based on his knowledge of our company, its business and properties and his extensive experience in the commercial real estate and construction industries, we have determined that Mr. Haddad should serve as a director.

**Eva S. Hardy.** Ms. Hardy has served as a director since March 2015. Ms. Hardy retired as executive vice president of Public Policy and Corporate Communications at Dominion Resources in 2008, after 20 years as an executive with the company, where she was responsible for local, state and federal relations in all states where Dominion did business, as well as media, communications, advertising and The Dominion Foundation. In addition to her private sector experience, Ms. Hardy spent 17 years in local and state government, serving in several positions with the City of Portsmouth, Virginia from 1972 to 1981. She became Commissioner of Labor for Virginia in 1983, and served as Secretary of Health and Human Resources from 1986 to 1990 in the administration of Virginia Gov. Gerald L. Baliles. She served as Interim State Director for US Senator Mark R. Warner in 2009. She has served as Vice Chair of the State Council of Higher Education and on the Board of Trustees of her alma mater, Hood College

as well as the Board of the Eastern Virginia Medical School. She currently serves on the Virginia Commonwealth Higher Education Board Appointments Committee.

Based on her extensive experience in the public and private sectors, including as an executive at a publicly traded company, we have determined that Ms. Hardy should serve as a director.

**Daniel A. Hoffer.** Mr. Hoffer has served as the Executive Chairman of our Board of Directors since our initial public offering. Mr. Hoffer founded our predecessor entities in 1979 and served as chairman of the Board of Directors of our predecessor entities. Before founding our predecessor entities, Mr. Hoffer was employed as vice president of marketing for Eastern International, Inc., a commercial real estate development and construction company specializing in construction of warehouse and office buildings. Prior to that, Mr. Hoffer was employed as a regional manager for Dun and Bradstreet, a credit information provider. From 1992 through 1996, Mr. Hoffer served on the University of Virginia's Board of Directors of Visitors. In 1987, he was chosen as the Outstanding Citizen of Hampton Roads, Virginia. In 1986, Mr. Hoffer was appointed to a five-year term in the Virginia Governor's Advisory Board of Directors for Industrial Development for the Commonwealth of Virginia. Mr. Hoffer has also previously served on the boards of the Virginia Racing Commission, the Virginia Department of Game and Inland Fisheries, Virginia Department of Transportation and as Chair of the Hampton Roads Partnership. He is a former director of the Shaw Group. Mr. Hoffer graduated from Campbell College with a degree in business.

Based on his knowledge of our company, its business and properties and his extensive experience in the commercial real estate and construction industries, we have determined that Mr. Hoffer should serve as a director.

**A. Russell Kirk.** Mr. Kirk has served as a director since our initial public offering and the Vice Chairman of our Board of Directors from 2013 to 2019. Mr. Kirk is responsible for strategic aspects of Armada Hoffer's businesses, including acquisition and development proposals, investment decisions, structuring partnerships and joint ventures, reviewing contracts, designing exit strategies as well as securing financial commitments from the company's lenders. Prior to joining Armada Hoffer in 1983, Mr. Kirk was a partner with the law firm of Kaufman & Canoles, where he practiced for ten years, specializing in structuring, marketing and financing real estate investments. Mr. Kirk also served on the Virginia Port Authority for eight years and served as its Chairman for a portion of that time. Mr. Kirk received a degree from the University of Virginia and graduated from Washington and Lee School of Law, where he was elected to the Order of the Coif.

Based on his knowledge of our company, its business and properties and his extensive experience in the commercial real estate and construction industries, we have determined that Mr. Kirk should serve as a director.

**Dorothy S. McAuliffe.** Ms. McAuliffe has served as a director since September 2019. Ms. McAuliffe currently serves as National Policy Advisor for Share Our Strength, a national non-profit working to end child hunger and poverty in the U.S. and around the world. She is a member of the board of directors of Food Corps and Service Year Alliance. Ms. McAuliffe is the Governor's Appointee to the Commonwealth Council on the Interstate Compact on Educational Opportunity for Military Children. Ms. McAuliffe served as the First Lady of the Commonwealth of Virginia from 2014 to 2018 and led initiatives to improve education and health outcomes and strengthen Virginia's future workforce by ending child hunger and promoting state and local agriculture markets. Ms. McAuliffe worked for several years as an attorney in general practice and in financial institution federal regulation and securities law, including corporate mergers, acquisitions and reorganizations. Ms. McAuliffe holds a law degree from Georgetown University Law Center, and an undergraduate degree from The Catholic University of America. She was a fellow at the Georgetown University Institute of Politics and Public Service.

Based on her extensive experience with in the public and private securities, as well as her background in corporate and securities law, we have determined that Ms. McAuliffe should serve as a director.

**John W. Snow.** Mr. Snow has served as a director since our initial public offering and as our lead independent director from 2013 to 2019. Mr. Snow currently serves as the Chairman of Cerberus Management. From February 2003 until June 2006, Mr. Snow served as United States Treasury Secretary under President George W. Bush, a position in which he was a key voice on domestic and global economic issues and steer the effort to pass the 2003

Jobs and Growth Tax Relief Act. Mr. Snow held the position of Chairman and Chief Executive Officer of CSX Corporation (NYSE: CSX), one of America's leading transportation companies, until 2003. Prior to becoming the Chairman and Chief Executive Officer of CSX Corporation, Mr. Snow served as Chairman of the Business Roundtable and on the Business Roundtable's executive committee, a prestigious business policy group comprised of 250 chief executive officer of the nation's largest companies. In addition, Mr. Snow co-chaired the influential Conference Board's Blue Ribbon Commission on Public Trust and Private Enterprises. Mr. Snow served on the board of Dominion Midstream Partners (NYSE: D) from 2014 to 2019 and on the board of Marathon Petroleum Corporation (NYSE: MPC) from 2011 to 2017. Mr. Snow holds a B.A. from University of Toledo, a master's from The Johns Hopkins University, a law degree from the George Washington University and a Ph.D in Economics from the University of Virginia.

Based on his extensive experience with complex economic issues, his service on the boards of multiple public companies and his exemplary record of leadership, we have determined that Mr. Snow should serve as a director.

***Vote Required and Recommendation***

The affirmative vote of the holders of a majority of all the votes cast at the Annual Meeting with respect to the matter is necessary for the election of the nine director nominees. For purposes of the vote on this proposal, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.

**OUR BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" EACH OF THE NOMINEES SET FORTH ABOVE.**

**PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of our Board of Directors, which is composed entirely of independent directors, has appointed Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2020. After careful consideration of the matter and in recognition of the importance of this matter to our stockholders, the Board of Directors has determined that it is in the best interests of the Company and our stockholders to seek the ratification by our stockholders of the Audit Committee’s selection of our independent registered public accounting firm. A representative of Ernst & Young LLP will be present at the Annual Meeting, will have the opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

***Vote Required and Recommendation***

The affirmative vote of the holders of a majority of all the votes cast at the Annual Meeting with respect to the matter is necessary for the approval of the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm. For purposes of vote on this proposal, abstentions will not be counted as votes cast and will have no effect on the result of the vote. Even if the appointment of Ernst & Young LLP as our independent registered public accounting firm is ratified, the Audit Committee may, in its discretion, change that appointment at any time during the year should it determine such a change would be in our and our stockholders’ best interests. In the event that the appointment of Ernst & Young LLP is not ratified, the Audit Committee will consider the appointment of another independent registered public accounting firm, but will not be required to appoint a different firm.

**OUR BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE RATIFICATION OF THE SELECTION OF ERNST & YOUNG LLP AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2020.**

**Relationship with Independent Registered Public Accounting Firm**

Our consolidated financial statements for the years ended December 31, 2019 and 2018 have been audited by Ernst & Young LLP, which served as our independent registered public accounting firm for these years.

The following summarizes the fees billed by Ernst & Young LLP for services performed for the Company for the years ended December 31, 2019 and 2018:

	<b>Year Ended December 31, 2019</b>	<b>Year Ended December 31, 2018</b>
Audit Fees <sup>(1)</sup>	\$ 1,275,727	\$ 1,191,283
Tax Fees <sup>(2)</sup>	310,340	265,125
All Other Fees <sup>(3)</sup>	1,985	1,965
Total	<u>\$ 1,588,052</u>	<u>\$ 1,458,373</u>

- (1) Audit fees for 2019 and 2018 include fees for the annual audit of the consolidated financial statements of the Company included in the Company’s Annual Report on Form 10-K, reviews of the condensed consolidated financial statements of the Company included in the Company’s Quarterly Reports on Form 10-Q, and the issuance of comfort letters and consents in connection with the Company’s registration statements filed with the SEC.
- (2) Tax fees include fees for tax compliance services and tax planning.
- (3) All other fees include fees for online resources provided by Ernst & Young LLP.



### ***Pre-Approval Policies and Procedures***

The Audit Committee's policy is to review and pre-approve, either pursuant to the Audit Committee Pre-Approval Policy or through a separate pre-approval by the Audit Committee, any engagement of the Company's independent auditor to provide any permitted non-audit service to the Company. Pursuant to the Audit Committee Pre-Approval Policy, which the Audit Committee reviews and reassesses periodically, a list of specific services within certain categories of services, including audit, audit-related and tax services, are specifically pre-approved for the upcoming or current fiscal year, subject to an aggregate maximum annual fee payable by us for each category of pre-approved services. Any service that is not included in the approved list of services must be separately pre-approved by the Audit Committee. In addition, the Audit Committee may delegate authority to its chairperson to pre-approve engagements for the performance of audit and non-audit services. The chairperson must report all pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee approved 100% of the audit-related fees, tax fees and other fees for the year ended December 31, 2019.

## CORPORATE GOVERNANCE AND BOARD MATTERS

### Corporate Governance Profile

We have structured our corporate governance in a manner that we believe closely aligns our interests with those of our stockholders. Notable features of our corporate governance structure include the following:

- our Board of Directors is prohibited from electing to classify without first obtaining stockholder approval;
- each of our directors is subject to re-election annually;
- we have a majority voting standard for uncontested director elections;
- six of our nine directors are “independent”;
- four of our directors qualify as an “Audit Committee financial expert” as defined by the SEC;
- all of our standing committees are comprised solely of independent directors;
- we have opted out of the business combination and control share acquisition statutes in the Maryland General Corporation Law;
- we have adopted an Incentive Compensation Clawback Policy and an Anti-Hedging Policy;
- we do not have a stockholder rights plan (poison pill);
- we have adopted stock ownership and retention guidelines for all executive officers and non-employee directors; and
- our stockholders have the ability to amend our amended and restated bylaws, subject to certain exceptions.

Our directors stay informed about our business by attending meetings of our Board of Directors and its committees and through supplemental reports and communications. Our independent directors meet regularly in executive sessions without the presence of our corporate officers or non-independent directors.

### Recent Corporate Governance Changes

On February 20, 2020, our Board of Directors reaffirmed our commitment to leadership in corporate governance practices by taking the following actions:

- ***MUTA Opt-Out*** - our Board of Directors adopted a resolution prohibiting us from electing to classify our Board of Directors pursuant to Section 3-802(c) of the Maryland General Corporation Law, commonly referred to as the Maryland Unsolicited Takeover Act (“MUTA”), unless a proposal to repeal such resolution is approved by our stockholders by the affirmative vote of at least a majority of the votes cast on the matter by stockholders entitled to vote generally in the election of directors.
- ***Incentive Compensation Clawback Policy*** - our Board of Directors adopted an Incentive Compensation Clawback Policy, which provides that our Compensation Committee may require that an executive officer reimburse or forfeit any incentive compensation awards paid or granted in circumstances where the payment, grant, or vesting of the award was based on the achievement of financial results that were subsequently the subject of an accounting restatement of our financial statements resulting from any material non-compliance with any financial reporting requirements under applicable securities laws, other than the retrospective application of a change or amendment in accounting principles.

- **Anti-Hedging Policy** - our Board of Directors adopted an Anti-Hedging Policy, which prohibits our directors, officers, or employees from entering into any transactions that are designed to hedge (i.e., eliminate or reduce) the risks of ownership of our securities. Our Anti-Hedging Policy specifically prohibits the purchase or sale of puts, calls, options, or other derivative securities based on our securities and also prohibits hedging or monetization transactions, such as forward sale contracts, in which the stockholder owns our underlying security without all the risks of ownership.

Stockholders may obtain copies of the Incentive Compensation Clawback Policy and Anti-Hedging Policy on our website at [www.ArmadaHoffler.com](http://www.ArmadaHoffler.com) under the “Investors” tab.

### **Majority Voting Standard for Uncontested Director Elections**

Our amended and restated bylaws provide for majority voting in uncontested elections of directors. Under this majority voting standard, the affirmative vote of a majority of the votes cast is required for the election of a director in an uncontested election, which means that the number of votes cast for a director must exceed the number of votes cast against such director. In any contested election, in which the number of director nominees exceeds the number of directors to be elected, directors will be elected by a plurality of the votes cast. Prior to our adoption of the amended and restated bylaws, directors were elected by a plurality of the votes cast, whether or not the election was contested.

In addition, our Corporate Governance Guidelines require incumbent director nominees who fail to receive a majority of the votes cast in an uncontested election of directors to submit an offer to resign from our Board of Directors. The Nominating and Corporate Governance Committee of our Board of Directors must consider any such offer to resign and make a recommendation to our Board of Directors on whether to accept or reject the resignation. Taking into account the recommendation of the Nominating and Corporate Governance Committee, our Board of Directors will determine whether to accept or reject any such resignation within 90 days after the certification of the election results, and we will report such decision in a press release, filing with the SEC or by other public announcement. If an incumbent director’s resignation is accepted by our Board of Directors, then our Board of Directors may fill the resulting vacancy or decrease the size of our Board of Directors in accordance with our amended and restated bylaws. If a director’s resignation is not accepted by our Board of Directors, such director will continue to serve until his or her successor is duly elected and qualified, or his or her earlier death, resignation, retirement or removal. For the purposes of applying this majority voting standard, an election is considered “uncontested” if no stockholder provides notice of its intention to nominate one or more candidates to compete with our Board of Directors’ nominees in the manner required by our amended and restated bylaws, or if any such stockholder has withdrawn all such nominations on or before the close of business ten days prior to the filing our definitive proxy statement with the SEC.

### **Stockholder Amendments to Bylaws**

Our amended and restated bylaws permit stockholders to amend our bylaws by the affirmative vote of the holders of a majority of the outstanding shares of our common stock pursuant to a binding proposal submitted to the stockholders for approval at a duly called annual meeting or special meeting of stockholders by a stockholder, or group of no more than six stockholders, owning at least 1% or more of the outstanding shares of our common stock continuously for at least one year. A stockholder proposal submitted under Article XIV of our amended and restated bylaws may not alter or repeal (i) Article XII of the bylaws, which provides for indemnification of our directors and officers, or (ii) Article XIV of the bylaws, which addresses procedures for amendment of the bylaws, in each case, without the approval of our Board of Directors.

### **Stock Ownership Guidelines**

On February 21, 2019, our Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, adopted Stock Ownership Guidelines (the “Guidelines”). The Guidelines apply to executive officers and the non-employee directors of the Company. Our Board of Directors believes that our executive officers and non-employee directors should acquire and maintain a material equity position in the Company to promote (i)

the further alignment of the interests of such individuals and the Company’s stockholders, (ii) the creation of value for the Company’s stockholders and (iii) the accountability of such individuals for the performance of the Company. The table below sets forth the applicable minimum ownership requirements for our executive officers and non-employee directors and their ownership of Qualifying Securities (as defined below) as of April 1, 2020. Compliance must be achieved by the later of February 21, 2024 or five years from the date on which the individual becomes subject to the Guidelines.

Position	Minimum Ownership Requirement	Minimum Required Ownership of Qualifying Securities <sup>(1)</sup> (as of April 1, 2020)	Value of Qualifying Securities owned as of April 1, 2020 <sup>(2)</sup>
<b>Chief Executive Officer</b>	5x annual base salary		
Louis S. Haddad		\$4,671,265	\$43,882,117
<b>Chief Financial Officer</b>	3x annual base salary		
Michael P. O’Hara		1,125,000	3,727,913
<b>Other Executive Officers</b>	3x annual base salary		
Eric E. Apperson		1,081,500	5,347,942
Shelly R. Hampton		927,000	1,873,994
Shawn Tibbetts <sup>(3)</sup>		1,050,000	193,299
<b>Non-Employee Directors</b>	3x the value of any annual equity award and annual cash retainer (excluding any additional retainer for committee chairs or lead independent director)		
George F. Allen		270,000	329,474
James A. Carroll		270,000	399,590
James Cherry		270,000	706,989
Eva S. Hardy		270,000	183,573
Dorothy S. McAuliffe <sup>(4)</sup>		270,000	—
John W. Snow	270,000	1,131,589	

- (1) Compliance must be achieved by the later of February 21, 2024 or five years from the date on which the individual became subject to the Guidelines.
- (2) Represents the number of Qualifying Securities owned as of April 1, 2020 multiplied by \$18.35. The value of each individual’s Qualifying Securities as of April 1 each year is determined based on the higher of (i) the closing price of our common stock on the last trading day of the immediately preceding fiscal year and (ii) the volume-weighted average price of our common stock for the 30 trading days immediately preceding April 1.
- (3) Mr. Tibbetts became subject to the Guidelines upon being promoted to the role of Chief Operating Officer on February 19, 2020 and, therefore, must be in compliance by February 19, 2025.
- (4) Ms. McAuliffe became subject to the Guidelines upon joining the Board of Directors on September 17, 2019 and, therefore, must be in compliance by September 17, 2024.

In addition, Messrs. Hoffler and Kirk owned 4,992,999 and 1,238,892 Qualifying Securities, respectively, as of April 1, 2020.

For purposes of the Guidelines, our executive officers and non-employee directors may satisfy the Guidelines with the following securities (“Qualifying Securities”), whether owned directly or indirectly by our executive officers and non-employee directors:

- shares of the Company’s common stock;
- units of limited partnership interest (“OP units”) in Armada Hoffler, L.P., the Company’s operating partnership (the “Operating Partnership”);
- time-vesting (i) restricted shares of common stock or (ii) similar time-vesting equity awards granted under the Company’s equity incentive plans, whether or not currently vested; and

- performance-vesting restricted shares of common stock or stock units (or similar performance-vesting equity awards granted under the Company’s equity incentive plans) for which the relevant performance targets have been determined to have been met.

Neither stock options nor performance-vesting (i) restricted shares of common stock or (ii) share units or other performance-vesting equity awards granted under the Company’s equity incentive plans for which the relevant performance targets have not been met will be deemed Qualifying Securities for purposes of the Guidelines.

Compliance with the Guidelines is measured on April 1 of each year, with the first measurement having occurred on April 1, 2020. Each participant must meet the applicable ownership requirement within five years of the later of (i) the adoption of the Guidelines by the Board and (ii) the date the participant became subject to the Guidelines. If a participant becomes subject to a greater ownership requirement due to an amendment to the Guidelines, a promotion or an increase in base salary (or, in the case of non-employee directors, an increase in the annual cash retainer or annual equity award), and the participant does not satisfy such requirement at that time, the participant must meet such increased ownership requirement within three years of the date of such amendment to the Guidelines, promotion or increase in base salary, annual retainer or annual equity award. The value of each individual’s Qualifying Securities as of April 1 of each year will be determined based on the higher of (i) the closing price of our common stock on the last trading day of the immediately preceding fiscal year and (ii) the volume-weighted average price of our common stock for the 30 days immediately preceding April 1 of the applicable year. To promote compliance with the Guidelines, participants must retain 100% of the net shares received from any awards granted under our equity incentive plans for a period of one year after the vesting of such awards and, if a participant is not in compliance with the applicable minimum ownership requirement after such time period, must retain 100% of the shares or units until the applicable ownership requirement is met.

### **Role of the Board in Risk Oversight**

One of the key functions of our Board of Directors is informed oversight of our risk management process. Our Board of Directors administers this oversight function directly, with support from its three standing committees, the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee, each of which addresses risks specific to their respective areas of oversight. In particular, the Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The Audit Committee also monitors compliance with legal and regulatory requirements, in addition to oversight of the performance of our internal audit function. The Nominating and Corporate Governance Committee monitors the effectiveness of our corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. The Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

### **Board Committees**

Our Board of Directors has established three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The principal functions of each committee are described below. We comply with the listing requirements and other rules and regulations of the NYSE, as amended or modified from time to time, and each of these committees is comprised exclusively of independent directors. Additionally, our Board of Directors may from time to time establish certain other committees to facilitate the management of our company.

The table below provides membership information for each of the Board committees as of the date of this Proxy Statement:

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
George F. Allen		X	X (chair)
James A. Carroll*	X (chair)		
James C. Cherry*	X	X	X
Louis S. Haddad			
Eva S. Hardy*		X (chair)	X
Daniel A. Hoffler			
A. Russell Kirk			
Dorothy S. McAuliffe*	X		
John W. Snow			X

\* Audit committee financial expert.

### ***Audit Committee***

The Audit Committee is comprised of Messrs. Carroll and Cherry and Ms. McAuliffe, with Mr. Carroll serving as chairperson. Each member of the Audit Committee qualifies as an “audit committee financial expert” as that term is defined by the applicable SEC regulations. The Board determined that each of the Audit Committee members is “financially literate” as that term is defined by the NYSE corporate governance listing standards, and the Board has determined that each of the directors serving on the Audit Committee is “independent” within the meaning of the applicable rules of the SEC and the NYSE listing standards. We adopted an Audit Committee charter, which details the principal functions of the Audit Committee, including oversight related to:

- our accounting and financial reporting processes;
- the integrity of our consolidated financial statements and financial reporting process;
- our systems of disclosure controls and procedures and internal control over financial reporting;
- our compliance with financial, legal and regulatory requirements;
- the evaluation of the qualifications, independence and performance of our independent registered public accounting firm;
- the performance of our internal audit function; and
- our overall risk profile.

The Audit Committee also is responsible for engaging an independent registered public accounting firm, reviewing with the independent registered public accounting firm the plans and results of the audit engagement, approving professional services provided by the independent registered public accounting firm, including all audit and non-audit services, reviewing the independence of the independent registered public accounting firm, considering the range of audit and non-audit fees and reviewing the adequacy of our internal accounting controls. The Audit Committee also prepares the Audit Committee report required by SEC regulations to be included in our annual Proxy Statement.

During the fiscal year ended December 31, 2019, the Audit Committee met eight times, including telephonic meetings.

### ***Compensation Committee***

The Compensation Committee is comprised of Messrs. Allen and Cherry and Ms. Hardy, with Ms. Hardy serving as chairperson. The Board has determined that each of the directors serving on the Compensation Committee is “independent” within the meaning of the applicable rules of the SEC and the NYSE listing standards. We adopted a Compensation Committee charter, which details the principal authority and functions of the Compensation Committee, including:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our chief executive officer’s compensation, evaluating our chief executive officer’s performance in light of such goals and objectives and determining and approving the remuneration of our chief executive officer based on such evaluation;
- reviewing and approving the compensation of all of our other officers;
- reviewing our executive compensation policies and plans;
- implementing and administering our incentive compensation equity-based remuneration plans;
- implementing and administering our incentive compensation clawback policy;
- assisting management in complying with our Proxy Statement and Annual Report disclosure requirements;
- to the extent required by applicable SEC rules, producing a report on executive compensation to be included in our annual Proxy Statement; and
- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

For more information, see “Compensation Discussion and Analysis” contained elsewhere in this Proxy Statement.

During the fiscal year ended December 31, 2019, the Compensation Committee met twice, including telephonic meetings.

### ***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee is comprised of Ms. Hardy and Messrs. Allen, Cherry and Snow, with Mr. Allen serving as chairperson. The Board has determined that each of the directors serving on the Nominating and Corporate Governance Committee is “independent” within the meaning of the applicable rules of the SEC and the NYSE listing standards. We adopted a Nominating and Corporate Governance Committee charter, which details the principal functions of the Nominating and Corporate Governance Committee, including:

- identifying and recommending to the full Board of Directors qualified candidates for election as directors and recommending nominees for election as directors at the Annual Meeting of stockholders;
- developing and recommending to the Board of Directors corporate governance guidelines and implementing and monitoring such guidelines;
- recommending to the Board of Directors appropriate policies and initiatives developed by our Sustainability Committee;
- reviewing and making recommendations on matters involving the general operation of the Board of Directors, including board size and composition, and committee composition and structure;

- recommending to the Board of Directors nominees for each committee of the Board of Directors;
- annually facilitating the assessment of the Board of Directors' performance as a whole and of the individual directors, as required by applicable law, regulations and the NYSE corporate governance listing standards; and
- overseeing the Board of Directors' evaluation of management.

In identifying and recommending nominees for directors, the Nominating and Corporate Governance Committee may consider, among other factors, diversity of relevant experience, expertise and background.

During the fiscal year ended December 31, 2019, the Nominating and Corporate Governance Committee met three times, including telephonic meetings.

### **Director Selection Process**

The Nominating and Corporate Governance Committee is responsible for, among other things, the selection and recommendation to our Board of Directors of nominees for election as directors. In assessing candidates for election to our Board of Directors, the Nominating and Corporate Governance Committee takes into account such factors as it deems appropriate, including, among others, familiarity with our industry, broad experience in business, finance or administration, diversity of both background and experience, and experience, areas of expertise and other factors relative to the overall composition of the Board of Directors. In addition, the Nominating and Corporate Governance Committee considers whether a potential candidate for director has the time available, in light of other business and personal commitments, to perform the responsibilities required for effective service on the Board of Directors. The Board of Directors believes its effectiveness is enhanced by being comprised of individuals with diverse backgrounds, skills and experience that are relevant to the role of the Board of Directors and the needs of our business. Accordingly, the Board of Directors, through the Nominating and Corporate Governance Committee, will regularly review the changing needs of the business and the skills and experience resident in its members, with the intention that the Board of Directors will be periodically “renewed” as certain directors rotate off and new directors are recruited. The Board of Director’s commitment to diversity and renewal will be tempered by the need to balance change with continuity and experience.

Applying the criteria described above, the Nominating and Corporate Governance Committee considers candidates for Board membership suggested by its members and other Board members, as well as management and stockholders. After completing the identification and evaluation process described above, the Nominating and Corporate Governance Committee recommends the nominees for election to the Board of Directors. Taking the Nominating and Corporate Governance Committee’s recommendation into consideration, the Board of Directors then approves the nominees for directorship for stockholders to consider and vote upon at the annual stockholders’ meeting.

Stockholders wishing to recommend individuals for consideration as directors must follow the procedures described in Article II, Section 11 of the Company’s amended and restated bylaws, including (among other requirements) the receipt of written notice of the nomination by our Corporate Secretary, no later than 120 days prior to the first anniversary of the date of the proxy statement for the previous year’s annual meeting. The stockholder’s notice must set forth as to each nominee all information relating to the person that would be required to be disclosed in a solicitation of proxies for election of directors pursuant to Regulation 14A under the Exchange Act if the candidate had been nominated by or on behalf of our Board of Directors. Recommendations by stockholders that are made in this manner will be evaluated in the same manner as other candidates. See “Other Matters—Stockholder Proposals and Nominations for the 2021 Annual Meeting.”



## **Code of Business Conduct and Ethics**

Our Board of Directors established a Code of Business Conduct and Ethics that applies to our officers, directors and employees. Among other matters, our Code of Business Conduct and Ethics is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in our SEC reports and other public communications;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the code to appropriate persons identified in the code; and
- accountability for adherence to the code of business conduct and ethics.

Any waiver of the Code of Business Conduct and Ethics for our executive officers or directors must be approved by the Board of Directors or a committee of the Board of Directors, and any such waiver shall be promptly disclosed to stockholders as required by law or NYSE regulations.

## **Availability of Corporate Governance Materials**

Stockholders may view our corporate governance materials, including the charters of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, our Corporate Governance Guidelines, our Code of Business Conduct and Ethics and various other corporate governance policies, on our website at [www.ArmadaHoffler.com](http://www.ArmadaHoffler.com) under the “Investors” tab, and these documents are available in print to any stockholder who sends a written request to such effect to Investor Relations, Armada Hoffler Properties, Inc., 222 Central Park Avenue, Suite 2100, Virginia Beach, VA 23462. Information at or connected to our website is not and should not be considered a part of this Proxy Statement. Any amendments to our corporate governance materials will be uploaded to our website without express notice to our stockholders.

## **Independence of Directors**

NYSE listing standards require NYSE-listed companies to have a majority of independent board members and a nominating/corporate governance committee, compensation committee and audit committee, each comprised solely of independent directors. Under the NYSE listing standards, no director of a company qualifies as “independent” unless the Board of Directors of the Company affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with such company).

The Board currently has nine directors, a majority of whom our Board of Directors affirmatively has determined, after broadly considering all relevant facts and circumstances, to be “independent” under NYSE listing standards and under applicable rules of the SEC. The Board affirmatively has determined that each of the following directors is independent under these standards: Mses. Hardy and McAuliffe and Messrs. Allen, Carroll, Cherry and Snow.

## **Board Leadership Structure**

### ***Separate Chairman and Chief Executive Officer Positions***

The roles of Executive Chairman and Chief Executive Officer are held by two different individuals, Messrs. Hoffler and Haddad, respectively. The separation of the roles of Chairman and Chief Executive Officer allows

Messrs. Hoffler and Haddad to have leadership roles on the executive management team, which our Board of Directors believes is important in light of their knowledge of the Company and their extensive experience in the commercial real estate and construction industries. Our Board of Directors continues to believe that our current leadership structure, including separate positions of Executive Chairman and Chief Executive Officer and the use of a lead independent director, provides an effective leadership model for the Company and the benefit of the distinct abilities and experience of our Executive Chairman, Chief Executive Officer and lead independent director. Our Board of Directors also believes having an Executive Chairman is useful as it ensures that our Board of Directors leadership retains a close working relationship with management.

### ***Lead Independent Director***

Our Board of Directors believes that its governance structure ensures a strong, independent Board even though our Board of Directors does not have an independent Chairperson. To strengthen the role of our independent directors and encourage independent Board leadership, the Board of Directors also has established the position of lead independent director, which is held by Mr. Cherry. The responsibilities of the lead independent director include, among others:

- serving as liaison between (i) management, including the President and Chief Executive Officer, (ii) our other independent directors and (iii) interested third parties and our Board of Directors;
- presiding at executive sessions of the independent directors;
- serving as the focal point of communication to our Board of Directors regarding management plans and initiatives;
- ensuring that the role between Board oversight and management operations is respected;
- providing the medium for informal dialogue with and between independent directors, allowing for free and open communication within that group; and
- serving as the communication conduit for third parties who wish to communicate with our Board of Directors.

Our lead independent director is selected on an annual basis by a majority of the independent directors then serving on our Board of Directors.

### **Board and Committee Meetings**

During the fiscal year ended December 31, 2019, the Board of Directors met six times, including telephonic meetings. Directors are expected to attend, in person or by telephone, all Board of Directors meetings and meetings of committees on which they serve. All directors attended at least 75% of the aggregate of (i) the total number of Board meetings held during the fiscal year ended December 31, 2019 and (ii) the total number of meetings of the Board's committees on which he or she served in 2019.

### **Annual Meeting Attendance**

Our directors are expected to attend, in person, our annual meeting of stockholders. All of our directors attended the 2019 annual meeting of stockholders.

### **Executive Sessions of Non-Management Directors**

Pursuant to our Corporate Governance Guidelines and the NYSE listing standards, in order to promote open discussion among non-management directors, our non-management directors meet in executive sessions without management participation at least quarterly. In addition, our Corporate Governance Guidelines provide that if the

group of non-management directors includes directors who are not independent, as defined in the NYSE’s listing standards, at least one such executive session convened per year shall include only independent directors. The lead independent director presides at these sessions.

**Communications with the Board**

Stockholders and other interested parties may communicate with the Board of Directors by sending written correspondence to the “Lead Independent Director” c/o the Corporate Secretary of Armada Hoffler Properties, Inc., 222 Central Park Avenue, Suite 2100, Virginia Beach, VA 23462, who will then directly forward such correspondence to the lead independent director. The lead independent director will decide what action should be taken with respect to the communication, including whether such communication should be reported to the full Board of Directors.

**Director Compensation**

For the fiscal year ended December 31, 2019, Mr. Hoffler, our Executive Chairman, received a cash retainer of \$310,253, payable in bi-weekly installments. In addition, on the date of our 2019 annual meeting of stockholders, Mr. Hoffler received an equity award of restricted shares of common stock with a value equal to \$110,260, which will vest on the date of the Annual Meeting, subject to Mr. Hoffler’s continued service on the Board of Directors on such date. Mr. Hoffler also receives healthcare coverage under our healthcare plan available to all employees of our company.

For the fiscal year ended December 31, 2019, Mr. Kirk, a director, received an annual cash retainer of \$75,003, payable in bi-weekly installments. In addition, on the date of our 2019 annual meeting of stockholders, Mr. Kirk received an equity award of restricted shares of common stock with a value equal to \$25,000, which will vest on the date of the Annual Meeting, subject to Mr. Kirk’s continued service on the Board on such date. Mr. Kirk also receives healthcare coverage under our healthcare plan available to all employees of our company.

Mr. Haddad, our President, Chief Executive Officer and the Vice Chairman of our Board of Directors, does not receive any additional compensation for his service on the Board.

During the fiscal year ended December 31, 2019, annual cash retainers for our non-employee directors were based on the following schedule:

<b>Annual Base Board of Directors Cash Retainer</b>	<b>Annual Audit Committee Chair Cash Retainer</b>	<b>Annual Lead Director Cash Retainer</b>
\$50,000	\$5,000	\$10,000

For the fiscal year ending December 31, 2020, annual retainers for our non-employee directors will be based on the following schedule:

<b>Annual Base Board of Directors Cash Retainer</b>	<b>Annual Audit Committee Chair Cash Retainer</b>	<b>Annual Compensation and Nominating and Corporate Governance Committee Chair Cash Retainer</b>	<b>Annual Lead Director Cash Retainer</b>
\$50,000	\$7,500	\$5,000	\$10,000

Each non-employee director receives the annual base cash retainer for his or her services in cash in quarterly installments in conjunction with quarterly meetings of the Board of Directors. Each non-employee director may elect to receive up to 100% of his or her annual cash retainers in fully vested shares of our common stock. In addition to the annual cash retainers, on the date of each annual meeting of stockholders, each non-employee director is expected to receive an annual equity award of restricted shares which will vest on the date of the first annual meeting of stockholders after the date of grant, subject to the director’s continued service on the Board of Directors on such date. All awards of restricted stock granted to each non-employee director will vest in full upon a change in control (as defined in the Armada Hoffler Properties, Inc. Amended and Restated 2013 Equity Incentive

Plan (the “Equity Incentive Plan”). We also reimburse each of our directors for his or her travel expenses incurred in connection with his or her attendance at full Board of Directors and committee meetings, attendance at annual or special meetings of our stockholders and site visits to our properties.

The schedule for the fiscal year ending December 31, 2020 represents a \$2,500 increase in the annual retainer for the Audit Committee chairperson. For the fiscal year ending December 31, 2020, the chairperson of the Compensation Committee and Nominating and Corporate Governance Committees will each receive an annual retainer of \$5,000. In addition to the annual retainers, on the date of each annual meeting of stockholders beginning in 2020, each non-employee director (other than Mr. Hoffler) is expected to receive an annual equity award of restricted shares with an aggregate value of \$40,000 (representing a \$15,000 increase from the annual equity award previously granted).

### ***Director Compensation Table***

The following table provides information on the compensation of our directors for the fiscal year ended December 31, 2019, other than Mr. Haddad, who received no separate compensation for his service as a director. For information related to the compensation of Mr. Haddad, please refer to “Compensation of Executive Officers Summary Compensation Table.”

<b>Name</b>	<b>Fees Earned or Paid in Cash</b>	<b>Stock Awards<sup>(1)</sup></b>	<b>All Other Compensation<sup>(2)</sup></b>	<b>Total</b>
Daniel A. Hoffler	\$ 310,253	\$ 110,260	\$ 130,099	\$ 550,612
A. Russell Kirk	75,003	25,000	76,207	176,210
George F. Allen	50,000	25,000	1,329	76,329
James A. Carroll	53,750 <sup>(3)</sup>	25,000	1,329	80,079
James C. Cherry	58,750	25,000	1,329	85,079
Eva S. Hardy	50,000	25,000	1,329	76,329
Dorothy S. McAuliffe <sup>(4)</sup>	12,500	—	—	12,500
John W. Snow	52,500 <sup>(5)</sup>	25,000	1,329	78,829

(1) Represents the aggregate grant date fair value of restricted shares granted on June 12, 2019. Mr. Hoffler received a grant of 6,570 restricted shares, and each of Messrs. Allen, Carroll, Cherry, Kirk and Snow and Ms. Hardy received a grant of 1,489 restricted shares, all of which were outstanding as of December 31, 2019.

(2) For non-employee directors, represents dividends paid on unvested restricted shares of common stock. The amounts shown in the “All Other Compensation” for Messrs. Hoffler and Kirk reflect the following:

<b>Name</b>	<b>Automobile Allowance or Personal Use of Company Automobile<sup>(a)</sup></b>	<b>Tax Return Prep Fees</b>	<b>Administrative Support</b>	<b>Dividends on Unvested Restricted Stock</b>	<b>Other<sup>(b)</sup></b>	<b>Total</b>
Daniel A. Hoffler	\$ 34,372	\$ 20,000	\$ 55,993	\$ 5,864	\$ 13,870	\$ 130,099
A. Russell Kirk	30,840	7,725	25,792	1,752	10,098	76,207

(a) Represents costs related to automobile allowance, gas and tolls.

(b) Represents costs related to parking fees, club dues, commuting expenses, physicals, excess life insurance, executive fees, cable or DirectTV television.

(3) Includes \$9,686 of annual cash retainers, which the director elected to receive in fully vested shares of common stock under the Equity Incentive Plan in lieu of cash payments, in accordance with the director compensation policy described above.

- (4) Represents compensation for Ms. McAuliffe since she joined our Board of Directors in September 2019.
- (5) Includes \$52,500 of annual cash retainers, which the director elected to receive in fully vested shares of common stock under the Equity Incentive Plan in lieu of cash payments, in accordance with the director compensation policy described above.

## SUSTAINABILITY



### Social

**Investing in our People** - We offer many benefits and programs to ensure our employees can be productive and successful in their work and personal environments. Benefits include health, vision and dental insurance, retirement plans, company paid life and disability insurance, paid time off, an employee assistance program, tuition reimbursement and wellness initiatives.

**Commitment to a Diverse and Sustainable Workforce** - We are committed to being an equal opportunity employer that strives to be inclusive to everyone. 30% of our staff have been with us for over ten years, 36% of our employees are female and 14% of our employees are minorities.

**Safety** - We experienced zero lost time incidents in 2019. The safety and health of our employees, subcontractors, clients, visitors and our environment are paramount to our business ethics.

**Career Development & Supporting Excellence** - We continue to focus on retaining and nurturing top talent by investment in our employees and dedicating resources to continue to advance their careers through trainings. We are consistently awarded for excellence in our workforce, offices and communities.

**Strengthening our Community** - We created an outreach committee more than 30 years ago, which provides employees an opportunity to come together to find ways to give back to the community and help those in need. In 2019, we contributed \$248,213 through sponsorships to our various outreach partners.





## Environmental

**Developing Sustainably** - As we plan for each new project, we look at all elements to determine how we can be as environmentally conscious as possible. This includes features such as energy efficient building design, green roofs and the use of recycled and local materials.

**Environmental Practices** - Our pledge to continue to improve upon sustainability is led by example in our corporate offices, including our:

- Paperless Initiative - corporate-wide paperless initiative to reduce our consumption and use of paper in our offices.
- Recycling & Waste Management - all offices use stream recycling services.
- Power Saving Utilities - all office utilities are set to power-saving mode to reduce wasted energy, our HVAC systems shut off outside of business hours and all bathrooms have automatic amenities.
- Green Cleaning Products - all janitorial staff members use green cleaning products in all offices.

**LEED Certified Properties** - We remain focused on properties that reduce stress on the environment and are proud to feature several LEED certified properties.





### Sustainability Committee and Policies

Our cross-functional management committee was formed to support our ongoing commitment to environmental, workplace health and safety, corporate social responsibility, corporate governance, and other sustainability matters. Members of our Sustainability Committee are appointed by our Chief Executive Officer and are required to report quarterly to our Chief Executive Officer and annually to the Nominating and Corporate Governance Committee.

Our Board of Directors has adopted the following policies, affirming our ongoing commitment to environmental, workplace health and safety, corporate social responsibility, corporate governance, and other sustainability matters.

***Environmental Policy*** - emphasizes our commitment to incorporating leading environmental practices into our business strategy and operations and fostering environmental awareness and responsibility among our employees, vendors, suppliers, and other interested parties. The Environmental Policy memorializes our commitment to conserving natural resources, minimizing waste, recycling, and ensuring compliance with environmental laws and regulations.

***Human Rights Policy*** - provides direction and guidance to our employees to ensure that all practices and processes support the fundamental principles of basic human rights, and are developed and implemented in a manner that complies with our core values around human rights and respects the inherent value of each individual. Among other things, the human rights policy:

- prohibits the use of forced or compulsory labor or child labor;
- expressly acknowledges our employees' rights to lawfully associate or not to associate with groups of their choosing without fear of retaliation; and
- reinforces our commitment to maintaining a healthy and safe work environment that is free from violence, harassment, discrimination, and other unsafe or disruptive conditions.

***Vendor Code of Business Conduct*** - sets forth the basic requirements expected of our vendors, suppliers, and trade contractors with whom we directly do business, with respect to, among other topics, conflicts of interest, environmental stewardship, anti-corruption, the use of conflict minerals, the conservation of assets, and the protection of whistleblowers.

Stockholders may obtain a copy of our 2019 Sustainability Report on our website at [www.ArmadaHoffler.com](http://www.ArmadaHoffler.com) under the "Sustainability" tab.



## EXECUTIVE OFFICERS

The following table sets forth information concerning our current executive officers. Executive serve at the Board's discretion.

Name	Age <sup>(1)</sup>	Title
Louis S. Haddad	62	President and Chief Executive Officer
Eric E. Apperson	56	President of Construction
Shelly R. Hampton	52	President of Asset Management
Michael P. O'Hara	60	Chief Financial Officer, Treasurer and Corporate Secretary
Shawn J. Tibbetts	39	Chief Operating Officer

(1) Age as of April 24, 2020.

Set forth below are descriptions of the backgrounds of each of our current executive officers (other than Mr. Haddad, whose background and position are described above under "Proposals to be Voted On-Proposal 1: Election of Directors").

**Eric E. Apperson.** Mr. Apperson has served as our President of Construction since our initial public offering. Mr. Apperson has over 25 years of experience in real estate management, development and construction. Mr. Apperson previously served as President of Construction of one of our predecessor entities, a position he assumed in 2000. Prior to being named President of Construction, Mr. Apperson served as President of a subsidiary of our predecessor formerly known as Goodman Segar Hogan Hoffler Construction. Beginning in 1987, Mr. Apperson served our predecessor as project manager. Mr. Apperson earned a B.A. from Hampden-Sydney College.

**Shelly R. Hampton.** Ms. Hampton has served as our President of Asset Management since our initial public offering. Ms. Hampton has nearly 35 years of experience in accounting, finance, administration, operations and management. Ms. Hampton previously served as President of Asset Management of one of our predecessor entities since 2011 until the completion of our initial public offering. From 2009 to 2011, Ms. Hampton served as Vice President of Asset Management of one of our predecessor entities. From 1999 until 2011, Ms. Hampton served as the Director of Asset Management of one of our predecessor entities. Ms. Hampton previously served as Vice President of Finance at JLM Holdings. Ms. Hampton holds an AAS in Business Management from Metropolitan College and graduated cum laude with a B.S. in Business Administration from Western New England College.

**Michael P. O'Hara.** Mr. O'Hara has served as our Chief Financial Officer and Treasurer since our initial public offering and was appointed Corporate Secretary in 2018. Mr. O'Hara has more than 30 years of experience in commercial real estate, accounting, tax, information technology and structured finance. From 2002 until the completion of our initial public offering, Mr. O'Hara served as chief financial officer for our predecessor. Mr. O'Hara joined our predecessor in 1996 as Controller of the construction company and was promoted to Controller of Armada Hoffler Holding Company in 1999. Prior to joining our predecessor, Mr. O'Hara served as Controller of Beacon Construction in Boston, Massachusetts. Mr. O'Hara received a B.S. in accounting from Fairfield University. Mr. O'Hara was previously licensed as a certified public accountant.

**Shawn J. Tibbetts.** Mr. Tibbetts joined as our Chief Operating Officer in 2019 and was appointed as an executive officer in February 2020. Mr. Tibbetts is responsible for aligning the day-to-day operations of the Company's various business lines and support groups with the corporate goals set by the CEO and Board of Directors. Mr. Tibbetts has more than 15 years of corporate leadership experience with a focus on operating efficiency, talent development and organizational design. Mr. Tibbetts previously served as the Port of Virginia's President and COO of Virginia International Terminals, LLC from October 2014 to July 2019 where he was

responsible for the portfolio's P&L, logistics, operations, maintenance, labor relations, IT, safety, security and capital infrastructure projects. Prior to joining the Port of Virginia in July 2010, Mr. Tibbetts served in various leadership roles at APM Terminals, a global subsidiary of A.P. Moller Maersk from March 2003 to June 2010. Mr. Tibbetts earned his B.B.A. from James Madison, his M.B.A. from the College of William & Mary and completed the Advanced Management Program at Harvard Business School.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### *Introduction*

This Compensation Discussion and Analysis outlines the principles underlying our executive compensation policies and decisions as it relates to the Company's named executive officers ("NEOs"). The Company's NEOs for 2019 were:

- Louis S. Haddad - President and Chief Executive Officer;
- Michael P. O'Hara - Chief Financial Officer, Treasurer and Corporate Secretary;
- Shelly R. Hampton - President of Asset Management; and
- Eric E. Apperson - President of Construction.

#### *2019 Business Highlights*

In 2019, we successfully executed on our strategic plan to significantly grow earnings, deliver value to our stockholders and maintaining a best-in-class governance structure:

- ***Significant Earnings Growth:*** 2019 yielded strong bottom line growth with a nearly 14% increase in per share earnings with normalized funds from operations, "Normalized FFO" of \$1.17 per share (up from a \$1.03 in 2018).
- ***Total Stockholder Return Outperformance:*** We generated significant value for our stockholders in 2019 that outpaced the broader REIT industry, including delivering a nearly 39% total return in 2019 (outperforming the MSCI US REIT Index by nearly 1,000 bps) and nearly a 48% total return over the last 3 years (outperforming the MSCI US REIT Index by more than 2,100 bps).
- ***Strong Operational Performance:*** We also delivered strong operational results, including core operating property portfolio occupancy at 96.5% at year-end 2019 (compared to 95.8% at year-end 2018), same store net operating income increased by 3.8% on a GAAP basis and 4.5% on a cash basis and positive leasing spreads on office and retail lease renewals of 5.6% on a GAAP basis and 2.2% on a cash basis.
- ***Disciplined Balance Sheet Management:*** We extended the maturity of our credit facility to 2024 for the senior unsecured revolving component and 2025 for the senior unsecured term loan component and raised \$98.4 million of gross proceeds through our at-the-market equity offerings, while also increasing our quarterly dividend by 5%.
- ***Enhanced Transparency and Accountability:*** We demonstrated our commitment to enhanced transparency and accountability by opting out of MUTA, established a Sustainability Committee formed to support the Company's ongoing commitment to environmental, workplace health and safety, corporate social responsibility, corporate governance and other sustainability matters, and adopted five new corporate governance policies.

#### *Executive Compensation Summary*

Our Compensation Committee made its compensation decisions for 2019 based on a primary objective to motivate our NEOs to continue focusing on Normalized FFO performance and the execution of key strategic priorities. We believe that, in the long-term, accomplishing these goals will ultimately generate positive stockholder value. With these goals firmly in mind, we note the following compensation-related highlights for 2019:

- **Formulaic Incentive Program:** We award both cash and equity incentive compensation pursuant to a formula-based plan with pre-established performance metrics.
- **Significant Alignment with Our Stockholders:** The majority of incentive compensation is payable in awards of restricted stock, including 62% of our CEO's target incentive opportunity, because we understand the importance of equity-based compensation to align our executives' interests with those of our stockholders.
- **Enhanced Pay Governance:** Since February 2019, we have adopted stock ownership and retention guidelines for all executive officers and directors, an incentive compensation clawback policy for all executive officers and an anti-hedging policy for all employees and directors. For more information, see "Corporate Governance and Board Matters" contained elsewhere in this Proxy Statement.

### ***Compensation Objectives and Philosophy***

The Compensation Committee believes that the Company's compensation program for executive officers should:

- attract and retain highly-qualified executives;
- motivate these executives to achieve corporate and individual performance objectives and increase stockholder value on an annual and long-term basis;
- achieve an appropriate balance between risk and reward that does not incentivize excessive risk taking; and
- promote teamwork and cooperation throughout the Company and within the management group.

The Compensation Committee applied this philosophy in establishing each of the elements of executive compensation for the fiscal year ended December 31, 2019. The Compensation Committee's goal was to align executive compensation with measurable performance and to compare executive compensation with peers and industry-specific market data.

### ***Determining Compensation for Named Executive Officers***

**Role of the Compensation Committee.** The Compensation Committee of the Board, which is comprised entirely of directors who are independent under the applicable rules of the SEC and the NYSE listing standards, operates under a written charter and is responsible for establishing the terms of the compensation of the Company's NEOs. The Compensation Committee is responsible for determining and approving our Chief Executive Officer's compensation and annually reviews corporate goals and objectives related to compensation and evaluates performance related to such goals and objectives. Additionally, the Compensation Committee reviews and approves the compensation of all of our other executive officers, evaluates compensation policies and plans and implements and administers our incentive compensation equity-based remuneration plans.

**Role of the CEO.** Our Chief Executive Officer plays a significant role in setting compensation for our other executive officers by providing the Compensation Committee with an evaluation of their performance, together with recommendations for their compensation. Although Mr. Haddad was involved in the compensation setting process, the Compensation Committee and the Board held discussions outside the presence of Mr. Haddad, which allowed the Compensation Committee and the Board to independently discuss any and all recommendations as it determined final compensation amounts for our NEOs.

**Role of the Compensation Consultant.** The Compensation Committee has the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of the Chief Executive Officer or other executive officer compensation and to approve such consultant's fees and other retention terms. In accordance with this authority, the Compensation Committee retained FTI Consulting, Inc. ("FTI") as its independent compensation consultant to advise the Compensation Committee on executive officer and director compensation during 2019, including providing industry-specific market data. FTI reported directly to the Compensation Committee, and the Compensation Committee is free to replace FTI or hire additional consultants from time to time. FTI and its affiliates do not provide any other services to us or our affiliates. The Compensation Committee assessed the independence of FTI pursuant to SEC and NYSE rules and concluded that no conflict of interest exists that would prevent FTI from serving as an independent consultant to the Compensation Committee.

### *Peer Group*

As part of its engagement, FTI provided the Compensation Committee with comparative market data on the overall compensation program for our executive officers based on an analysis of peer companies. The table set forth below identifies the companies in the peer group used for 2019, which the Compensation Committee considered as part of its analysis in setting compensation for our executive officers:

#### **2019 Executive Compensation Peer Group (“Peer Group”)**

Agree Realty Corporation	Independence Realty Trust, Inc.	RPT Realty
CatchMark Timber Trust, Inc.	Investors Real Estate Trust	Saul Centers, Inc.
Easterly Government Properties, Inc.	Kite Realty Group Trust	Urstadt Biddle Properties, Inc.
Four Corners Property Trust, Inc.	One Liberty Properties, Inc.	Washington Real Estate Investment Trust
Getty Realty Corp	Preferred Apartment Communities, Inc.	Whitestone REIT

Each year, the Company, in consultation with FTI, reviews the peer group to determine the appropriateness of each peer company, as well as the peer group in totality. For 2019, the Company used the following selection criteria:

#### **2019 Peer Group Selection Criteria**

<b>Assets/Business Model</b>	We are a diversified REIT with high-quality office, retail and multifamily assets. Accordingly, our peer group represents a blend of all of these asset types to reflect our diverse real estate holdings.
<b>Size Parameters</b>	At the time the Peer Group was approved, each was an internally-managed REIT with an implied equity market capitalization and total enterprise value ranging from 0.5x to 2.5x the size of the Company.
<b>Overall Peer Group</b>	As of October 29, 2019 (the date upon which FTI delivered the benchmarking report), the Company’s implied equity market capitalization was approximately \$1.4 billion and total enterprise value was approximately \$2.4 billion which approximated the median of the Peer Group as follows:  <b>Implied Equity Market Capitalization</b> - \$760 million to 1.8 billion <sup>(1)</sup> , with a median of approximately \$1.4 billion <b>Total Enterprise Value</b> - ranged from \$1.6 billion to \$2.9 billion <sup>(1)</sup> , with a median of approximately \$2.4 billion.

(1) Based on the approximate 25th to 75th percentile of the 2019 Peer Group.

Based on this assessment, Cedar Realty Trust, Inc. and TIER REIT, Inc. were removed from the Peer Group for 2019 as a result of being outside of the size parameters and being acquired, respectively. Following these removals, Independence Realty Trust, Inc., Kite Realty Group Trust, One Liberty Properties, Inc. and Washington Real Estate Investment Trust were added. The Compensation Committee may change the composition of the group from year to year, as it deems appropriate. In determining 2019 compensation for our NEOs, the Compensation Committee, in consultation with FTI, considered the competitive positioning of our executive compensation levels relative to market data for setting salary, incentive award and total compensation levels.

#### ***Structure and Components of the Executive Compensation Program***

Our executive compensation program for the NEOs generally consists of base salary, an annual incentive program comprised of cash and restricted stock awards and certain other benefits. We also provide certain severance arrangements for our NEOs. The target amount of compensation is determined based on an assessment of prevailing market compensation levels and the roles, experience, and the value delivered on a daily basis by our NEOs.

The Compensation Committee determined that it was appropriate to increase 2019 compensation opportunities to

more competitive levels relative to the Peer Group, while still maintaining a more moderate approach with target total compensation still below the median of the Peer Group based on the Compensation Committee’s assessment that (i) historical compensation levels for our NEOs has been below the 25th percentile of the Peer Group; (ii) the size of the Company (based on implied equity market capitalization) is slightly below the median of the Peer Group; and (iii) on a performance basis, the Company has delivered exceptional value to stockholders.

### ***Base Salary***

Base salary is intended to attract and retain executive officers based on the scope and complexity of the role and responsibilities, fairness (e.g., employees with similar responsibilities, experience and historical performance are rewarded comparably), and individual performance. The Compensation Committee reviews base salaries annually and makes adjustments to be competitive with market salary levels or to recognize an executive officer’s professional growth and development or increased responsibility within the Company.

The Compensation Committee made the following base salary compensation decisions for 2019:

Name	2019 Base Salary <sup>(1)</sup>
Louis S. Haddad	\$ 934,253
Michael P. O’Hara	375,000
Shelly Hampton	309,000
Eric E. Apperson	360,500

(1) Does not reflect the 3% increase in base salary effective for all employees in September of each year.

### ***Short-Term Incentive Program***

All cash and equity bonus awards for the NEOs are made pursuant to our short-term incentive program (the “STIP”), using a pay-for-performance formulaic structure to align the interests of our executive management team with the interests of our stockholders which is structured as follows:

- Award determinations under the STIP are based on pre-defined quantitative and qualitative factors set by the Compensation Committee each year. Payouts may be adjusted as deemed appropriate by the Compensation Committee based on their assessment of overall Company and individual performance.
- The payouts under the STIP are based on the Company achieving certain threshold, target and maximum levels of Normalized FFO, weighted 40%, and Normalized FFO per common stock equivalent, weighted 60%. Payouts may be adjusted at the sole discretion of the Compensation Committee based on qualitative objectives for Mr. Haddad, Mr. O’Hara, Ms. Hampton and Mr. Apperson, that are assessed at year-end. The Compensation Committee feels it is important to maintain the flexibility to adjust compensation when warranted based on the individual facts and circumstances, including the Company’s capital markets activity.
- Bonus awards under the STIP are paid partially in cash and partially in restricted shares of the Company’s common stock, subject to additional time-vesting restrictions. The Compensation Committee believes that the vesting schedule promotes retention, encourages long-term performance to maximize the value of and dividends received on stock granted to NEOs, and further aligns the interests of our executive officers and stockholders. Further, we believe that this vesting period encourages our executive officers to focus on sustaining our long-term performance, thus minimizing the risk of our executive officers focusing on short-term gains at the expense of our long-term performance.

For purposes of the STIP, we first calculate Funds from Operations (“FFO”), a supplemental non-GAAP financial measure, in accordance with the standards established by the National Association of Real Estate Investment Trusts (“Nareit”). However, because we believe that the computation of FFO in accordance with Nareit’s definition includes certain items that are not indicative of the results provided by our portfolio and affect the comparability of our year-over-year performance, we also disclose our calculation of Normalized FFO. Management believes that Normalized FFO is a more useful performance measure that excludes certain items, including but not limited to, debt extinguishment losses and prepayment penalties, impairment of intangible assets and liabilities, property acquisition, development and other pursuit costs, mark-to-market adjustments for interest rate derivatives, severance related costs and other non-comparable items.

**Cash Awards.** Under the 2019 STIP, 36-50% of the total incentive compensation eligible to be received by the NEOs was payable in cash. Our NEOs were eligible to receive the following cash bonus payout at threshold, target and maximum performance:

Name	Cash Portion of 2019 STIP		
	Threshold	Target	Maximum
Louis S. Haddad	\$ 250,900	\$ 386,000	\$ 482,500
Michael P. O'Hara	113,750	175,000	218,750
Shelly Hampton	65,000	100,000	125,000
Eric E. Apperson	78,000	120,000	150,000

**Restricted Stock Awards.** Under the 2019 STIP, 50-64% of the total incentive compensation eligible to be received by the NEOs was payable in the form of restricted stock awards under the Equity Incentive Plan. Our NEOs were eligible to receive the following restricted stock awards at threshold, target and maximum performance:

Name	RSA Portion of 2019 STIP		
	Threshold	Target	Maximum
Louis S. Haddad	\$ 414,400	\$ 636,000	\$ 795,000
Michael P. O'Hara	113,750	175,000	218,750
Shelly Hampton	117,000	180,000	225,000
Eric E. Apperson	78,000	120,000	150,000

**2019 STIP Payouts.** The 2019 annual cash and restricted stock award incentive compensation payable to our NEOs was based on the achievement of the following measures, as listed below.

2019 STIP Metrics	2019 Quantitative Bonus Goals			
	Threshold	Target	Maximum	Actual
Normalized FFO	\$ 76,565,000	\$ 77,951,000	\$ 79,337,000	\$ 85,088,000
Normalized FFO/Share	\$ 1.11	\$ 1.13	\$ 1.15	\$ 1.17

The 2019 STIP also includes a review of individual performance for each NEO. In 2019, the Compensation Committee established qualitative objectives for each NEO (the qualitative performance objectives for Mr. O'Hara, Ms. Hampton and Mr. Apperson were primarily established by Mr. Haddad, and approved by the Compensation Committee). The objectives are intended to enhance and support the Company's overall strategic and operational objectives in its day-to-day activities. Based on a review of each NEO's individual goals, the Compensation Committee determined that the maximum payout earned under the quantitative STIP metrics was generally appropriate as follows:

Name	2019 Actual STIP Awards		
	Cash	RSA	Total
Louis S. Haddad	\$ 482,500	\$ 795,000	\$ 1,277,500
Michael P. O'Hara	218,750	218,750	437,500
Shelly Hampton	125,000	225,000	327,500
Eric E. Apperson	150,000	150,000	300,000

Under the STIP, the bonus awards paid in restricted shares of common stock vest one-third on the grant date and two-thirds in equal amounts on the first two anniversaries of the grant date. The restricted shares were granted on March 3, 2019. Mr. O'Hara received an additional discretionary grant of \$10,000 restricted shares of common stock on March 3, 2019 in recognition of his extraordinary contributions during 2018, including the assumption of additional responsibilities within the Company.

### **2020 Compensation Program**

As part of the year-end 2019 compensation process, the Compensation Committee reviewed the following considerations:

- Historical compensation levels for our NEOs has been at or below the 25th percentile of the Peer Group;

- The size of the Company (based on implied equity market capitalization) approximates the median of the Peer Group;
- On a performance basis, the Company has delivered exceptional value to stockholders, with our total stockholder return performance as follows:

	Total Stockholder Return		
	1-Year	3-Year	5-Year
<b>Armada Hoffler Properties, Inc.</b>	<b>37%</b>	<b>48%</b>	<b>156%</b>
<b>MSCI US REIT Index</b>	26%	26%	40%
<b>Peer Group</b>			
75th Percentile	54%	43%	102%
50th Percentile	32%	18%	40%
25th Percentile	18%	10%	19%

Based on this assessment, the Compensation Committee determined that it was appropriate to increase 2020 compensation opportunities to more competitive levels relative to the Peer Group, while still maintaining a more moderate approach with target total compensation still below the median of the Peer Group. The Compensation Committee made the following 2020 decisions described below including 2020 performance targets without the benefit of being able to consider the more recent developments regarding the COVID-19 pandemic.

#### Base Salaries

In February 2020, the Compensation Committee approved salary increases for certain of our NEOs in order to ensure that the salaries are competitive with our Peer Group and to recognize the NEOs' increased responsibilities within the Company. The Compensation Committee has set 2020 base salaries for Messrs. Haddad, O'Hara, Apperson and Tibbetts and Ms. Hampton in the following amounts:

Name	2020 Base Salary <sup>(1)</sup>
Louis S. Haddad	\$ 1,027,378
Michael P. O'Hara	400,000
Shelly Hampton	325,000
Eric E. Apperson	375,000
Shawn Tibbetts	350,000

(1) Does not reflect the 3% increase in base salary effective for all employees in September of each year.

#### 2020 STIP

In February 2020, the Compensation Committee approved our 2020 short-term incentive program (the "2020 STIP"). The 2020 STIP is substantially similar to the 2019 STIP. Like the 2019 STIP, the 2020 STIP provides opportunities for our NEOs to earn both cash and restricted stock awards based on both quantitative and qualitative factors established by the Compensation Committee.

In establishing the 2020 STIP, the Compensation Committee approved each NEO's threshold, target and maximum opportunity for both the cash and restricted stock awards of the 2020 STIP, as set forth below.

#### Potential Cash Awards

Under the 2020 STIP, Messrs. Haddad, O'Hara, Apperson and Tibbetts and Ms. Hampton are eligible to receive the following cash bonus payout at threshold, target and maximum performance:



Name	Cash Portion of 2020 STIP		
	Threshold	Target	Maximum
Louis S. Haddad	\$ 260,000	\$ 400,000	\$ 500,000
Michael P. O'Hara	130,000	200,000	250,000
Shelly Hampton	65,000	100,000	125,000
Eric E. Apperson	97,500	150,000	187,500
Shawn Tibbetts	97,500	150,000	187,500

Under the 2020 STIP, 33-50% of the total incentive compensation eligible to be received by the NEOs is payable in cash.

#### Potential Restricted Stock Awards

Under the 2020 STIP, Messrs. Haddad, O'Hara, Apperson and Tibbetts and Ms. Hampton are eligible to receive the following restricted stock awards at threshold, target and maximum performance:

Name	RSA Portion of 2020 STIP		
	Threshold	Target	Maximum
Louis S. Haddad	\$ 464,750	\$ 715,000	\$ 893,750
Michael P. O'Hara	195,000	300,000	375,000
Shelly Hampton	130,000	200,000	250,000
Eric E. Apperson	97,500	150,000	187,500
Shawn Tibbetts	130,000	200,000	250,000

Under the 2020 STIP, 50-67% of the total incentive compensation eligible to be received by the NEOs is payable in the form of restricted stock awards under the Equity Incentive Plan. Any shares underlying each restricted stock award, to the extent earned by the NEOs, are expected to vest two-fifths on the grant date and one-fifth on each of the first three anniversaries of the grant date. This represents a change from shares granted under the 2019 STIP, which vested one-third on the grant date and are expected to vest one-third on each of the first two anniversaries of the grant date.

#### Quantitative Measures

Incentive compensation payable to our NEOs under the 2020 STIP will be based on the achievement of the following measures, as listed in the table below.

2020 STIP Metrics	2020 Quantitative Bonus Goals		
	Threshold	Target	Maximum
<u>Corporate</u>			
Normalized Funds from Operations (Normalized FFO)	\$ 91,500,000	\$ 93,000,000	\$ 94,500,000
Normalized FFO/Share	\$ 1.15	\$ 1.17	\$ 1.19

The Compensation Committee retains the discretion to equitably adjust the quantitative metrics to account for one-time events such as capital raising. Payouts may be adjusted when warranted at the sole discretion of the Compensation Committee based on each NEO's individual performance that is assessed at the year-end.

#### ***Tax and Accounting Implications***

Section 162(m) of the Code ("Section 162(m)") generally precludes a publicly held corporation from a federal income tax deduction for a taxable year for compensation in excess of \$1 million paid to certain executive officers. While the Compensation Committee considers the limitation on deductibility of compensation under section 162(m), the Compensation Committee believes it is important to retain the flexibility to design compensation programs consistent with our overall executive compensation program, even if some executive compensation is not fully deductible, and retains the flexibility to award compensation that it determines to be consistent with the goals of our executive compensation program even if the awards are not deductible for tax purposes. We also consider the accounting impact of

all compensation paid to our executives, and equity awards are given special consideration pursuant to FASB ASC Topic 718.

### **Compensation Committee Interlocks and Insider Participation**

The members of the Compensation Committee of the Board of Directors are Ms. Hardy and Messrs. Allen and Cherry, with Ms. Hardy serving as chairperson, each of whom is an independent director. None of our executive officers served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board of Directors or the Compensation Committee. Accordingly, during the fiscal year ended December 31, 2019, there were no interlocks with other companies within the meaning of the SEC's proxy rules.

### **CEO Pay Ratio**

As required by SEC rules, we are providing the following information about the relationship between the median annual total compensation of our employees and the annual total compensation of Louis Haddad, our Chief Executive Officer. The pay ratio included in this information is a reasonable estimate calculated in a manner consistent with SEC rules.

For 2019, our last completed fiscal year:

- the median annual total compensation of all employees of our Company (other than our Mr. Haddad) was \$89,291; and
- the annual total compensation of Mr. Haddad, as reported in the Summary Compensation Table included elsewhere in this Proxy Statement, was \$2,129,182.

Based on this information, for 2019 the ratio of the annual total compensation of Mr. Haddad to the median annual total compensation of all employees, as determined pursuant to SEC rules, was 23.8 to 1. To determine the median of the annual total compensation of all our employees, as well as to determine the annual total compensation of our median employee and Mr. Haddad, we took the following steps:

- We identified our employee population as of December 31, 2019, which consisted of approximately 166 full-time and part-time employees.
- With respect to employees other than Mr. Haddad, we calculated each employee's total compensation for 2019 in accordance with SEC rules with regards to compensation for our NEO's.
- With the above information, we identified an employee whose compensation we believe best reflects the Company's employees' median 2019 compensation, taking into account whether their compensation likely would reflect median employee compensation in future years. The median employee's annual total compensation totaled \$89,291.
- In accordance with SEC rules, with respect to the annual total compensation of Mr. Haddad, we used the amount reported in the "Total" column of our 2019 Summary Compensation Table included in this Proxy Statement.

### **Compensation Committee Report**

The Compensation Committee has reviewed and discussed with management the information contained in the Compensation Discussion and Analysis section of this Proxy Statement and recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and the Annual Report on Form 10-K of Armada Hoffler Properties, Inc.

Submitted by the Compensation Committee  
of the Board of Directors:  
Eva S. Hardy (Chairperson)  
George F. Allen  
James C. Cherry

The foregoing report shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended (the "Securities

Act”), or under the Exchange Act, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under the Securities Act or the Exchange Act.

## Summary Compensation Table

The following table sets forth a summary of all compensation earned, awarded or paid, as applicable, to our NEOs in the fiscal years ended December 31, 2019, 2018 and 2017.

Name and Principal Position	Year	Salary	Stock Awards <sup>(1)</sup>	Non-Equity Incentive Plan Compensation <sup>(2)</sup>	All Other Compensation	Total
<b>Louis S. Haddad</b>	2019	\$ 939,735	\$ 618,898	\$ 482,500	\$ 88,049 <sup>(3)</sup>	\$ 2,129,182
President, Chief Executive	2018	779,738	526,337	312,500	90,424	1,708,999
Officer and Director	2017	633,675	298,728	150,000	61,052	1,143,455
<b>Michael P. O’Hara<sup>(4)</sup></b>	2019	\$ 377,180	\$ 368,615	\$ 218,750	\$ 52,993 <sup>(5)</sup>	\$ 1,017,538
Chief Financial Officer,	2018	312,402	110,925	187,500	46,042	656,869
Treasurer and Corporate Secretary						
<b>Shelly Hampton<sup>(4)</sup></b>	2019	\$ 311,859	\$ 200,534	\$ 125,000	\$ 44,520 <sup>(6)</sup>	\$ 681,913
President of Asset Management	2018	301,809	105,879	112,500	36,826	557,014
<b>Eric E. Apperson</b>	2019	\$ 363,834	\$ 148,534	\$ 150,000	\$ 51,963 <sup>(7)</sup>	\$ 714,331
President of Construction	2018	352,996	167,382	150,000	42,669	713,047
	2017	330,856	99,581	100,000	46,550	576,987

- (1) Represents the stock portion of the annual STIP payable to each NEO, which comprised 50-64% of the total STIP award in the fiscal year ended December 31, 2019, as well as any discretionary grants of restricted stock, and reflects the aggregate grant date fair value of restricted stock computed in accordance with FASB ASC Topic 718. The stock portion of the STIP award was in the form of shares of restricted common stock and is presented in the year in which the stock grant was made, rather than the year such stock grant was earned.
- (2) Represents the cash portion of the annual STIP payable to each NEO for the year in which it was earned, which comprised 36-50% of the total STIP award for the fiscal year ended December 31, 2019.
- (3) This amount represents: (i) automobile allowance and gas in the amount of \$36,706; (ii) parking fees in the amount of \$1,461; (iii) club membership dues in the amount of \$900; (iv) concierge health services in the amount of \$1,800; (v) tax return preparation fees in the amount of \$7,725; (vi) excess life insurance in the amount of \$2,772; (vii) dividends on unvested restricted stock in the amount of \$32,060; and (viii) 401(k) match in the amount of \$4,625.
- (4) In accordance with applicable SEC rules, information for Mr. O’Hara and Ms. Hampton is not provided for 2017 because neither Mr. O’Hara nor Ms. Hampton were NEOs as of December 31, 2017.
- (5) This amount represents: (i) automobile allowance (including gas) in the amount of \$26,094; (ii) parking fees in the amount of \$1,461; (iii) concierge health services in the amount of \$1,800; (iv) tax return preparation fees in the amount of \$3,550; (v) dividends on unvested restricted stock in the amount of \$13,657; (vi) excess life insurance in the amount of \$1,806; and (vii) 401(k) match in the amount of \$4,625.
- (6) This amount represents: (i) automobile allowance (including automobile insurance and gas) in the amount of \$24,784; (ii) club membership dues in the amount of \$900; (iii) concierge health services in the amount of \$5,825; (iv) tax return preparation fees in the amount of \$600; (v) excess life insurance in the amount of \$966; (vi) dividends on unvested restricted stock in the amount of \$8,560; (vii) parking fees in the amount of \$1,029; and (viii) 401(k) match in the amount of \$1,856.
- (7) This amount represents: (i) automobile allowance (including automobile insurance and gas) in the amount of \$25,138; (ii) parking fees in the amount of \$1,461; (iii) club membership dues in the amount of \$900; (iv) concierge health services in the amount of \$5,600; (v) tax return preparation fees in the amount of \$3,550; (vi)

excess life insurance in the amount of \$1,806; (vii) dividends on unvested restricted stock in the amount of \$8,883; and (viii) 401(k) match in the amount of \$4,625.

### Grants of Plan-Based Awards

The following table summarizes grants of plan-based awards made to our NEOs in 2019.

Name and Principal Position	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Possible Payouts Under Equity Incentive Plan Awards <sup>(2)</sup>			All Other Stock Awards	Grant Date Fair Value of Restricted Stock <sup>(3)</sup>
			Threshold \$	Target \$	Maximum \$	Threshold \$	Target \$	Maximum \$		
Louis S. Haddad	03/03/19	02/20/19	\$ 250,900	\$ 386,000	\$482,500	\$ 325,000	\$ 500,000	\$ 625,000		\$ 618,898
Michael P. O'Hara	03/03/19	02/20/19	113,750	175,000	218,750	113,750	175,000	218,750		216,615
	03/03/19	02/20/19							10,000 <sup>4</sup>	152,000
Shelly Hampton	03/03/19	02/20/19	65,000	100,000	125,000	117,000	180,000	225,000		200,534
Eric E. Apperson	03/03/19	02/20/19	78,000	120,000	150,000	78,000	120,000	150,000		148,534

(1) Represents the cash portion of the 2019 STIP.

(2) Represents the restricted stock portion of the 2018 STIP. For information regarding the restricted stock portion of the 2019 STIP, see "Compensation Discussion and Analysis - Structure and Components of the Executive Compensation Program - Short-Term Incentive Program" above.

(3) The grant date fair value for the shares of restricted stock was determined in accordance with ASC Topic 718.

(4) Represents additional discretionary grant of restricted stock in recognition of Mr. O'Hara's extraordinary contributions during 2019, including the assumption of additional responsibilities within the Company.

### Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table

The following discussion should be read in conjunction with (i) the "Summary Compensation Table" and the "Grants of Plan-Based Awards Table" as well as the footnotes to such tables and (ii) the disclosure under the caption "Compensation Discussion and Analysis" above.

#### *Equity Awards*

The equity awards granted to our NEOs during 2019 that appear in the tables above were granted pursuant to the 2018 STIP, which is described in detail in the Compensation Discussion and Analysis section of our definitive proxy statement filed with the SEC on April 26, 2019, under the caption "Structure and Components of the Executive Compensation Program-Short Term Incentive Program." Shares of restricted stock awarded under the 2018 STIP were granted pursuant to the Equity Incentive Plan. The Equity Incentive Plan was approved by our Board of Directors and by our stockholders prior to the completion of our initial public offering in 2013. On June 14, 2017, the Company's stockholders approved the Amended and Restated Equity Incentive Plan, which increased the number of shares of the Company's common stock reserved for issuance by 1,000,000 shares. The Equity Incentive Plan, as amended, provides for the grant of stock options, stock appreciation rights, stock awards, performance awards, dividend equivalents, incentive awards and other equity-based incentive awards. All of our employees and the employees of our subsidiaries and affiliates, including the Operating Partnership, and members of our Board of Directors, are eligible to receive awards under the Equity Incentive Plan. The Equity Incentive Plan is administered by the Compensation Committee, which is comprised entirely of non-employee directors.

### ***Compensation Mix***

As discussed in more detail under the caption “Compensation Discussion and Analysis - Structure and Components of the Executive Compensation Program” above, in 2019, the Company’s compensation program was comprised of base salary and equity awards under the 2019 STIP, with the exception of Michael O’Hara, the Company’s Chief Financial Officer, who also received a discretionary grant of restricted stock in the dollar amount of \$152,000, in 2019 (see “—Discretionary Restricted Stock Awards” below). The Compensation Committee does not allocate a fixed percentage of the NEO compensation packages to each of these elements and may, in its discretion, elect to change the mix of compensation between cash and equity in any particular year to achieve an appropriate balance among these elements and to incentivize our NEOs to focus on financial and operating results in the near term and the creation of stockholder value over the long term.

### ***Other Plans, Perquisites and Personal Benefits***

Each of our NEOs is eligible to participate in all of compensatory and benefit plans on the same basis as our other employees. In addition, certain of our NEOs receive additional benefits, such as allowances for an automobile, club membership dues, tax return preparation fees, excess life insurance, concierge health services and an executive physical exam. We also pay cash dividends to our employees, including our NEOs, on their unvested shares of restricted stock. See “Summary Compensation Table” above.

### ***Discretionary Restricted Stock Awards***

From time to time, our Compensation Committee may make discretionary awards of restricted stock to our NEOs. These discretionary awards of restricted stock are designed to reward our NEOs for their individual performance and the assumption of additional responsibilities within the Company. On February 20, 2019, the Compensation Committee approved a discretionary grant of restricted stock in the dollar amount of \$152,000 to Michael O’Hara in recognition of his extraordinary contributions during 2018. No other NEO received a discretionary restricted stock award in 2019.

### ***Employment and Severance Arrangements***

We do not have employment or severance agreements with our NEOs. However, our Operating Partnership adopted the Executive Severance Benefit Plan (the “Severance Plan”), in which our NEOs, in their capacity as employees of our Operating Partnership, participate. See “Potential Payments Upon Termination or Change in Control” below.

### ***Retirement Plans***

We match contributions made by our employees, including our NEOs, to our 401(k) plan up to the maximum amount permitted under the 401(k) plan documents.

## Outstanding Equity Awards at Fiscal Year-End December 31, 2019

The following table presents information about our NEO's outstanding equity awards as of December 31, 2019. The equity awards consist of time-vesting restricted shares of common stock.

Name	Grant Date	Number of Shares or Units of Stock That Have Not Vested <sup>(1)</sup>	Market Value of Shares or Units of Stock That Have Not Vested <sup>(2)</sup>
<b>Louis S. Haddad</b>	3/3/2019	27,144	\$ 498,092
President, Chief Executive Officer and Director	3/3/2018	13,142	241,156
<b>Michael P. O'Hara</b>	3/3/2019	16,167	\$ 296,664
Chief Financial Officer, Treasurer and Corporate Secretary	3/3/2018	2,769	50,811
<b>Shelly Hampton</b>	3/3/2019	8,795	\$ 161,388
President of Asset Management	3/3/2018	2,643	48,499
<b>Eric E. Apperson</b>	3/3/2019	6,514	\$ 119,532
President of Construction	3/3/2018	4,179	76,685

(1) Represents restricted shares of common stock granted under our Equity Incentive Plan for 2019 and 2018 bonus awards, one-third of which vested on the grant date, one-third of which vest on the first anniversary of the grant date and one-third of which vest on the second anniversary of the grant date.

(2) Market value reflects the number of restricted shares multiplied by \$18.35 per share, which was the closing price of our common stock on the NYSE on December 31, 2019.

## 2019 Option Exercises and Stock Vested

The following table sets forth, for each of our NEOs, the number of shares of our common stock that vested in 2019 as well as the value of those shares upon vesting.

NEO	Time-Vested Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) <sup>(1)</sup>
Louis S. Haddad	33,832	\$ 514,246
Michael P. O'Hara	13,950	\$ 212,040
Shelly Hampton	8,527	\$ 129,610
Eric E. Apperson	9,809	\$ 149,097

(1) Based upon the closing price of our common stock on the NYSE on the vesting date.

## Potential Payments Upon Termination or Change in Control

### *Severance Benefits*

We do not have employment or severance agreements with our named executive officers. However, our Operating Partnership maintains our Severance Plan, in which our named executive officers, in their capacity as employees of our Operating Partnership, participate.

Participation in the Severance Plan is limited to employees of our Operating Partnership and its affiliates who are members of a select group of management or highly compensated employees and who are selected to participate in the Severance Plan by our Board of Directors or by a committee thereof. A Severance Plan participant is entitled to receive benefits thereunder only if the participant's employment is terminated by his or her employer for a reason other than "Cause" or the participant resigns with "Good Reason." The Severance Plan defines the term "Cause" as (i) a participant's willful failure or refusal to perform specific written directives that are consistent with the scope and nature of the participant's duties, (ii) a conviction of, or plea of guilty or nolo contendere to, a felony, (iii) any act of dishonesty which results in a material unjust gain to the participant at the expense of his or her employer, (iv) any act of a participant involving moral turpitude which materially and adversely affects the business of his or her employer, (v) a material breach of the restrictive covenants set forth in the Severance Plan or (vi) a failure to perform a material duty or a material breach of an obligation to his or her employer or a material breach of a written policy of his or her employer other than due to mental or physical illness or injury. The Severance Plan defines the term "Good Reason" as (i) a material breach by the Company or an affiliate of the Company of a written agreement between the participant and the Company or an affiliate of the Company, (ii) a material reduction in the nature or scope of the participant's title, authority, powers, functions, duties or responsibilities, (iii) a material reduction in the participant's base salary or bonus opportunity (other than a reduction for Cause or a reduction related to a general reduction that affects similarly situated individuals in a comparable manner) or (iv) a requirement that the participant, without his or her consent, change his or her principal office to a location that is more than fifty miles from the participant's then-current principal office.

The benefits payable to a Severance Plan participant who is terminated without Cause or resigns with Good Reason will be (i) payment of accrued but unpaid salary, bonus and vacation pay, (ii) a pro-rated amount of the participant's "target" bonus for the year of termination, (iii) a multiple of the sum of the participant's annual salary and "target" bonus for the year of termination, (iv) a multiple of the annual COBRA premium for the participant's health plan coverage and (v) a multiple of the annual employer premium for the participant's life insurance, long-term disability insurance and accidental death and dismemberment insurance. The Severance Plan provides three levels of benefits; Tier I, Tier II and Tier III. If a "target" level of bonus is not established for a participant, then the "target" will be 75%, 50% or 25% of base salary for Tier I, Tier II and Tier III participants, respectively. The Severance Plan provides for three levels of multiples, as described above: three times, two times and one time, for participants who are designated as Tier I, Tier II and Tier III participants, respectively. However, the multiple will be two and one-half for a Tier II participant and one and one-half for a Tier III participant who has a covered termination within ninety days before or within one year after we experience a change in control (which is defined in the Severance Plan in the same terms as in the Equity Incentive Plan). The Severance Plan multiple for our named executive officers is three times in the case of Mr. Haddad, two times in the case of Messrs. Apperson, and O'Hara, and Ms. Hampton, and one times in the case of Mr. Tibbetts. The committee that we appoint to administer the Severance Plan or we (in our capacity as the general partner of our Operating Partnership) determines which employees participate in the Severance Plan and each participant's multiple.

No benefits will be paid under the Severance Plan unless the participant signs a release, in a form provided by our Operating Partnership, releasing us and our Operating Partnership and such other parties as are named in the release from any claims that the participant may have.

As a condition of participation in the Severance Plan, each participant agrees to comply with the following covenants:

- a covenant against competition and non-solicitation of employees and clients during employment and for one year after employment ends for any reason; and
- a covenant against disclosure of confidential information.

### ***Equity Acceleration***

The Executive Stock Award Agreement (the “Award Agreement”), which governs the awards granted in accordance with the Equity Incentive Plan, provides for acceleration in connection with a termination of employment, resignation, or a change of control. Participation in the Award Agreement is limited to employees or officers of our Operating Partnership and its affiliates and individuals who provide significant services to the Company or its affiliates.

A participant’s interest in the shares of common stock covered by the award will become vested and nonforfeitable if the participant is terminated by his or her employer for a reason other than “Cause” or if the participant resigns with “Good Reason” and remains in the continuous employ of the Company or an affiliate from the date of the award’s grant until the date such employment ends. The Award Agreement defines “Cause” as (i) the participant’s failure to perform a material duty or the participant’s material breach of an obligation under an agreement with the Company or a breach of a material and written Company policy other than by reason of mental or physical illness or injury, (ii) the participant’s breach of a fiduciary duty to the Company, (iii) the participant’s conduct that is demonstrably and materially injurious to the Company, materially or otherwise or (iv) the participant’s conviction of, or plea of nolo contendere to, a felony or crime involving moral turpitude or fraud or dishonesty involving assets of the Company and that in all cases is described in a written notice from the Board and that is not cured, to the reasonable satisfaction of the Board, within thirty (30) days after such notice is received by the participant. The Award Agreement defines the term “Good Reason” as (i) the Company’s material breach of an agreement with the participant or a direction from the Board that the participant act or refrain from acting which in either case would be unlawful or contrary to a material and written Company policy, (ii) a material diminution in the participant’s duties, functions and responsibilities to the Company and its affiliates without the participant’s consent or the Company preventing the participant from fulfilling or exercising the participant’s material duties, functions and responsibilities to the Company and its affiliates without the participant’s consent, (iii) a material reduction in the participant’s base salary or annual bonus opportunity or (iv) a requirement that the participant relocate the participant’s employment more than fifty (50) miles from the location of the participant’s principal office on the date of the award’s grant, without the consent of the participant.

In addition, a participant’s interest in the shares of common stock covered by the award will become vested and nonforfeitable upon a “Change in Control” if the participant remains in the continuous employ of the Company or an affiliate from the date of the award’s grant until the control change is in effect. A “Change in Control” will occur if (i) any “person” (except as otherwise defined in the Equity Incentive Plan) becomes the beneficial owner, directly or indirectly, of securities of the Company representing at least 50% of the combined voting power or common stock of the Company; (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board, and any new director whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; (iii) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent more than 50% of the combined voting power and common stock of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; or (iv) there is consummated a sale or disposition by the Company of all or substantially all of the Company’s assets (or any transaction having a similar effect, including a liquidation) other than a sale or disposition by the Company of all or substantially all of the Company’s assets to an entity, more than fifty percent (50%) of the combined voting power and common stock of which is owned by stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company immediately prior to such sale.



For purposes of the table below, we have made the following assumptions where applicable:

- The date of termination is December 31, 2019;
- The payments are based on the terms of the Severance Plan and the applicable award agreements governing unvested equity awards;
- There is no earned, accrued but unpaid salary;
- There is no earned, accrued but unpaid bonus for the prior year; and
- The premiums for the NEO's health plan coverage, life insurance, long-term disability insurance and accidental death and dismemberment insurance is constant throughout the year.

NEO	Benefit	Termination w/o Cause or for Good Reason More than 90 Days Prior to or More than One Year After Change of Control	Termination w/o Cause or for Good Reason Within 90 Days Prior to or One Year After Change of Control	Termination for Cause or w/o Good Reason	Death or Disability
<b>Louis S. Haddad</b>	Accrued and Unpaid Amounts <sup>(1)</sup>	\$ —	\$ —	\$ —	\$ —
	Lump Sum Cash Severance	4,704,652 <sup>(2)</sup>	4,704,652 <sup>(3)</sup>	—	—
	Accelerated Vesting of Stock Awards <sup>(4)</sup>	739,248	739,248	—	—
<b>Michael P. O'Hara</b>	Accrued and Unpaid Amounts <sup>(1)</sup>	—	—	—	—
	Lump Sum Cash Severance	1,359,555 <sup>(2)</sup>	1,655,694 <sup>(3)</sup>	—	—
	Accelerated Vesting of Stock Awards <sup>(4)</sup>	347,476	347,476	—	—
<b>Shelly Hampton</b>	Accrued and Unpaid Amounts <sup>(1)</sup>	—	—	—	—
	Lump Sum Cash Severance	970,055 <sup>(2)</sup>	1,187,569 <sup>(3)</sup>	—	—
	Accelerated Vesting of Stock Awards <sup>(4)</sup>	209,887	209,887	—	—
<b>Eric E. Apperson</b>	Accrued and Unpaid Amounts <sup>(1)</sup>	—	—	—	—
	Lump Sum Cash Severance	1,155,468 <sup>(2)</sup>	1,414,335 <sup>(3)</sup>	—	—
	Accelerated Vesting of Stock Awards <sup>(4)</sup>	196,217	196,217	—	—

(1) Represents amounts that may be payable for any base salary or cash bonus that has been earned but remains unpaid and any accrued but unused vacation pay, in each case at the time of termination.

(2) In the event the NEO is terminated without Cause or for Good Reason more than 90 days prior to the occurrence of a Change of Control or more than one year after the occurrence of a Change of Control, the NEO will receive a lump sum amount in cash equal to: (i) the applicable multiple of the NEOs base salary as in effect on the date of termination, (ii) the applicable multiple of the NEOs bonus for the year in which employment is terminated; (iii) the pro rata amount (based on the portion of the calendar year that the NEO was employed by the Company) of the NEOs target bonus for the year in which employment is terminated; (iii) the applicable multiple of the annual COBRA premium for the participant's health plan coverage; and (v) the applicable multiple of the annual employer premium for the participant's life insurance, long-term disability insurance and accidental death and dismemberment insurance. The applicable multiple for our NEOs is 3x for Mr. Haddad and 2x for Ms. Hampton and Messrs. O'Hara and Apperson.

- (3) In the event the NEO is terminated without Cause or for Good Reason within 90 days prior to the occurrence of a Change of Control or within one year after the occurrence of a Change of Control, the NEO will receive a lump sum amount in cash equal to: (i) the applicable multiple of the NEOs base salary as in effect on the date of termination; (ii) the applicable multiple of the NEOs bonus for the year in which employment is terminated; (iii) the pro rata amount (based on the portion of the calendar year that the NEO was employed by the Company) of the NEOs target bonus for the year in which employment is terminated; (iii) the applicable multiple of the annual COBRA premium for the participant's health plan coverage; and (v) the applicable multiple of the annual employer premium for the participant's life insurance, long-term disability insurance and accidental death and dismemberment insurance. The applicable multiple for our NEOs is 3x for Mr. Haddad and 2.5x for Ms. Hampton and Messrs. O'Hara and Apperson.
- (4) Reflects the value equal to the number of restricted shares held by the NEO as of December 31, 2019 multiplied by \$18.35 per share, which was the closing price of our common stock on the NYSE on December 31, 2019.

## EQUITY COMPENSATION PLAN INFORMATION

The following table gives information about shares of our common stock that may be issued under the Equity Incentive Plan as of December 31, 2019.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)
Equity compensation plans approved by stockholders <sup>(1)</sup>	143,952 <sup>(2)</sup>	\$ — <sup>(3)</sup>	890,997
Equity compensation plans not approved by stockholders	—	—	—
<b>Total</b>	<b>143,952</b>	<b>—</b>	<b>890,997</b>

- (1) The initial Equity Incentive Plan was approved by our stockholders prior to the completion of our initial public offering. On June 14, 2017, the Company's stockholders approved an amendment to the Equity Incentive Plan to, among other things, increase the numbers of shares of our common stock reserved for issuance by 1,000,000 shares.
- (2) Represents up to 143,952 shares of common stock that may be issued upon vesting of outstanding RSUs, assuming maximum vesting is achieved.
- (3) Does not account for the shares of common stock subject to outstanding RSUs because there is no exercise price for such shares.

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee is currently composed of Messrs. Carroll and Cherry and Meses. Hardy and McAuliffe, with Mr. Carroll serving as its chairperson. The members of the Audit Committee are appointed by and serve at the discretion of the Board of Directors.

One of the principal purposes of the Audit Committee is to assist the Board of Directors in the oversight of the integrity of the Company's financial statements. The Company's management team has the primary responsibility for the financial statements and the reporting process, including the system of internal controls and disclosure controls and procedures. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in the Annual Report on Form 10-K for the year ended December 31, 2019 with our management.

The Audit Committee also is responsible for assisting the Board of Directors in the oversight of the qualification, independence and performance of the Company's independent auditors. The Audit Committee reviewed with the independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards and those matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the Commission.

The Audit Committee has received both the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with Ernst & Young LLP its independence. In addition, the Audit Committee has considered whether the provision of non-audit services, and the fees charged for such non-audit services, by Ernst & Young LLP are compatible with maintaining the independence of Ernst & Young LLP from management and the Company.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements for 2019 be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2019 for filing with the SEC.

Respectfully submitted,  
The Audit Committee of the Board of Directors  
James A. Carroll (Chairperson)  
James C. Cherry  
Dorothy S. McAuliffe

**The Audit Committee Report above does not constitute "soliciting material" and will not be deemed "filed" or incorporated by reference into any of our filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate SEC filings by reference, in whole or in part, notwithstanding anything to the contrary set forth in those filings.**

## PRINCIPAL STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of shares of our common stock and OP units as of April 15, 2020 (unless otherwise indicated) by (a) each of our directors, (b) each of our named executive officers, (c) all of our directors and executive officers as a group and (d) each person known to us to be the beneficial owner of more than five percent of our common stock. Beginning one year after the date of issuance, an OP unit is redeemable for cash equal to the then-current market value of one share of our common stock or, at our option, for one share of common stock. Unless otherwise indicated, all shares and OP units are owned directly and the indicated person has sole voting and dispositive power with respect to such shares or OP units. The SEC has defined “beneficial ownership” of a security to mean the possession, directly or indirectly, of voting power and/or dispositive power with respect to such security. A stockholder is also deemed to be, as of any date, the beneficial owner of all securities that such stockholder has the right to acquire within 60 days after that date through (a) the exercise of any option, warrant or right, (b) the conversion of a security, (c) the power to revoke a trust, discretionary account or similar arrangement or (d) the automatic termination of a trust, discretionary account or similar arrangement.

Unless otherwise indicated, the address of each person listed below is c/o Armada Hoffler Properties, Inc., 222 Central Park Avenue, Suite 2100, Virginia Beach, Virginia 23462.

Name	Number of Shares Beneficially Owned	% of All Shares <sup>(1)</sup>	Number of OP Units Beneficially Owned	Number of Shares and OP Units Beneficially Owned	% of All Shares and OP Units <sup>(1)(2)</sup>
Daniel A. Hoffler	146,449	*	4,846,550 <sup>(3)</sup>	4,992,999	6.4%
A. Russell Kirk	68,322 <sup>(4)</sup>	*	1,170,570 <sup>(5)</sup>	1,238,892	1.6%
James C. Cherry	38,528	*	—	38,528	*
George F. Allen	17,955	*	—	17,955	*
James A. Carroll	21,776	*	—	21,776	*
Eva S. Hardy	10,004	*	—	10,004	*
Louis S. Haddad	358,281	*	2,033,115	2,391,396	3.08%
Dorothy S. McAuliffe	—	*	—	—	*
John W. Snow	61,667	*	—	61,667	*
Eric E. Apperson	55,329	*	236,112	291,441	*
Michael P. O'Hara	88,354	*	114,802	203,156	*
Shelly Hampton	47,128	*	54,997	102,125	*
<b>All executive officers and directors as a group (13 people)</b>	924,327	1.6%	8,456,146	9,380,473	12.1%
<b>More than 5% Beneficial Owners</b>					
<b>BlackRock, Inc.<sup>(6)</sup></b>					
55 East 52nd Street New York, NY 10055	10,503,793	18.6%	—	10,503,793	13.5%
<b>The Vanguard Group<sup>(7)</sup></b>					
100 Vanguard Blvd. Malvern, PA 19355	6,125,420	10.8%	—	6,125,420	7.9%
<b>Renaissance Technologies LLC<sup>(8)</sup></b>					
600 Route 25A East Setauket, NY 11733	3,685,809	6.5%	—	3,685,809	4.7%

\* Less than 1%

(1) Based on 56,492,059 shares of our common stock outstanding as of April 15, 2020.

(2) Based on 21,272,962 OP units outstanding as of April 15, 2020 (other than OP units held by us).

(3) Includes 279 OP units held by a limited partnership, which represents Mr. Hoffler's pecuniary interest in the limited partnership.

(4) Includes 28,305 shares held by Mr. Kirk's spouse, for which Mr. Kirk disclaims beneficial ownership.

(5) Includes (i) 36,347 OP units held by Mr. Kirk's spouse, for which Mr. Kirk disclaims beneficial ownership, and (ii) 91 OP units held by a limited partnership, which represents Mr. Kirk's pecuniary interest in the limited partnership.

(6) Based solely upon the Schedule 13G/A filed with the SEC by the beneficial owner on February 4, 2020 reporting beneficial ownership as of December 31, 2019. BlackRock, Inc. possesses sole voting power over 10,244,126 shares and sole dispositive power over 10,503,793 shares.

(7) Based solely upon the Schedule 13G/A filed with the SEC by the beneficial owner on February 2, 2020 reporting

beneficial ownership as of December 30, 2019. The Vanguard Group possesses sole voting power over 127,157 shares, shared voting power over 53,063 shares, sole dispositive power over 6,006,871 shares and shared dispositive power over 118,549 shares.

- (8) Based solely upon the Schedule 13G filed with the SEC by the beneficial owner on February 13, 2020 reporting beneficial ownership as of December 31, 2019. Renaissance Technologies LLC possesses sole voting power over 3,685,809 shares and sole dispositive power over 3,685,809 shares.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### **Related Party Transaction Policy**

The Board of Directors has adopted a written related person transaction approval policy to further the goal of ensuring that any related person transaction is properly reviewed, approved by the Audit Committee and fully disclosed in accordance with the rules and regulations of the SEC and the NYSE. The policy applies to transactions or arrangements between the Company and any related person, including directors, director nominees, executive officers, greater than 5% stockholders and the immediate family members of each of these groups (the “Related Persons”). They do not, however, apply with respect to general conflicts between the interests of the Company and our employees, officers and directors, including issues relating to engaging in a competing business and receiving certain benefits from the Company, such as loans or guarantees of obligations, which are reported and handled in accordance with the Company’s Code of Business Conduct and Ethics and other procedures and guidelines implemented by the Company from time to time.

Under the policy, the Related Person is responsible for identifying and reporting to the Audit Committee any proposed related person transaction. In the event the Chief Executive Officer determines that it is impractical or undesirable to wait until an Audit Committee meeting can be convened in order to review a transaction with a Related Person, the Chairperson of the Audit Committee may act as an authorized subcommittee on behalf of the Audit Committee to review such transaction, so long as the Chairperson is a disinterested member with respect to such transaction. After considering all the facts and circumstances available to the Audit Committee, the Audit Committee will approve, ratify or reject the transaction, in its discretion. All approved transactions with Related Persons will be disclosed to the full Board of Directors.

### **Related Party Transactions**

We describe below transactions and series of similar transactions, during our last fiscal year, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers, holders of more than 5% of our outstanding common stock or any member of their immediate family had or will have a direct or indirect material interest.

#### ***General Contracting Services***

We provide general contracting services to the developer of a mixed-use project, including an apartment building, retail space, and a parking garage to be located in Virginia Beach, Virginia, as pursuant to contracts with an aggregate price of \$79.3 million. Certain of our executive officers and directors have direct and indirect ownership interests in the project, including Mr. Hoffler (30.5%); Mr. Kirk (38.1%) and Mr. Apperson (1.7%). These contracts were executed in October and December 2019 and are projected to result in aggregate gross profit of \$3.0 million to us, representing a gross profit margin of 4.0%. As part of these contracts and per the VHDA requirements of the lender for this project, we issued a springing letter of credit for \$9.5 million to secure certain performances of our subsidiary construction company under the contracts.

#### ***Airplane Leasing***

Periodically we use an airplane owned by DAH Management, LLC, which is wholly-owned by Daniel A. Hoffler, for travel activities required by our construction, development, and asset management activities. Payments for the use of this airplane totaled \$172,578 in 2019.

#### ***Tax Protection Agreements***

In connection with the formation transactions related to our initial public offering, our Operating Partnership entered into tax protection agreements that provide benefits to certain prior investors, including Messrs. Hoffler, Haddad, Kirk, Apperson and O’Hara and Ms. Hampton and their affiliates and certain of our other officers. These tax protection agreements indemnify these individuals from their tax liabilities resulting from the potential future



sale of certain of our properties within seven (or, in a limited number of cases, ten) years after the completion of such formation transactions on May 13, 2013.

#### ***Asset Management Agreements***

During 2019, our asset management team served as asset manager for two properties and four vacant parcels of land in which certain of our officers and directors own interests. Under these agreements, we receive either a flat fee or a fee based on a percentage of the base rents or revenues of the properties, which are at market rates. For the year ended December 31, 2019, the total aggregate amount of asset management fees that we received with respect to these properties was approximately \$123,214.

#### ***Severance Plan***

Employees of our operating partnership and its affiliates who are members of a select group of management or highly compensated employees are subject to our Severance Plan, which provides severance benefits upon a termination of employment under certain circumstances. See “Potential Payments Upon Termination or Change of Control.”

#### ***Indemnification of Officers and Directors***

Our charter and amended and restated bylaws provide for certain indemnification rights for our directors and officers, and we entered enter into an indemnification agreement with each of our executive officers and directors, providing for procedures for indemnification and advancements by us of certain expenses and costs relating to claims, suits or proceedings arising from their service to us or, at our request, service to other entities, as officers or directors, or in certain other capacities, to the maximum extent permitted by Maryland law.

### **PROPOSAL 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Section 14A of the Exchange Act enables our stockholders to vote to approve, on an advisory basis, the compensation of our NEOs as disclosed in this Proxy Statement in accordance with the SEC's rules.

As described in detail under the heading "Executive Compensation - Compensation Discussion and Analysis," our executive compensation programs are designed to attract and retain executive talent and to align the interests of our NEOs with the interests of the Company and our stockholders by providing market competitive compensation that is closely tied to short-term and long-term performance goals set by our Compensation Committee. The compensation of our NEOs is comprised of a mix of base salary, short-term incentive compensation and, from time to time, discretionary amounts of restricted stock. Please read the "Executive Compensation" section beginning on page 29, which includes the Compensation Discussion and Analysis, the tabular disclosure regarding the compensation of our NEOs and the accompanying narrative disclosure set forth in this Proxy Statement for additional details about our executive compensation programs, including information about the fiscal year 2019 compensation of our NEOs.

We are asking our stockholders to indicate their support for our NEO compensation as described in this Proxy Statement. Accordingly, our Board of Directors is asking our stockholders to cast a non-binding advisory vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2020 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure."

#### **Vote Required and Recommendation**

The vote on the compensation of our NEOs as disclosed in this Proxy Statement is advisory, and therefore not binding on the Company, the Compensation Committee or our Board of Directors. Our Board of Directors and our Compensation Committee value the opinions of our stockholders and, to the extent there is any significant vote against the NEO compensation as disclosed in this Proxy Statement, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns. We have recommended that our stockholders should cast an advisory vote on the compensation of our NEOs on an annual basis. Unless this policy changes, the next advisory vote on the compensation of our NEOs will be at the 2021 annual meeting of stockholders. The affirmative vote of a majority of votes cast is required to approve, on an advisory basis, the compensation of the NEOs, as disclosed in the Company's proxy statement pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosures.

**OUR BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.**

## OTHER MATTERS

### **Delinquent Section 16(a) Reports**

Section 16(a) of the Exchange Act requires that our executive officers and directors, and persons who own more than 10% of a registered class of our equity securities, file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC and the NYSE. Executive officers, directors and greater than 10% stockholders are required by the SEC to furnish us with copies of all Forms 3, 4 and 5 that they file.

Based on our review of the copies of such forms, and/or on written representations from the reporting persons for the fiscal year, we believe that these filing requirements were satisfied by the reporting persons during the fiscal year ended December 31, 2019, except that Louis S. Haddad, Michael P. O'Hara, Shelly Hampton and Eric E. Apperson were inadvertently late in filing Forms 4 on March 6, 2019 related to awards of common stock on March 3, 2019.

### **Other Matters to Come Before the 2020 Annual Meeting**

No other matters are to be presented for action at the Annual Meeting other than as set forth in this Proxy Statement. If other matters properly come before the meeting, however, the persons named in the accompanying proxy card will vote all proxies solicited by this Proxy Statement as recommended by our Board of Directors, or, if no such recommendation is given, in their own discretion.

### **Stockholder Proposals and Nominations for the 2021 Annual Meeting**

Any stockholder proposal pursuant to Rule 14a-8 of the rules promulgated under the Exchange Act to be considered for inclusion in our proxy materials for the 2021 annual meeting of stockholders must be received at our principal executive offices no later than December 25, 2020, and any stockholder proposal received after this date shall be considered untimely.

In addition, any stockholder who wishes to propose a nominee to the Board or propose any other business to be considered by the stockholders (other than a stockholder proposal included in our proxy materials pursuant to Rule 14a-8 of the rules promulgated under the Exchange Act) must comply with the advance notice provisions and other requirements of Article II, Section 11 of our amended and restated bylaws, which are on file with the SEC and may be obtained from Investor Relations upon request. These notice provisions require that nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders for the 2021 Annual Meeting must be received no earlier than November 25, 2020 and no later than December 25, 2020.

### **Householding of Proxy Materials**

The SEC has adopted rules that permit companies and intermediaries (such as banks and brokers) to satisfy the delivery requirements for notices of annual meetings, proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies. This year, a single notice of the annual meeting of stockholders, or copy of the proxy statement and annual report, will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your bank or broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement and annual report, please notify your bank or broker, and direct your written request to Armada Hoffler Properties, Inc. at 222 Central Park Avenue, Suite 2100, Virginia Beach, VA 23462, Attention: Corporate Secretary, or contact Investor Relations by telephone at (757) 366-6684. Stockholders who currently receive multiple copies of the proxy statement at their address and would like to request householding of their communications should contact their bank or broker.

\* \* \* \*

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read "M. P. O'Hara". The signature is stylized and written in a cursive-like font.

Michael P. O'Hara

*Chief Financial Officer, Treasurer and Corporate Secretary*

Virginia Beach, Virginia  
April 24, 2020

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