

# ARMADA HOFFLER PROPERTIES, INC. INCENTIVE COMPENSATION CLAWBACK POLICY

## OVERVIEW

Armada Hoffler Properties, Inc. (the “**Company**”) has adopted this incentive compensation clawback policy (this “**Policy**”) in order to ensure that incentive compensation is paid based on the basis of accurate financial and operating data, and the correct calculation of performance against incentive targets. In the event of a Restatement (as defined below), each Covered Employee (as defined below) shall repay or forfeit, to the fullest extent permitted by law and as directed by the Compensation Committee (the “**Compensation Committee**”) of the Board of Directors of the Company, any incentive compensation awards (“**Awards**”) received by him or her on or after January 1, 2020 if:

- the payment, grant or vesting of the Awards was based on the achievement of financial results that were subsequently the subject of a Restatement of the Company’s financial statements filed with the Securities and Exchange Commission;
- the Compensation Committee determines in its sole discretion, exercised in good faith, that the Covered Employee engaged in fraud or misconduct that caused or contributed to the need for the Restatement;
- the amount of the compensation that would have been received by the Covered Employee had the financial results been properly reported would have been lower than the amount actually received; and
- the Compensation Committee determines in its sole discretion that it is in the best interests of the Company and its stockholders for the Covered Employee to repay or forfeit all or any portion of the Awards.

For purposes of this Policy, “**Restatement**” means an accounting restatement of the Company’s 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.

The Compensation Committee shall have full authority to interpret and enforce this Policy.

## COVERED EMPLOYEES

The Policy applies to executive officers of the Company, as determined pursuant to Rule 3b-7 under the Securities Exchange Act of 1934, as amended, and any other employee of the Company and its subsidiaries designated by the Board or the Compensation Committee from time to time by notice to the employee (collectively, the “**Covered Employees**”).

## INCENTIVE COMPENSATION

For purposes of this Policy, “incentive compensation” means performance bonuses and incentive awards (including restricted stock, restricted stock units, stock options, stock appreciation rights, performance shares or other equity-based awards (including any units of limited partnership interest in the Company’s operating partnership) paid, granted, vested or accrued under any Company plan or agreement, in the form of cash, Company common stock or interests in the Company’s operating partnership.

## **RESTATEMENT OF FINANCIAL OR OPERATING RESULTS; CALCULATION OF OVERPAYMENT**

If the Compensation Committee determines that incentive compensation of a Covered Employee was overpaid, in whole or in part, as a result of a Restatement, the Compensation Committee will review the incentive compensation paid, granted, vested or accrued based on the prior inaccurate results.

To the extent practicable, and as permitted by applicable law, the Compensation Committee will determine, in its discretion, whether to seek to recover or cancel the difference between (i) any incentive compensation paid or accrued based on the belief that the Company or the segment had met or exceeded performance targets that would not have been met had the data been accurate, and (ii) the incentive compensation that would have been paid or granted to the Covered Employee, or the incentive compensation in which the Covered Employee would have vested, had the actual payment, granting or vesting been calculated based on the accurate data or restated results, as applicable (the “**Overpayment**”).

In making the determination referred to in the preceding sentence, the Compensation Committee shall take into account such factors as it deems appropriate, including (i) whether the Covered Employee has engaged in misconduct or negligent conduct that caused or contributed to the Restatement of the Company’s or segment’s reported financial or operating results, and (ii) the amount of the Overpayment.

## **FORMS OF RECOVERY**

If the Compensation Committee determines to seek recovery for the Overpayment, the Company shall have the right to demand that the Covered Employee reimburse the Company for the full amount of the Overpayment.

To the extent the Covered Employee does not make reimbursement of the Overpayment, the Company shall have the right to sue for repayment, and enforce the repayment through the reduction or cancellation of outstanding and future incentive compensation. To the extent any shares of Company common stock have been issued under vested awards or such shares have been sold by the Covered Employee, the Company shall have the right to cancel any other outstanding equity-based awards with a value equivalent to the Overpayment, as determined by the Compensation Committee.

## **TIME PERIOD FOR OVERPAYMENT REVIEW**

The Compensation Committee may make determinations of Overpayment at any time through the end of the third fiscal year following the year for which the inaccurate performance criteria were measured; provided, that if steps have been taken within such period to restate the Company’s or segment’s financial or operating results, the time period shall be extended until such Restatement is completed. For illustrative purposes only, this means that if incentive compensation is paid in early 2021 for performance metrics based on fiscal year 2020 performance, the compensation shall be subject to review for Overpayment until the end of the fiscal year ending December 31, 2024.

## **NO ADDITIONAL PAYMENTS**

In no event shall the Company be required to award Covered Employees an additional payment if the restated or accurate financial results would have resulted in a higher incentive compensation payment.

## **COMMITTEE DETERMINATION FINAL**

Any determination by the Compensation Committee (or by any officer of the Company to whom enforcement authority has been delegated) with respect to this Policy shall be final, conclusive and binding on all interested parties.

## **APPLICABILITY**

This Policy applies to all incentive compensation granted, paid or credited after January 1, 2020, except to the extent prohibited by applicable law or any other legal obligation of the Company. Application of the Policy does not preclude the Company from taking any other action to enforce a Covered Employee's obligations to the Company, including termination of employment or institution of civil or criminal proceedings.

## **OTHER LAWS**

The Policy is in addition to (and not in lieu of) any right of repayment, forfeiture or right of offset against any Covered Employee that is required pursuant to any statutory repayment requirement (regardless of whether implemented at any time prior to or following the adoption of the Policy).

## **AMENDMENT; TERMINATION**

The Board of Directors of the Company may amend or terminate this Policy at any time.