

SIRIUS REAL ESTATE LIMITED

The Investment Association
Camomile Court
23 Camomile Street
London
EC3A 7LL

29 January 2020

Dear Sirs

Sirius Real Estate Limited (“Sirius” or the “Company”)

The Company is providing its update in accordance with Provision 4 of the UK Corporate Governance Code 2018.

In its 2019 AGM results announcement on 29 July 2019, the Company reported that all resolutions were passed, although there was a significant minority vote against the following resolutions:

- **Resolution 5**, which related to the re-election of Daniel Kitchen, the Chairman of the Company, as a Director. The total votes received in favour of this resolution were 57.58%;
- **Resolution 12**, which related to the non-binding vote on the Company’s Remuneration Policy. The total votes received in favour of this resolution were 69.20%; and
- **Resolution 15**, which related to authorising the Directors, generally and unconditionally, to allot equity securities. The total votes received in favour of this resolution were 75.04%.

The Company has identified as far as possible those shareholders who did not support the various resolutions and engaged with them in relation to their views expressed. It has also reviewed the reports of several proxy agencies in relation to their voting recommendations in respect of the AGM.

Set out below are the primary reasons behind the dissenting votes which were identified by the Board, and the Board’s responses to them.

Registered office: PO Box 100, Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey
Telephone number: +44 1481 746024

Registered number: 46442

Resolution 5

The votes against Resolution 5 centred on Mr Kitchen's additional board roles, in particular the number of chairmanships of the other listed companies he holds.

On 16 December 2019, the Company was informed by Mr Kitchen of his intention to step down from his role as Non-Executive Chairman of Workspace Group PLC with effect from the conclusion of Workspace's 2020 Annual General Meeting. Since then we have consulted further with those shareholders who raised concerns over his other commitments.

The Directors of Sirius continue to believe that Mr Kitchen is a valuable and experienced Non-Executive Chairman. While recognising that the number of Mr Kitchen's commitments exceeds some investor guidelines, taking into consideration the relatively noncomplex nature of the remaining two companies of which he is chairman, the Board is satisfied that he is able to devote sufficient time to his role with the Company in order to discharge his responsibilities effectively.

Resolution 12

The votes against Resolution 12 related to the use of a common base year for awards and the quantum of the maximum opportunity under the Company's Long-Term Incentive Plan 2018 (the "2018 LTIP"). The range of the Executive Directors' bonus measures was also raised by one shareholder.

The 2018 LTIP, which is for a three-year period ending this year, was approved by shareholders in December 2018 and has only one tranche of awards remaining to be made in June this year. This tranche will be at a lower quantum than in previous years. This reflects the transitional nature of the 2018 LTIP from the previous scheme, as the Company explained to shareholders in December 2018. It is the Board's view that this current scheme remains effective for this transitional period, and has contributed to the positive performance of the Company in the past two years.

The Remuneration Committee will again consult with shareholders before a new LTIP scheme is put to shareholders in respect of awards to be made for the financial year beginning 1 April 2021, and will take on-board the issues raised in respect of the 2018 LTIP.

The Board believes the range of bonus measures are in-line with remuneration practice in the UK. The Remuneration Committee will endeavour to expand the disclosures in this year's Remuneration Report to assist shareholders.

Resolution 15

The Directors continue to believe that the general authority to allot equity securities provides flexibility to act in the interests of investors, is subject to sufficient restrictions and safeguards, and is in-line with general market practice in the UK. Should investors' views shift decisively against this type of authority in the future, the Company will respond.

Registered office: PO Box 100, Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port,
Guernsey
Telephone number: +44 1481 746024

Registered number: 46442

Discover more online:



[sirius-real-estate.com](https://www.sirius-real-estate.com)



Sirius Real Estate

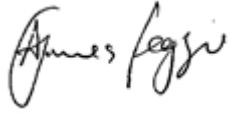


@SiriusRE

The Board welcomes active engagement with shareholders on governance matters, and will continue to report on its broader relations with investors in the 2020 Annual Report and Accounts.

Shareholders are also invited to contact the Chairman through the Company Secretary (via cosec@sirius-real-estate.com) should they have any governance concerns at any time.

Yours faithfully



James Peggie
Senior Independent Director

Registered office: PO Box 100, Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port,
Guernsey
Telephone number: +44 1481 746024

Registered number: 46442