

REMUNERATION COMMITTEE

(Approved by the Board of SEGRO plc on 16 February 2022.)

1. ROLE

The role of the Remuneration Committee (the Committee) is to determine remuneration policies and practices which are designed to support strategy, promote the long-term sustainable success of the Company and are aligned with the Company's purpose and values.

2. CONSTITUTION

2.1. Membership and Chair

- 2.1.1. The membership of the Committee shall be appointed by the Board from amongst the Independent Non-Executive Directors. The Chair of the Company may serve on the Committee if considered independent on appointment.
- 2.1.2. The Committee shall comprise at least three Directors.
- 2.1.3. The Board shall appoint the Chair of the Committee, who shall not be the Chair of the Company and who shall have served on a remuneration committee for a minimum of 12 months prior to appointment.

2.2. Secretary

- 2.2.1. The Company Secretary, or nominee, shall act as Secretary to the Committee.
- 2.2.2. The Secretary shall be required to keep a proper and timely record of meetings of the Committee and circulate such minutes to all members of the Committee, unless the Committee determines it inappropriate to do so.

3. MEETINGS

3.1. A quorum necessary for the transaction of business shall be at least two members. A duly convened meeting of the Committee at which a quorum is present shall be authorised to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

3.2. Only members of the Committee have the right to attend Committee meetings.

3.3. The Chair of the Company, if not a member of the Committee, the Chief Executive, the Group HR Director and external advisers, may be invited by the Chair of the Committee to attend for all or part of any meeting, except when their own remuneration is being discussed.

3.4. The Committee shall meet at least twice a year and at such other times as the Chair of the Committee shall require, and meetings may be held in person or by telephone or videoconference.

4. APPOINTMENT OF ADVISERS

4.1. The Committee may, at its discretion, select, appoint and instruct suitable experienced and qualified persons to act as remuneration advisers to the Committee and to attend such

meetings as the Committee may decide. The Company shall meet the expense of such advice.

4.2. The Committee shall identify in the Annual Report any remuneration adviser appointed to the Committee, along with any connection it has with the Company or individual Directors. The Committee should exercise independent judgement when evaluating the advice of external third parties and when receiving views from Executive Directors and senior managers.

5. POWERS

5.1. The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties and may request that the Company Secretary or the Group HR Director obtain this information on its behalf.

5.2. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the advice of the Company Secretary for assistance as required.

5.3. The Committee shall give consideration to applicable laws and regulations, including the relevant provisions of the UK Corporate Governance Code, and any authoritative best practice guideline for remuneration committees.

5.4. The Committee has no authority in relation to the remuneration of the Non-Executive Directors, other than the Chair of the Company. The remuneration of the Non-Executive Directors shall be a matter for the Chair of the Company and the Executive Directors, and shall be determined in accordance with the Articles of Association and be reflective of the time commitment and responsibilities of the role.

6. RESPONSIBILITIES

The Committee has a responsibility to act in way in which it considers, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole.

The Committee shall:

6.1. Remuneration policies and setting remuneration

- 6.1.1. propose, for the approval of the Board and for the recommendation by the Board to shareholders, the remuneration policy for Executive Directors, having regard to alignment with policies for the remuneration of the Leadership team and the wider workforce and the alignment of incentives and rewards with Company culture.
- 6.1.2. implement the remuneration for Executive Directors in accordance with the agreed remuneration policy;
- 6.1.3. approve the design of, and agree targets for, any performance related elements of remuneration for Executive Directors and approve annual payments under such schemes, taking into account Company and individual performance as well as wider circumstances;
- 6.1.4. review the on-going appropriateness of the remuneration policy for Executive Directors and to consult, as appropriate, with significant shareholders on the remuneration policy or other aspects of remuneration for Executive Directors;

- 6.1.5. set the remuneration of the Chair of the Company, appropriately reflecting the time commitment and responsibility of the role;
- 6.1.6. oversee the remuneration of the Leadership team and the Company Secretary; and
- 6.1.7. review the framework for remuneration of the wider workforce and maintain an awareness of any major change in employee benefit structure throughout the Group.
- 6.1.8. In determining and reviewing remuneration policies, the Committee shall have regard to:
 1. (i) the need to attract, retain and motivate Executive Directors of the quality required to run the Company successfully and promote long-term sustainable success, whilst avoiding paying more than is necessary;
 2. (ii) the alignment with Company purpose and values and successful delivery of the Company's long-term strategy;
 3. (iii) the position of the Company relative to other companies. The Committee should use comparisons with caution, in view of the risk that they can result in an upward ratchet of remuneration levels with no corresponding improvement in performance;
 4. (iv) the applicable provisions of the UK Corporate Governance Code; and
 5. (v) the use of discretion to override formulaic outcomes and the application of malus and clawback provisions.

6.2. Share Incentive Schemes

- 6.2.1. propose, for the approval of the Board and for the recommendation by the Board to shareholders, all new long-term incentive schemes, which should promote long-term shareholding by Executive Directors and support alignment with long-term shareholder interest;
- 6.2.2. approve the rules and associated guidelines for the granting of awards under any long-term incentive plan, including the performance targets to be used, and approve the annual payments under such plans, taking into account Company and individual performance as well as wider circumstances, and using discretion to override formulaic outcomes where necessary;
- 6.2.3. approve all employee share-based remuneration schemes;
- 6.2.4. approve awards of Special LTIPs to employees below Executive Director level, without performance conditions;
- 6.2.5. determine the leaving status of Executive Directors, the Leadership team and the Company Secretary as permitted by the rules of the long-term incentive plan, the deferred share bonus plan and the all employee share-based remuneration schemes; and
- 6.2.6. exercise malus and clawback provisions as applicable, in accordance with the rules of any long-term incentive plan and deferred share bonus plan.

6.3. Shareholding Policy

- 6.3.1. determine the level and nature of shareholding guidelines for Executive Directors, including a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.

6.4. Pension

- 6.4.1. determine the policy for and scope of pension arrangements for the Executive Directors having regard for that of the workforce.

6.5. Termination Payments

- 6.5.1. ensure compensation commitments in directors' terms of appointment do not reward poor performance. The Committee should, within legal constraints, tailor its approach in individual early termination cases to the particular circumstances surrounding the termination.

7. REPORTING

- 7.1. The Chair of the Committee shall report to the Board on its proceedings after each meeting.
- 7.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3. The Committee shall produce, for approval by the Board, a remuneration report and remuneration policy which form part of the Company's Annual Report. It shall ensure that a remuneration report is put to shareholders for approval at the Annual General Meeting each year, and a remuneration policy every three-years, unless otherwise agreed to be sooner by the Committee and the Board.
- 7.4. There shall be a description of the work of the Committee in the Annual Report, reflecting the obligations set out in the UK Corporate Governance Code.
- 7.5. The Chair of the Committee shall attend the Annual General Meeting and shall be available to answer questions from shareholders.
- 7.6. These Terms of Reference shall be made available on the Company's website.