

## **NOMINATION COMMITTEE**

(Approved by the Board of SEGRO plc on 18 September 2019)

### **1. ROLE**

The role of the Nomination Committee (the Committee) is to lead the process for appointments, ensure plans are in place for orderly succession to both the Board and the Leadership team, and oversee the development of a diverse pipeline for succession.

### **2. CONSTITUTION**

#### **2.1. Membership and Chair**

- 2.1.1. The membership of the Committee should be appointed by the Board and shall comprise the Chair of the Company and the Independent Non-Executive Directors.
- 2.1.2. The Committee shall comprise at least three Directors.
- 2.1.3. The Chair of the Committee shall be the Chair of the Company. In their absence, or for meetings considering the appointment of a successor to the Chair, the Senior Independent Non-Executive Director shall act as Chair.

#### **2.2. Secretary**

- 2.2.1. The Company Secretary, or nominee, shall act as Secretary to the Committee.
- 2.2.2. The Secretary shall 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. Other Directors, the Group HR Director and external advisers, may be invited by the Chair of the Committee, to attend for all or part or any meeting.

3.4. The Committee shall meet not less than once a year and at such times when there is business to be transacted, 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 suitably experienced and qualified persons to act as advisers to the Committee and to attend such meetings as the Committee may decide. The Company shall meet the expense of such advice.

## 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 guidelines for nomination committees.

## 6. RESPONSIBILITIES

The Committee has a responsibility to act in a 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. Composition of the Board and its committees

- 6.1.1. review regularly the structure, size and composition (including the skills, knowledge, experience, length of service and diversity) of the Board and its committees and make recommendations to the Board with regard to any changes;
- 6.1.2. propose to the Board suitable candidates for the role of Senior Independent Director and Chair of the Audit and Remuneration Committees;
- 6.1.3. recommend the annual election / re-election of the Directors by shareholders at the Annual General Meeting under the annual re-election provisions of the UK Corporate Governance Code, with particular consideration for the specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success; and
- 6.1.4. have a prime role in recommending the appointment and removal of Non-Executive Directors, and should scrutinise and hold to account the performance of individual Executive Directors against agreed performance objectives.

### 6.2. Succession planning

- 6.2.1. give full consideration to effective succession planning for the Directors, both Non-Executive and Executive, and the Executive Committee. Taking into account the challenges and opportunities facing the Company, and what skills and expertise are needed on the Board in the future, including the balance between Executive and Non-Executive Directors, considering whether they are appropriate to support the delivery of the Company's strategic goals both now and in the future;
- 6.2.2. ensure that orderly succession planning is in place for members of the Leadership team, to create a strong pipeline of diverse and talented individuals who are available to support the Company in meeting its future business objectives and achieving its strategic goals;
- 6.2.3. consider the talent development programme for the wider workforce;

- 6.2.4. when considering succession planning, give due regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths; and
- 6.2.5. consider the Company's diversity and inclusion policy.

### 6.3. Appointments to the Board

- 6.3.1. be responsible for identifying and nominating for approval of the Board, candidates to fill Board vacancies as and when they arise; and before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience, independence and diversity on the Board, and in light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
  - (i) consider the use of open advertising or the services of an external adviser for the recruitment of a Chair or Non-Executive Director; and
  - (ii) consider candidates on merit and against objective criteria, within this context, promoting diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
- 6.3.2. ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside of Board meetings. Prior to appointment, significant commitments should be disclosed with an indication of the time involved;
- 6.3.3. for the appointment of a Chair, prepare a job specification, including the time commitment expected. A proposed Chair's other significant commitments should be disclosed to the Board before appointment and any changes to the Chair's commitments should be reported to the Board as they arise.

### 6.4. Induction and training

- 6.4.1. ensure that all new Directors undertake an appropriate induction programme; and
- 6.4.2. consider any training requirements for the Board as a whole on an ongoing basis.

### 6.5. Conflicts of interest

- 6.5.1. ensure that prospective Non-Executive Directors disclose any business interests that may result in any actual or potential conflicts of interest prior to any offer or appointment being made.

## 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. 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.

- 7.4. The Chair of the Committee shall attend the Annual General Meeting and shall be available to answer questions from shareholders.
- 7.5. These Terms of Reference shall be made available on the Company's website.