

**SEGRO plc**

**Nomination Committee - Terms of Reference**

Approved by the Board of SEGRO plc on 26 July 2022.

**1. ROLE**

The role of the Nomination Committee (the Committee) is to oversee the composition of the Board and its Committees and monitor the balance of skills, experience, independence and knowledge, as well as the diversity of its members in the broadest sense. To ensure that the process for Board appointments are subject to a formal, rigorous and transparent procedure, and ensure that plans are in place for orderly succession to the Board, Group HR Director and Company Secretary, 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, on the recommendation of the Committee, 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 Company shall be the Chair of the Committee. In their absence, or for meetings considering the appointment of a successor to the Chair of the Company, 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 ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

2.2.3. 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 along with any other person the Committee determines would assist with the performance of its duties.

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, by telephone or videoconference, or by any combination thereof.

## **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 advice and 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, the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules and / or 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, in line with the UK Corporate Governance Code and the Company's Articles of Association, having due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of individual Directors, the Chair and the Board as a whole;
- 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; and
- 6.1.5. review the results of the annual Board Evaluation as it relates to the composition of the Board and its committees.

### **6.2. Succession planning**

- 6.2.1. give full consideration to effective and orderly succession planning for the Directors, both Non-Executive and Executive, the Group HR Director and the Company Secretary. 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. oversee the development of 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;

6.2.5. consider the Company's diversity and inclusion policy; and

6.2.6. review the results of the annual Board Evaluation as it relates to succession planning, and make recommendations to the Board concerning changes needed to the succession planning process if the Evaluation indicates the desired outcomes have not been achieved.

### 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;

6.3.2. 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 and the time commitment expected. 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 where an external search consultancy has been engaged, it should be identified in the Annual Report alongside a statement about any other connection it has with the Company or individual Directors;
- ii. consider candidates on merit and against objective criteria, within this context, have due regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths; and
- iii. take care that appointees have enough time available to devote to the position.

6.3.3. 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 and any additional future time commitments should not be undertaken without notifying the Board; and

6.3.4. 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. These must be authorised by the Board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without notification to the Board and prior authorisation.

## **7. REPORTING**

7.1. The Chair of the Committee shall report to the Board on its proceedings after each meeting on how the Committee has discharged its responsibilities.

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, and adequate time should be made available for Board discussion where necessary.

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.

## **8. OTHER MATTERS**

8.1. The Committee shall oversee any investigation of activities which are within its terms of reference.

8.2. The Chair of the Committee shall attend the Annual General Meeting and shall be available to answer questions from shareholders.

8.3. The Committee shall review regularly its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

8.4. The Committee shall work and liaise as necessary with other Board Committees, ensuring the interaction between Committees and with the Board is reviewed regularly.

8.5. These Terms of Reference shall be made available on the Company's website.