

MEETING DATE	Thu, 19 Apr 2018	TYPE	AGM	ISSUE DATE	Fri, 13 Apr 2018
MEETING LOCATION	RSA House, 8 John Adam Street, London WC2N 6EZ				
CURRENT INDICES	FTSE 100				
SECTOR	Industrial & Office REITs				

	PROPOSALS	ADVICE
1	<p><b>Receive the Annual Report</b> Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. Triodos supports this resolution.</p>	For
2	<p><b>Approve the Dividend</b> A final dividend of 11.35 pence per share is proposed, which brings the total dividend for the year under review to 16.6 pence per share. This payment is covered by earnings.</p>	For
3	<p><b>Approve the Remuneration Report</b> <b>Disclosure:</b> All elements of the Single Remuneration Table are adequately categorised and disclosed. The increase in CEO salary and pay is in line with the rest of the workforce and performance conditions and targets for both the annual bonus and LTIPs are disclosed. <b>Balance:</b> Changes in CEO pay over the last five years is considered in line with Company's financial performance over the same period. The ratio of CEO to average employee pay is at an acceptable level of 14:1. However, the CEO's total realised rewards for the year under review is considered excessive with the LTIP alone accounting for 338.2 % of the base salary. As part of his recruitment package, Soumen Das was awarded 300 per cent of salary in respect of the 2017 LTIP which is considered inappropriate. Rating: AD</p>	For
4	<p><b>To re-elect Gerald Corbett as a Director</b> Chairman. Independent upon appointment. As Chairman of the Nomination Committee Mr Corbett is responsible for ensuring that the board has adequate gender representation. The board is currently made up of two female member representing 18.2% of the board which is insufficient.</p>	Abstain
5	<p><b>To re-elect Soumen Das as a Director.</b> Executive Director. 12 months rolling contract.</p>	For
6	<p><b>To re-elect Christopher Fisher as a Director.</b> Independent Non-Executive Director.</p>	For
7	<p><b>To re-elect Andy Gulliford as a Director</b> Executive Director. 12 months rolling contract.</p>	For
8	<p><b>To re-elect Martin Moore as a Director</b> Independent Non-Executive Director.</p>	For
9	<p><b>To re-elect Phil Redding as a Director</b> Executive Director. 12 months rolling contract.</p>	For
10	<p><b>To re-elect Mark Robertshaw as a Director.</b> Independent Non-Executive Director.</p>	For
11	<p><b>To re-elect David Sleath as a Director.</b> Chief Executive Officer. 12 months rolling contract.</p>	For
12	<p><b>To re-elect Doug Webb as a Director.</b> Independent Non-Executive Director.</p>	For

- |            |  |               |
|------------|--|---------------|
| <b>13</b>  | <b>To elect Carol Fairweather as a Director.</b><br>Newly-appointed independent Non-Executive Director.  | <b>For</b>    |
| <b>14</b>  | <b>To re-appoint PricewaterhouseCoopers LLP as the Company's auditor</b><br>PwC proposed. The auditor has been in place for two years. Non-audit fees represented 60.49% of audit fees during the year under review and 32.59% on a three-year aggregate basis.  | <b>For</b>    |
| <b>15</b>  | <b>Allow the Board to Determine the Auditor's Remuneration</b><br>Standard proposal.   | <b>For</b>    |
| <b>16</b>  | <b>Approve Political Donations</b><br>The proposed authority is subject to an overall aggregate limit on political donations and expenditure of £50,000. The Company did not make any political donations or incur any political expenditure. Triodos considers political donations as an inappropriate use of shareholder funds.  | <b>Oppose</b> |
| <b>17</b>  | <b>Issue Shares with Pre-emption Rights</b><br>The authority is limited to 33% of the Company's issued share capital and expires at the next AGM. Within acceptable limits.  | <b>For</b>    |
| <b>18*</b> | <b>Issue Shares for Cash</b><br>Authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. Within acceptable limits.  | <b>For</b>    |
| <b>19*</b> | <b>Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment</b><br>The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. This is not the case. Triodos opposes this resolution.  | <b>Oppose</b> |
| <b>20*</b> | <b>Authorise Share Repurchase</b><br>The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. No clear justification was provided by the Board. Triodos opposes this resolution.  | <b>Oppose</b> |
| <b>21*</b> | <b>Meeting Notification-related Proposal</b><br>All companies should aim to provide at least 20 working days notice for general meetings in order to give shareholders sufficient time to consider what are often complex issues. Although the proposed change is permissible by the Companies Act, Triodos does not support this resolution.  | <b>Oppose</b> |
| <b>22</b>  | <b>Approve New SEGRO plc 2018 Long Term Incentive Plan.</b><br>Disclosure is adequate. The LTIP awards are only assessed based on financial measures: TSR and TPR, with no linkage made to non-financial KPIs. Total potential awards are excessive as the scheme has a maximum opportunity of £1.845 million or 300% of salary (in exceptional circumstances) which is highly excessive. The performance period is measured over a three-year period which is not considered sufficiently long-term. Malus and clawback provisions have been preserved. Award holders may receive a payment in cash or shares equal in value to any dividends that would have been paid. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. Furthermore LTIP based schemes are inherently flawed. There is a risk that they are rewarding volatility rather than the performance of the company. They can act as a complex and opaque hedge against absolute company under-performance and long term share price falls. They are also a significant factor in reward for failure. Triodos opposes this resolution. | <b>Oppose</b> |

**23 Authorise the Scrip Dividend**

**For**

It is proposed that a scrip dividend alternative be offered providing shareholders with an opportunity to receive new fully paid ordinary shares instead of cash in respect of the 2017 final dividend.

By electing for the Scrip Dividend Alternative, shareholders can receive their dividend in the form of new Ordinary Shares instead of cash and thereby increase their shareholding in the Company without incurring stamp duty or dealing expenses. The Company also benefits from the retention in the business of cash which would otherwise be paid out as cash dividends.

Shareholders are given the elective choice of either accepting or rejecting the proposed scrip dividend.

Triodos supports this resolution.

\* = *Special resolution*

---

**SUPPORTING INFORMATION FOR RESOLUTIONS**

**Proposal 21 - Meeting Notification-related Proposal**

The proposed resolution reflects the implementation of the EU Shareholder Rights Directive into English law, which took place on 3 August 2009 as implemented by the company in its Articles of Association. Under the regulations, the minimum notice period for general meetings (other than Annual General Meetings) will increase to 21 days unless shareholders agree on a shorter notice period, in which case it may be 14 days. Shareholder approval is sought to call general meetings on 14 clear days notice.

**For Private Circulation only**

©Copyright 2018 PIRC Ltd

Researcher: Conor Constable  
Email: [pircresearch@pirc.co.uk](mailto:pircresearch@pirc.co.uk)

Information is believed to be correct but cannot be guaranteed. Opinions and recommendations constitute our judgement as of this date and are subject to change without notice. The document is not intended as an offer, solicitation or advice to buy or sell securities. Clients of Pensions & Investment Research Consultants Ltd may have a position or engage in transaction in any of the securities mentioned.



Pensions & Investment Research Consultants Limited  
8th Floor, Suite 8.02, Exchange Tower  
2 Harbour Exchange Square  
E14 9GE

Tel: 020 7247 2323  
Fax: 020 7247 2457  
<http://www.pirc.co.uk>

**Regulated by the Financial Conduct Authority**