

# Compensation Committee Charter

## TERRENO REALTY CORPORATION

### I. General Statement of Purpose

The purposes of the Compensation Committee of the Board of Directors (the “Compensation Committee”) of Terreno Realty Corporation (the “Company”) on behalf of the Board of Directors of the Company (the “Board”) are to:

- (1) discharge the Board’s responsibilities relating to compensation of the Company’s directors and executives, (2) oversee the Company’s overall compensation structure, policies and programs, (3) review the Company’s processes and procedures for the consideration and determination of director and executive compensation; and
- prepare the Compensation Committee Report to be included in the Company’s proxy statement in accordance with the applicable rules and regulations of the Securities Exchange Commission (the “SEC”), the New York Stock Exchange (the “NYSE”) and any other rules and regulations applicable to the Company.

### II. Composition

The number of individuals serving on the Compensation Committee shall be fixed by the Board from time to time but shall consist of no fewer than three (3) members. Each member shall satisfy the independence requirements of the NYSE, as determined by the Board in its business judgment. In determining the members of the Compensation Committee, the Board will consider whether the members qualify as “non-employee directors” as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as “outside directors” as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended.

The members of the Compensation Committee shall be appointed annually by the Board and may be removed by the Board at any time, with or without cause. Resignation or removal of a Director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Compensation Committee. Vacancies occurring, for whatever reason, may be filled by the Board. The Board shall designate one member of the Compensation Committee to serve as chairperson of the Compensation Committee.

### III. Meetings

The Compensation Committee shall meet as often as it determines is necessary or appropriate to carry out its responsibilities under this Charter, but not less frequently than annually. Meetings of the Compensation Committee shall be called and held, and actions of the Compensation Committee shall be taken or approved, in accordance with the Maryland General Corporation Law and the charter and Bylaws of the Company. The Compensation Committee shall keep a record of its actions and proceedings. The chairperson of the Compensation Committee, in consultation with the other members of the Compensation Committee and management, may set meeting agendas consistent with this Charter.

#### **IV. Responsibilities and Authority**

The Compensation Committee's responsibilities and authority shall be to:

##### **A. Review of Charter**

- Review and reassess the adequacy of this Charter annually and recommend to the Board any amendments or modifications to this Charter that the Compensation Committee deems appropriate.

##### **B. Processes and Procedures for Considering and Determining Director and Executive Compensation**

- Review and reassess periodically (and where appropriate, make such recommendations to the Board as the Compensation Committee deems advisable with regard to) the Company's processes and procedures for the consideration and determination of director and executive compensation, and review and discuss with management any description of such processes and procedures to be included in the Company's proxy statement.

##### **C. Compensation Committee Report**

- Review and discuss with management the Compensation Discussion and Analysis to be included in the Company's proxy statement or annual report on Form 10-K ("CD&A").
- Based on the Compensation Committee's review and discussions with management of the CD&A, make a recommendation to the Board that the CD&A be included in the Company's proxy statement or annual report on Form 10-K.
- Prepare the Compensation Committee Report to be included in the Company's proxy statement or annual report on Form 10-K in accordance with the applicable rules and regulations of the SEC, the NYSE, and any other rules and regulations applicable to the Company.

##### **D. Annual Performance Evaluation of the Compensation Committee**

- At least annually, the Compensation Committee shall evaluate its own performance and report the results of such evaluation to the Board.

##### **E. Incentive-Compensation and Equity-Based Plans**

- Review and approve grants and awards under incentive-based compensation plans and equity-based plans, in each case consistent with the terms of such plans. The Compensation Committee shall have and shall exercise all authority of the Board with respect to the administration of such plans, as they may be amended from time to time.

- Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to policies and procedures for the grant of equity-based awards by the Company.

**F. Matters Related to Compensation of the Company’s Chief Executive Officer**

- Review and approve the corporate goals and objectives that may be relevant to the compensation of the Company’s chief executive officer and president (the “CEO”).
- Evaluate the CEO’s performance in light of the goals and objectives that were set for the CEO and determine and approve the CEO’s compensation based on such evaluation. In connection with determining the long-term incentive component of the CEO’s compensation, the Compensation Committee should consider the Company’s performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company’s CEO in past years.
- Review periodically the aggregate amount of compensation being paid or potentially payable to the CEO.
- The CEO may not be present during voting or deliberations concerning his or her compensation.

**G. Matters Related to Compensation of the Officers Other Than the Chief Executive Officer**

- Determine the compensation of all executive officers of the Company other than the CEO, taking into account as the Compensation Committee deems appropriate the recommendation of the CEO.
- Review periodically the aggregate amount of compensation being paid or potentially payable to the Company’s executive officers.

**H. Matters Related to Compensation of Non-Employee Directors**

- Review periodically, but not less frequently than annually, the form and amount of compensation for non-employee directors.

**V. Additional Compensation Committee Authority**

The Compensation Committee is authorized, on behalf of the Board, to do any of the following, as the Compensation Committee deems necessary or appropriate in its discretion:

**A. Matters Related to Compensation of the Company’s Directors**

- Make such recommendations to the Board as the Compensation Committee deems advisable with regard to the compensation of the directors of the

Company, including with respect to any equity-based plans.

**B. Matters Related to Compensation Consulting Firms or Other Outside Advisers**

- Retain or obtain the advice of compensation consultants, legal counsel and/or other advisers; provided that:
  - The Compensation Committee is authorized to, and must, have direct responsibility for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Compensation Committee and the Company must provide for appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to any such compensation consultant, legal counsel or other adviser; and
  - Before any compensation consultant, legal counsel or other adviser (other than (1) in-house legal counsel or (2) any compensation consultant, legal counsel or other adviser whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: (i) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees or (ii) providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the compensation consultant, legal counsel or other adviser and about which the compensation consultant, legal counsel or other adviser does not provide advice) is selected by, or provides advice to, the Compensation Committee, the Compensation Committee shall take into consideration all factors relevant to that person's independence from management of the Company, including the following:
    - The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
    - The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
    - The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
    - Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Compensation Committee;
    - Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

- Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

## **VI. General**

- The Compensation Committee may establish and delegate authority to one or more subcommittees consisting of one or more of its members, when the Compensation Committee deems it appropriate to do so in order to carry out its responsibilities.
- The Compensation Committee shall make regular reports to the Board concerning areas of the Compensation Committee's responsibility.
- In performing his or her duties as a member of the Compensation Committee, each member of the Compensation Committee shall be entitled to rely on any information, opinion, report or statement, including any financial statement or other financial data, prepared or presented by an officer or employee of the Company whom the member reasonably believes to be reliable and competent in the matters presented, by a lawyer, certified public accountant or other person, as to a matter which the member reasonably believes to be within the person's professional or expert competence, or by another committee of the Board on which the member does not serve, as to a matter within its designated authority, if the member reasonably believes the committee to merit confidence. The Compensation Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company render advice to the Company attend a meeting of the Compensation Committee or meet with any members of or advisers to the Compensation Committee.
- The Compensation Committee may perform such other functions as may be requested by the Board from time to time.