

Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 6, 2019

Terreno Realty Corporation

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-34603
(Commission
File Number)

27-1262675
(IRS Employer
Identification No.)

101 Montgomery Street, Suite 200
San Francisco, CA 94104
(Address of principal executive offices) (Zip Code)

(415) 655-4580
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Act:

Title of each class	Trading Symbols(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	TRNO	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On November 6, 2019, our board of directors adopted the Terreno Realty Corporation Deferred Compensation Plan (the “Plan”).

The Plan will allow a select group of management and our non-employee directors to defer receiving certain of their cash and equity-based compensation. Participants in the Plan who are employees may defer all or a portion of their annual base salaries and all or a portion of their annual cash bonuses. Participants who are non-employee directors may defer all or a portion of their directors’ fees in cash.

Employee participants may defer all or a portion of any performance share awards that they receive under our long-term incentive plan and equity incentive plan, subject to certain restrictions. In addition, non-employee director participants may defer all or a portion of any unrestricted stock awards that they receive under our equity incentive plan. Dividends paid, if any, on deferred equity awards will also be deferred under the Plan.

Generally, distributions under the Plan will be paid in the form of payment designated by the participant upon separation from service for any reason (including death and retirement). Distributions may be paid either (i) as a lump sum payment or (ii) in annual installments over a five year or ten year period. Participants shall designate their form of payment at the time of their initial deferral election and may not modify the form of payment designated in such election.

The participants’ elective deferrals and any earnings of the deemed investment of such deferrals are 100% vested immediately. We pay all of the administrative costs of the Plan, which will be administered by our investment committee.

A rabbi trust will be established for the Plan, and contributions under the Plan will be deposited into the rabbi trust. Assets in the trust are subject to the claims of our general creditors in the event of bankruptcy or other insolvency. No assets will be placed into an account in the name of any participant. An account in the Plan will not give a participant any interest in our assets or a right to payment other than as provided in the Plan.

Amounts credited to participants’ accounts will be subject to the claims of our general creditors until they are paid to the participants. Participants in the Plan are our general unsecured creditors with respect to amounts payable under the Plan.

The description of the Plan set forth in this Current Report on Form 8-K is qualified in its entirety by reference to the copy of the Plan filed as Exhibit 10.1 to this Current Report on Form 8-K, which is incorporated by reference herein.

ITEM 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
10.1*	Terreno Realty Corporation Deferred Compensation Plan
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

* Filed herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TERRENO REALTY CORPORATION

By: /s/ Jaime J. Cannon

Jaime J. Cannon

Executive Vice President and Chief Financial Officer

Date: November 8, 2019

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Section 2: EX-10.1 (EX-10.1)

Exhibit 10.1

**TERRENO REALTY CORPORATION
DEFERRED COMPENSATION PLAN**

TERRENO REALTY CORPORATION
DEFERRED COMPENSATION PLAN
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**TERRENO REALTY CORPORATION
DEFERRED COMPENSATION PLAN**

RECITALS

Terreno Realty Corporation (the "Plan Sponsor"), a Maryland corporation, has adopted the Terreno Realty Corporation Deferred Compensation Plan (the "Plan") for the purpose of attracting and retaining a select group of management and highly compensated employees and directors.

The Plan is an unfunded arrangement established and maintained primarily for the benefit of a select group of management and highly compensated employees and directors and is intended to be exempt from the participation, vesting, funding, and fiduciary requirements set forth in Title I of the Employee Retirement Income Security Act of 1974, as amended. To the extent required by law, the terms of this Plan applicable to directors shall also constitute a separate written plan document with its terms set forth in the applicable portions of this Plan.

The Plan shall be interpreted and administered to the extent possible in accordance with Code Section 409A.

NOW THEREFORE, the Plan Sponsor hereby adopts the Plan as follows:

Article I - Definitions

- 1.1 **Account.** The bookkeeping account established for each Participant as provided in Section 6.1 hereof.
- 1.2 **Affiliate.** Any trade or business with whom the Plan Sponsor would be considered a single employer under Code Section 414(b) or (c).
- 1.3 **Award.** Unrestricted Stock and Performance Share Awards granted and as defined under the Incentive Plan.
- 1.4 **Balance.** All Deferrals contributed to the Plan on behalf of a Participant and earnings thereon.
- 1.5 **Board.** The Board of Directors of the Plan Sponsor.
- 1.6 **Code.** The Internal Revenue Code of 1986, as amended.
- 1.7 **Compensation.** With respect to Employees, all Form W-2 compensation, excluding restricted stock, from the Plan Sponsor subject to income tax withholding at the source, with all pre-tax contributions included, that is paid to the Participant during the Plan Year while the Participant is a participant in the Plan; or such other definition of "Compensation" as set forth in the Plan, from time to time; provided, that, the term "Compensation" for purposes of the Plan shall not be limited by Code Section 401(a)(17). With respect to non-Employee Participants, all Form 1099 compensation that is paid to the Participant by the Plan Sponsor during the Plan Year.
- 1.8 **Deferral.** The portion of Compensation that a Participant elects to defer in accordance with Articles II and III hereof and that is contributed to the Participant's Deferral Account.
- 1.9 **Deferral Election Agreement.** The separate written agreement, submitted to the Plan Committee, by which an Eligible Participant agrees to participate in the Plan and defer Compensation and/or Awards thereto.

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- 1.10 **Effective Date.** The date that the first Deferral Election Agreement is filed under the Plan.
- 1.11 **Eligible Participant.** Any Employee, member of the Board, or other individual providing services to the Plan Sponsor who is designated as an Eligible Participant by the Plan Sponsor.
- 1.12 **Employee.** Any person employed by the Plan Sponsor.
- 1.13 **Incentive Plan.** The Terreno Realty Corporation 2019 Equity Incentive Plan, as amended from time to time, and any predecessor or subsequently adopted incentive plan.
- 1.14 **Investment Fund or Funds.** Each deemed investment which serves as a means to measure the value of a Participant's Accounts, which may be made available for such purpose, from time to time, by the Plan Sponsor.
- 1.15 **Normal Retirement Age.** Normal Retirement Age shall be the earlier of (a) age 65 or (b) a combined age and Years of Service equaling at least 55 with a minimum of 10 Years of Service.
- 1.16 **Participant.** An Eligible Participant who is a Participant as provided in Article II.
- 1.17 **Performance Share Awards.** Shares of Stock issued or transferred to a Participant upon the attainment of specified performance goals as may be set forth in the Incentive Plan and/or award agreement.
- 1.18 **Plan Committee.** The person or committee duly authorized by the Board of Directors. The Plan Committee shall be the agent for the Plan Sponsor with respect to the Plan and Trust.
- 1.19 **Plan Year.** January 1 through December 31.
- 1.20 **Separation from Service.** A "separation from service" within the meaning of Code Section 409A, which shall occur:
- (a) with respect to an Employee, when such Employee dies, retires, or otherwise has a termination of employment with the Plan Sponsor or any successor entity as a result of merger, consolidation, reorganization, transfer of assets or otherwise and any subsequent successor thereto. The Plan Committee shall determine whether a Participant has terminated employment based on whether the facts and circumstances indicate that it is reasonably anticipated that no further services would be performed after a certain date or that the level of services the Employee would perform after such date would permanently decrease to no more than 20% of the average level of services performed over the immediately preceding thirty-six month period. However, a Separation from Service will not occur by reason of an Employee's absence due to military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Employee retains a right to reemployment with the Plan Sponsor under an applicable statute or by contract; and
 - (b) with respect to an independent contractor (such as a non-Employee Board member), upon a complete termination with the Plan Sponsor or any successor entity as a result of merger, consolidation, reorganization, transfer of assets or otherwise and any subsequent successor thereto.
- 1.21 **Share Deferral Period.** The period from the date the Participant receives the Award through the date of the Participant's Separation from Service.
- 1.22 **Specified Employee.** An Employee who is an officer of the Plan Sponsor.
- 1.23 **Stock.** The common stock of Terreno Realty Corporation, par value \$.01 per share.

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- 1.24 **Stock Deferrals.** The Awards that the Participant elects to defer in accordance with Article IV hereof and that are contributed to the Participant's Stock Account.
- 1.25 **Trust.** The agreement or agreements between the Plan Sponsor and the Trustee under which the assets of the Plan may be held, administered and managed. Participants shall have no right or claim to Trust assets set aside to fund benefits under this Plan, which shall remain the general assets of the Plan Sponsor.
- 1.26 **Trustee.** The entity or individual designated from time to time by the Plan Committee to serve as trustee in accordance with the terms of the Plan.
- 1.27 **Years of Service.** The total number of years for which a Participant is employed by the Plan Sponsor including, without limitation, service as a member of the Board.

Article II - Participation

- 2.1 **Commencement of Participation.** Each Eligible Participant shall become a Participant on the date his or her initial Deferral Election Agreement first becomes effective.
- 2.2 **Deferral Election Agreement.**
- (a) The Deferral Election Agreement shall designate: (i) the amount of Compensation deferred by each Participant for the Plan Year as a General Deferral, (ii) whether any Awards granted, and dividends paid, if any, to the Participant shall be deferred, (iii) the time of payment or the payment event, (iv) the form of distributions to be made from the Plan for each payment event, and (v) such other items as the Plan Committee may prescribe.
 - (b) With respect to deferrals of Compensation or Awards (excluding Performance Share Awards), a Participant must file a Deferral Election Agreement with the Plan Committee no later than the close of the calendar year immediately preceding the calendar year, and in the case of Performance Share Awards, at least six months prior to the end of the calendar year in which the applicable performance period ends. In the year in which an Eligible Participant is first eligible to participate, such Deferral Election Agreement shall be filed within thirty (30) days of the date on which such individual is first eligible to participate, to be effective with respect to Compensation and Awards received for services rendered after such Deferral Election Agreement is effective. Unless the Deferral Election Agreement provides an earlier date, the Deferral Election Agreement becomes effective and irrevocable with respect to the Compensation described in this subsection (b) on the last day for filing set forth above.
 - (c) The minimum and maximum amount of Compensation that may be deferred each Plan Year shall be established by the Plan Committee in the form of Compensation Deferral Agreement provided to Eligible Employees/Directors and/or the enrollment materials provided to Eligible Employees/Directors prior to the time the applicable Compensation Deferral Agreements become irrevocable under Section 2.2 (b).
- 2.3 **Change in Eligible Participant Status.**
- (a) A Participant who is no longer an Eligible Participant shall not be permitted to submit future Deferral Election Agreements
 - (b) Deferral Election Agreements in effect for a Plan Year will remain in effect for such Plan Year and Deferrals will continue to be credited in accordance with the terms of such Deferral Election Agreement. Amounts credited to the Account of a Participant described in subsection (a) shall continue to be held pursuant to the terms of the Plan and shall be distributed as provided in Article VII.

Article III - Contributions

- 3.1 **General Deferrals.** The Plan Sponsor shall credit to the Deferral Account of a Participant an amount equal to the amount designated as a General Deferral in the Participant's Deferral Election Agreement for that Plan Year. Such amounts shall not be made available to such Participant, except as provided in Article VII, and shall reduce such Participant's Compensation from the Plan Sponsor in accordance with the provisions of the applicable Deferral Election Agreement; provided, however, that all such amounts shall be subject to the rights of the general creditors of the Plan Sponsor as provided in Article IX.
- 3.2 **Time of Deferrals.** General Deferrals are deemed to accrue on the date on which the Participant would otherwise receive the Compensation that he elected to defer.
- 3.3 **Withholding.** With respect to Participants who are Employees, for each payroll period for which a Deferral is made, the Plan Sponsor shall withhold from that portion of a Participant's Compensation that is not deferred hereunder, such Participant's share of taxes under the Federal Insurance Contributions Act ("FICA") and other applicable taxes that are required to be withheld with respect to (1) Deferrals and (2) Awards as they vest and become subject to FICA taxes and other withholding requirements (collectively, "Withholding Requirements"). To the extent that there is insufficient remaining cash Compensation to satisfy all applicable Withholding Requirements as they come due, the Plan Sponsor reserves the right to reduce a Participant's Deferrals to the extent necessary to satisfy such Withholding Requirements. In the event there is insufficient cash Compensation to satisfy all applicable Withholding Requirements as they come due, even after reducing a Participant's Deferrals, such Participant shall be obligated to remit payment to the Plan Sponsor, in such form as is acceptable to the Plan Sponsor, sufficient to satisfy any remaining Withholding Requirements.

Article IV - Deferral of Awards

- 4.1 **General.** Any Participant shall be eligible to elect the deferral of an Award granted under the Incentive Plan, which is incorporated herein by this reference. Such election may only be made with respect to any future Award. The manner and duration of such deferral shall be in accordance with the provisions of this Article IV and in accordance with procedures established by the Plan Committee.
- 4.2 **Deferral of Awards.** A Participant may elect to defer an Unrestricted Stock Award on such terms as the Plan Committee may permit, by completing a Deferral Election Agreement and submitting it to the Plan Committee prior to the calendar year in which the Award is made or, in the case of Performance Share Awards, at least six months prior to the end of the calendar year in which the applicable performance period ends. Any election to defer such an Award shall apply only to Awards made in the calendar year following the year in which the Deferral Election Agreement is submitted. Such Stock Deferrals shall be made pursuant to Section 2.2, above, in accordance with the provisions thereof. The Plan Committee shall credit such Stock Deferrals to a bookkeeping account (to be known as a "Stock Account") for the benefit of such Participant. The Stock Deferrals initially shall be accounted for by the Plan Committee and shares of Company stock may be transferred to the Trust at such time as the Plan Committee shall, in its discretion, determine. Distribution of the Stock Deferrals shall be made in accordance with Article VII hereof.

Article V - Vesting

- 5.1 **Vesting of Deferrals.** A Participant shall have a 100% vested right in his or her Deferral Account and any earnings on the deemed investment of such Deferrals.

Article VI - Accounts

- 6.1 **Bookkeeping Accounts.** The Plan Committee shall establish and maintain a bookkeeping account in the name of each Participant. The Plan Committee shall also establish subaccounts, as provided in subsections (a) and (b) below.

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- (a) **Deferral Account.** A Deferral Account shall be established for each Participant for the purpose of recording the value of Deferrals made to the Plan in accordance with the Participant's Deferral Election Agreement.
 - (b) **Stock Account.** A Stock Account shall be established for each Participant for the purpose of recording the Stock Deferrals credited on his or her behalf in accordance with Section 4.2.

6.2 **Adjustment and Crediting of Accounts.**

- (a) The Plan Committee shall adjust the amounts credited to each Participant's Account to reflect Deferrals, Stock Deferrals, distributions, and deemed investment experience of the Participant's Investment Fund selections and any other appropriate adjustments. Such adjustments shall be made as is administratively necessary in the discretion of the Plan Committee.
- (b) The deemed investment experience credited to a Participant's Account shall be determined on a periodic basis according to the earnings and losses of the Investment Fund selections made by the Participant pursuant to his or her Deferral Election Agreement. The earnings and losses will be determined as if the amount credited to the Participant's Account were actually invested in the Investment Funds selected. Participants may select one or more of the Investment Funds designated by the Plan Committee in whole percentages of the applicable Account balance. A Participant may change his or her selection of Investment Funds at any time. Such an election shall be effective as soon as administratively feasible following the date the change is submitted in writing by the Participant to the Plan Committee, or such other means as the Plan Committee may approve.
- (c) The Investment Funds offered under the Plan shall be determined by the Plan Sponsor.

- 6.3 **Investment of Trust Assets.** Deferrals hereunder may, in the sole discretion of the Plan Sponsor, be set aside in a Trust in order to facilitate the payments of benefits under this Plan. Any such Trust assets may be invested in an Investment Fund but are not required to be invested in individual accounts mirroring the bookkeeping Accounts established in Section 6.1. Any such Trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan. Under no circumstances shall any Participant have any preferential or secured right to or interest in any assets of such Trust, and the rights of each Participant (and if applicable, any beneficiary) shall remain that of a general creditor.

Article VII - Distributions

7.1 **Distribution Elections.**

- (a) **General Rule.** Distribution of the Participant's Balance and Stock Deferrals shall be made upon a Separation from Service in accordance with the Participant's election with respect to the form of payment. Such election shall be made at the time the Participant makes his or her initial Deferral Election Agreement and shall be irrevocable. A separate election as to the form of payment may not be made in subsequent Plan Years if a Participant continues to participate in the Plan. Absent an amendment to the Plan, a Participant may not modify the form of payment designated in his or her initial Deferral Election Agreement.

7.2 **Payment of Balances and Stock Deferrals Upon Separation from Service.**

- (a) **Form of Payment.** Balances and Stock Deferrals are payable in one of the following forms, as elected by the Participant: (i) in a lump sum payment or (ii) in annual installments over a five (5) year or ten (10) year period. If the Participant has not made a valid election as to the form of payment, payment shall be made in one lump sum. Notwithstanding the foregoing, in the event of a Separation of Service prior to the Normal Retirement Age, payment of Balances and Stock Deferrals shall be made in a lump sum payment.

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- (b) **Time of Payment.** Payments of Balances and Stock Deferrals shall be made or commence on the first business day of the month following the date that is six (6) months following the date of the Participant's Separation from Service. In no event will payment to a Specified Employee as a result of such Participant's Separation from Service (other than due to the Participant's death) be made earlier than six (6) months following Separation of Service.
 - (c) If an installment form of distribution is elected, annual installment payments subsequent to the first payment shall be made on each succeeding anniversary of the date the first payment was made.

7.3 **Payment of Balances upon Unforeseeable Emergency.** If a Participant incurs an Unforeseeable Emergency prior to a Separation from Service, then upon the written request of the Participant, the Plan Committee may direct that so much of the Participant's Balance as it determines is necessary to alleviate the condition giving rise to the Unforeseeable Emergency be distributed to or for the benefit of the Participant. For purposes of this Plan, an "Unforeseeable Emergency" shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, beneficiary, or a dependent (as defined in Code Section 152(a), without regard to Code Section 152(b)(1), (b)(2), or (d)(1)(B)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. An Unforeseeable Emergency shall be deemed to exist only if the Plan Committee so determines. An Unforeseeable Emergency will not be deemed to exist to the extent that it is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Participant's assets, (to the extent that such liquidation would not itself cause severe financial hardship), or by cessation of deferrals under the Plan.

Article VIII - Beneficiaries

- 8.1 **Beneficiaries.** Each Participant may from time to time designate one or more persons, entities or his or her estate as his or her beneficiary under the Plan. Such designation shall be made on a form prescribed by the Plan Committee.
- 8.2 **Change of Beneficiary Designation.** Each Participant may at any time and from time to time, change any previous beneficiary designation, without notice to or consent of any previously designated beneficiary, by amending his or her previous designation on a form prescribed by the Plan Committee.
- 8.3 **Determination of Beneficiary.**
 - (a) If the beneficiary does not survive the Participant (or is otherwise unavailable to receive payment), if the beneficiary does not survive until the final payment is made or if no beneficiary is validly designated, then the amounts payable under this Plan (or any remaining amount, as the case may be) shall be paid to the Participant's designated contingent beneficiary, if any, and, if none, to the Participant's surviving spouse, if any, and if none, to his or her surviving issue per stirpes, if any, and, if none, to his or her estate and such person shall be deemed to be a beneficiary hereunder. (For purposes of this Article, a per stirpes distribution to surviving issue means a distribution to such issue as representatives of the branches of the descendants of such Participant; equal shares are allotted for each living child and for the descendants as a group of each deceased child of the deceased Participant).
 - (b) If more than one person is the beneficiary of a deceased Participant, each such person shall receive a pro rata share of any death benefit payable unless otherwise designated on the applicable form.
 - (c) If a beneficiary who is receiving benefits dies, all benefits that were payable to such beneficiary shall then be payable to the estate of that beneficiary.
 - (d) If the Plan Committee has any doubt as to the proper Beneficiary to receive payments hereunder, the Plan Sponsor shall have the right to withhold such payments until the matter is finally

adjudicated. However, any payment made by the Plan Sponsor, in good faith and in accordance with this Plan, shall fully discharge the Plan Sponsor from all further obligations with respect to that payment.

8.4 **Lost Beneficiary.**

- (a) All Participants and beneficiaries shall have the obligation to keep the Plan Committee informed of their current address until such time as all benefits due have been paid.
- (b) If a Participant or beneficiary cannot be located by the Plan Committee exercising due diligence, then, in its sole discretion, the Plan Committee may presume that the Participant or beneficiary is deceased for purposes of the Plan and all unpaid amounts (net of due diligence expenses) owed to the Participant or beneficiary shall be paid to his/her estate. Any such presumption of death shall be final, conclusive and binding on all parties.

Article IX - Funding

9.1 **Prohibition Against Funding.** Benefits payable under this Plan shall be paid from the general assets of the Plan Sponsor, or at the discretion of the Plan Sponsor, from assets set aside in a trust for deferring the cost of providing the benefits due under this Plan; provided, however, that no person entitled to payment under this Plan shall have any claim, right, priority, security interest, or other interest in any fund, trust, account, or other asset of the Plan Sponsor that may be looked to for such payment. The liability for the payment of benefits hereunder shall be evidenced only by this Plan and by the existence of bookkeeping accounts established and maintained by the Plan Sponsor for purposes of this Plan. It is the express intention of the parties hereto that this arrangement shall be unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended.

9.2 **Deposits in Trust.** Notwithstanding Section 9.1, or any other provision of this Plan to the contrary, the Plan Sponsor may deposit into the Trust any amounts it deems appropriate to pay the benefits under this Plan. The amounts so deposited may include all contributions made pursuant to a Deferral Election Agreement by a Participant and shall remain the general assets of the Plan Sponsor.

9.3 **Withholding of Participant Contributions.** The Plan Committee is authorized to make any and all necessary arrangements with the Plan Sponsor in order to withhold the Participant's Deferrals under Sections 3.1 hereof from his or her Compensation. The Plan Committee shall determine the amount and timing of such withholding.

Article X - Claims Administration

10.1 **General.** In the event that a Participant or his or her beneficiary does not receive any Plan benefit that is claimed, such Participant or beneficiary shall be entitled to consideration and review as provided in this Article. Such consideration and review shall be conducted in a manner designed to comply with Section 503 of the Employee Retirement Income Security Act of 1974, as amended.

10.2 **Claim Review.** Upon receipt of any written claim for benefits, the Plan Committee shall be notified and shall give due consideration to the claim presented. If the claim is denied to any extent by the Plan Committee, the Plan Committee shall furnish the claimant with a written notice setting forth (in a manner calculated to be understood by the claimant):

- (a) the specific reason or reasons for denial of the claim;
- (b) a specific reference to the Plan provisions on which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) an explanation of the provisions of this Article.

- 10.3 **Right of Appeal.** A claimant who has a claim denied under Section 10.2 may appeal to the Plan Committee for reconsideration of that claim. A request for reconsideration under this Section must be filed by written notice within sixty (60) days after receipt by the claimant of the notice of denial under Section 10.2.
- 10.4 **Review of Appeal.** Upon receipt of an appeal, the Plan Committee shall promptly take action to give due consideration to the appeal. Such consideration may include a hearing of the parties involved, if the Plan Committee determines such a hearing is necessary. In preparing for this appeal, the claimant shall be given the right to review documents relevant to the benefit claim and the right to submit in writing a statement of issues and comments. After consideration of the merits of the appeal, the Plan Committee shall issue a written decision, which shall be binding on all parties. The decision shall be written in a manner calculated to be understood by the claimant and shall specifically state its reasons and pertinent Plan provisions on which it relies. The Plan Committee's decision shall be issued within sixty (60) days after the appeal is filed, except that if a hearing is held the decision may be issued within one hundred twenty (120) days after the appeal is filed.
- 10.5 **Designation.** The Plan Committee may designate one or more of its members or any other person of its choosing to make any determination otherwise required under this Article.

Article XI - General Provisions

- 11.1 **Plan Committee.**
- (a) The Plan Committee is expressly empowered to limit the amount of Compensation that may be deferred; to deposit amounts into Trust (s) in accordance with this Plan; to interpret the Plan, and to determine all questions arising in the administration, interpretation and application of the Plan; to employ actuaries, accountants, counsel, and other persons it deems necessary in connection with the administration of the Plan; to request any information from the Plan Sponsor it deems necessary to determine whether the Plan Sponsor would be considered insolvent or subject to a proceeding in bankruptcy; and to take all other necessary and proper actions to fulfill its duties as Plan Committee.
 - (b) The Plan Committee shall not be liable for any actions by it hereunder, unless due to its own negligence, willful misconduct or lack of good faith.
 - (c) The Plan Committee shall be indemnified and saved harmless by the Plan Sponsor from and against all personal liability to which it may be subject by reason of any act done or omitted to be done in its official capacity as Plan Committee in good faith in the administration of the Plan and Trust, including all expenses reasonably incurred in its defense in the event the Plan Sponsor fails to provide such defense upon the request of the Plan Committee. The Plan Committee is relieved of all responsibility in connection with its duties hereunder to the fullest extent permitted by law, short of breach of duty to the beneficiaries.
 - (d) The Plan Committee may delegate to one or more persons (including consultants or third party recordkeepers) any of the responsibilities assigned to the Plan Committee pursuant to this Plan.
- 11.2 **No Assignment.** Benefits or payments under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Participant or the Participant's beneficiary, whether voluntary or involuntary, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber, attach or garnish the same shall not be valid, nor shall any such benefit or payment be in any way liable for or subject to the debts, contracts, liabilities, engagement or torts of any Participant or beneficiary, or any other person entitled to such benefit or

payment pursuant to the terms of this Plan, except to such extent as may be required by law. If any Participant or beneficiary or any other person entitled to a benefit or payment pursuant to the terms of this Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber, attach or garnish any benefit or payment under this Plan, in whole or in part, or if any attempt is made to subject any such benefit or payment, in whole or in part, to the debts, contracts, liabilities, engagements or torts of the Participant or beneficiary or any other person entitled to any such benefit or payment pursuant to the terms of this Plan, then such benefit or payment, in the discretion of the Plan Committee, shall cease and terminate with respect to such Participant or beneficiary, or any other such person.

- 11.3 **No Employment Rights.** Participation in this Plan shall not be construed to confer upon any Participant the legal right to be retained in the employ of the Plan Sponsor, or give a Participant or beneficiary, or any other person, any right to any payment whatsoever, except to the extent of the benefits provided for hereunder. Each Participant shall remain subject to discharge to the same extent as if this Plan had never been adopted.
- 11.4 **Incompetence.** If the Plan Committee determines that any person to whom a benefit is payable under this Plan is incompetent by reason of physical or mental disability, the Plan Committee shall have the power to cause the payments becoming due to such person to be made to another for his or her benefit without responsibility of the Plan Committee or the Plan Sponsor to see to the application of such payments. Any payment made pursuant to such power shall, as to such payment, operate as a complete discharge of the Plan Sponsor, the Plan Committee and the Trustee.
- 11.5 **Identity.** If, at any time, any doubt exists as to the identity of any person entitled to any payment hereunder or the amount or time of such payment, the Plan Committee shall be entitled to hold such sum until such identity or amount or time is determined or until an order of a court of competent jurisdiction is obtained. The Plan Committee shall also be entitled to pay such sum into court in accordance with the appropriate rules of law. Any expenses incurred by the Plan Sponsor, Plan Committee, and Trust incident to such proceeding or litigation shall be charged against the Account of the affected Participant.
- 11.6 **Other Benefits.** The benefits of each Participant or beneficiary hereunder shall be in addition to any benefits paid or payable to or on account of the Participant or beneficiary under any other pension, disability, annuity or retirement plan or policy whatsoever.
- 11.7 **No Liability.** No liability shall attach to or be incurred by any Employee of the Plan Sponsor, Trustee or any Plan Committee under or by reason of the terms, conditions and provisions contained in this Plan, or for the acts or decisions taken or made thereunder or in connection therewith; and as a condition precedent to the establishment of this Plan or the receipt of benefits thereunder, or both, such liability, if any, is expressly waived and released by each Participant and by any and all persons claiming under or through any Participant or any other person. Such waiver and release shall be conclusively evidenced by any act or participation in or the acceptance of benefits or the making of any election under this Plan.
- 11.8 **Expenses.** All expenses incurred in the administration of the Plan, whether incurred by the Plan Sponsor or the Plan, shall be paid by the Plan Sponsor.
- 11.9 **Insolvency.** Should the Plan Sponsor be considered insolvent (as defined by the Trust), the Plan Sponsor, through its Board and chief executive officer, shall give immediate written notice of such to the Plan Committee of the Plan and the Trustee. Upon receipt of such notice, the Plan Committee or Trustee shall comply with the terms of the Trust.
- 11.10 **Amendment and Termination.**
- (a) Except as otherwise provided in this section, the Plan Sponsor shall have the sole authority to modify, amend or terminate this Plan; provided, however, that any modification or termination of this Plan shall not reduce, without the consent of a Participant, a Participant's right to any amounts already credited to his or her Account, or lengthen the time period for a distribution from an established Account. Following such Plan termination, payment of such credited amounts shall be made in a single sum payment, in accordance with the provisions of this Section 11.10.

The Plan Sponsor may terminate this Plan, at the discretion of the Board, provided that all of the following requirements are satisfied:

- (i) The termination shall not occur proximate to a downturn in the financial health of the Plan Sponsor;
- (ii) All arrangements sponsored by the Plan Sponsor and/or its Affiliates that aggregated with this Plan under Treasury Regulation Section 1.409A-1(c) must also be terminated;
- (iii) Payments during the twelve (12) month period following such termination shall be restricted to those amounts that would be payable hereunder if this Plan had not terminated;
- (iv) All remaining amounts under the Plan shall be paid immediately following the expiration of twelve (12) months following such termination, and in no event later than twenty-four (24) months of such termination; and
- (v) For a period of three (3) years following the date of termination of this Plan, neither the Plan Sponsor, nor any Affiliate, may adopt a new deferred compensation arrangement that would be aggregated with this Plan under Treasury Regulation Section 1.409A-1(c).

(b) A Participant shall have a right to the vested portion of his or her Account in the event of the termination of the Plan pursuant to subsection (a), above.

- 11.11 **Plan Sponsor Determinations.** Any determinations, actions or decisions of the Plan Sponsor (including but not limited to, Plan amendments and Plan termination) shall be made by the Board in accordance with its established procedures or by such other individuals, groups or organizations that have been properly delegated by the Board to make such determination or decision.
- 11.12 **Construction.** All questions of interpretation, construction or application arising under or concerning the terms of this Plan shall be decided by the Plan Committee, in its sole and final discretion, whose decision shall be final, binding and conclusive upon all persons.
- 11.13 **Governing Law.** This Plan shall be governed by, construed and administered in accordance with the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, Code Section 409A, and any other applicable federal law, provided, however, that to the extent not preempted by federal law, this Plan shall be governed by, construed and administered under the laws of the State of Maryland, other than its laws respecting choice of law.
- 11.14 **Severability.** If any provision of this Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provision of this Plan and this Plan shall be construed and enforced as if such provision had not been included therein. If the inclusion of any Employee as a Participant under this Plan would cause the Plan to fail to be maintained solely for a select group of highly compensated or management employees, then the Plan shall be severed with respect to such individual, who shall be considered to be participating in a separate arrangement.
- 11.15 **Headings.** The Article headings contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge or describe the scope or intent of this Plan nor in any way shall they affect this Plan or the construction of any provision thereof.
- 11.16 **Entire Agreement.** This instrument and all subsequently-adopted amendments hereto contain the entire terms of the Plan and supersedes any prior understandings or written documents which have heretofore set

forth the terms of the Plan and/or any oral agreements between the Plan Sponsor and any of the Participants respecting the within subject matter. No modification, amendment, change, or discharge of any term or provision of this Plan shall be valid or binding unless the same is in writing and signed by a duly authorized officer of the Plan Sponsor.

11.17 **Terms.** Capitalized terms shall have meanings as defined herein. Singular nouns shall be read as plural, masculine pronouns shall be read as feminine, and vice versa, as appropriate.

IN WITNESS WHEREOF, TERRENO REALTY CORPORATION has caused this instrument to be executed by its duly authorized officer.

TERRENO REALTY CORPORATION

By: /s/ Jaime J. Cannon
Jaime J. Cannon
EVP and Chief Financial Officer

Date: November 6, 2019