

DIRECTORS' REMUNERATION POLICY

This policy sets out the Company's Directors' Remuneration Policy ("Policy") which has been prepared in accordance with Schedule 8 of the amended Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The Policy has been developed in compliance with the principles of the 2018 UK Corporate Governance Code and the Financial Conduct Authority's UK listing rules ("Listing Rules") and with regard to current UK institutional investor guidance.

This Policy will be subject to a binding Shareholder vote at the 2025 General Meeting to be held on 20 March 2025 and at least every three years thereafter. In the event that amendments are required to be made to the Policy, the amended version will be subject to a binding Shareholder vote.

1. Policy scope

The Policy applies to the Chair, Executive Directors and Non-Executive Directors.

2. Overview of Policy

- 2.1. The Policy, which has been developed following a comprehensive remuneration review, has the following objectives:
 - 2.1.1. to offer suitable packages to attract, retain and motivate people with the skills and attributes needed to deliver the Company's business goals, while recognising the unique nature of the organisation and ensuring alignment with Shareholders;
 - 2.1.2. to drive behaviours that support the Company's strategy and business objectives; and
 - 2.1.3. to link incentive plans to Company and individual performance to encourage high performance from staff both at an individual and team level.
- 2.2. These Policy objectives will be achieved by ensuring that any remuneration provided is reflective of applicable market conditions, statutory obligations and the level of accountability (responsibility, objectives, goals) assigned to the recipient in order to deliver outstanding performance while providing organisational flexibility and operational efficiency.
- 2.3. In addition, in setting the Policy, the Remuneration Committee has considered the following six factors listed in the 2018 UK Corporate Governance Code:
 - 2.3.1. clarity: the Policy is well understood by the management team and will be clearly articulated to Shareholders;
 - 2.3.2. simplicity: the Remuneration Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Therefore, one of the Remuneration Committee's objectives is to ensure that the executive remuneration policies and practices are as simple to communicate and operate as possible, while also supporting strategy;

2.3.3. risk: the Policy has been designed to ensure that inappropriate risk-taking is not encouraged and will not be rewarded via:

2.3.3.1. the balanced use of both short- and long-term incentive plans which employ a blend of financial, non-financial and Shareholder return targets;

2.3.3.2. the significant role played by equity in the incentive plans (together with shareholding guidelines);

2.3.3.3. malus/clawback provisions;

2.3.4. predictability: the incentive plans are subject to individual caps, with the share plans also subject to a market standard dilution limit;

2.3.5. proportionality: there is a clear link between individual awards, delivery of strategy and long-term performance. In addition, the significant role played by incentive/'at-risk' pay, together with the structure of the Executive Directors' service contracts, ensures that poor performance is not rewarded; and

2.3.6. alignment to culture: the executive pay policies are fully aligned to the Company's culture.

3. Policy Table

The main components of the Policy, and how they are linked to and support the Company's strategy, are summarised below:

Element of remuneration	Purpose and link to strategy	Operation	Maximum	Performance conditions and assessment
Base salary	To provide competitive fixed remuneration that will attract and retain key employees and reflect their experience and position in the Company.	<p>Base salary is normally reviewed annually. When considering any increases to base salaries in the normal course (as opposed to a change in role or responsibility), the Remuneration Committee will take into consideration:</p> <ul style="list-style-type: none"> - level of skill, experience, scope of responsibilities and performance; - business performance, economic climate, and market conditions; - pay and employment conditions of employees throughout the Group, including increases provided to staff; - inflation; and - increases provided to Executive Directors in comparable companies (although such data would be used with caution). 	<p>Salaries are typically set after considering the salary levels in companies of a similar size and complexity in the UK real estate sector and FTSE All Share.</p> <p>Base salary increases will normally be no higher than the average level of increases awarded (in percentage terms) to the wider workforce.</p> <p>Higher increases may apply if there is a change in role, level of responsibility or experience or if the individual is new to the role.</p> <p>There is no maximum salary cap in place.</p>	None
Pension	To provide competitive levels of retirement benefit.	Contribution made into Executive Director's personal pension plan and/or a cash supplement of equivalent value paid in lieu of pension contribution.	8% of annual salary plus adjustments in line with any increases provided to the wider workforce.	None

Element of remuneration	Purpose and link to strategy	Operation	Maximum	Performance conditions and assessment
Other benefits	To provide competitive levels of employment benefits.	<p>Executive Directors may receive a benefit package which includes:</p> <ul style="list-style-type: none"> - health insurance; - death in service benefits; - company car allowance; and - other benefits as provided from time to time. <p>Benefits are reviewed periodically to ensure that they remain market competitive.</p>	<p>Maximum opportunity is the total cost of providing the benefits.</p> <p>There is no monetary cap on benefits.</p>	None
Annual bonus	The annual bonus aligns reward to key Group strategic objectives and drives short-term performance.	<p>Executive Directors participate in an annual performance-related bonus scheme.</p> <p>A minimum of 50% of any annual bonus will normally be deferred into shares for two years where shareholding guidelines have not been met. Where shareholding guidelines are met, no deferral will normally operate.</p> <p>Dividend equivalents may be payable on deferred bonus awards. The payment may assume dividend reinvestment. The annual bonus plan rules contain clawback and malus provisions.</p>	150% of annual salary.	<p>Normally assessed annually and determined by the Remuneration Committee based on financial, strategic and/or personal performance against the Group's business plan for each financial year.</p> <p>Amounts ranging from nil to up to 25% of any annual bonus 20 may be available at threshold performance.</p>

Element of remuneration	Purpose and link to strategy	Operation	Maximum	Performance conditions and assessment
Long Term Incentive Plan (LTIP)	The LTIP aligns Executive Director interests with those of Shareholders and rewards long-term value creation.	<p>Awards are normally made annually to the Executive Directors in the form of conditional awards, nil or nominal cost options.</p> <p>The awards granted under the LTIP are subject to performance conditions normally measured over a performance period of three years.</p> <p>Dividend equivalents may be payable on LTIP awards in respect of the vesting period (and if unexercised during the holding period) to the extent awards vest. The payment may assume dividend reinvestment.</p> <p>The LTIP contains malus and clawback provisions.</p> <p>A two year post vesting holding period applies to LTIP awards granted to Executive Directors.</p>	200% of annual salary.	<p>Vesting under the LTIP will be based on financial, share-price, strategic and/or ESG related performance measures.</p> <p>A maximum of 25% vesting for any performance element achieving threshold performance.</p>

Element of remuneration	Purpose and link to strategy	Operation	Maximum	Performance conditions and assessment
Shareholding policy – in employment	To ensure that Executive Directors' interests are aligned with those of Shareholders over a longer time horizon.	Requirement to build and maintain a holding of shares in the Company, through retaining at least 100% of any net of tax shares vesting in respect of discretionary share-based incentive plans if this guideline has not been met.	A minimum of 200% of annual salary.	N/A
Shareholding policy – post employment		Requirement to retain shares equal to 100% of the shareholding guideline (or the actual number of shares held against the guideline if the guideline is not met at cessation) up until the second anniversary of cessation. Own shares purchased are excluded from the post-cessation guideline.		
All Employee Schemes	To encourage share ownership by all employees.	Executive Directors may participate in any HMRC tax advantaged all employee arrangements implemented by the Company.	In line with the prevailing HMRC limits.	None

Element of remuneration	Purpose and link to strategy	Operation	Maximum	Performance conditions and assessment
Non-Executive Director fees	To attract and retain Non-Executive Directors with the requisite skills and experience.	<p>Fee levels are normally reviewed annually.</p> <p>The Non-Executive Chair fee structure is a matter for the Remuneration Committee.</p> <p>The Non-Executive Director fee structure is a matter for the full Board excluding the Non-Executive Directors.</p> <p>Non-Executive Directors may be entitled to benefits relating to travel and office support and such other benefits as may be considered appropriate including any tax liabilities thereon.</p> <p>The fees may be paid in the form of shares.</p>	<p>Fee levels are normally set at broadly median levels for comparable roles at companies of a similar size and complexity within the UK real estate sector and FTSE All Share.</p> <p>Increases will be informed by taking into account internal benchmarks, such as the salary increase for the wider workforce.</p> <p>Non-Executive Directors' fees may comprise of a base fee, with an additional fee for Committee Chairs, the Senior Independent Non-Executive Director and any other responsibilities/additional time commitments as appropriate.</p>	N/A

4. Notes to the Policy

4.1. Performance measures and targets

- 4.1.1. The annual bonus plan measures are selected to provide direct alignment with the short-term operational targets of the Company. Care is taken to ensure that the short-term performance measures are supportive of the long-term objectives. This is especially important in a business which has a long-term investment horizon. Short-term targets are stretching and geared to encourage outstanding performance which, if delivered, can earn the Executive Director up to the maximum under the plan.
- 4.1.2. The LTIP targets are selected to ensure that the Executives are encouraged to, and appropriately rewarded for, delivering against the Company's key long-term strategic goals so as to ensure a clear and transparent alignment of interests between Executives and Shareholders and the generation of sustainable long-term returns.

4.2. Malus and Clawback

- 4.2.1. Malus and clawback provisions operate in respect of cash annual bonus awards, deferred bonus awards and/or LTIP awards.
- 4.2.2. Malus is the adjustment of any outstanding deferred bonus and LTIP awards as a result of the occurrence of one or more of the circumstances listed below. The adjustment may result in the bonus or award being reduced to zero. Malus may be applied during the two and three year period from grant to vesting for the deferred bonus and LTIP awards, respectively.
- 4.2.3. Clawback is the recovery of payments of cash or shares in respect of cash bonus awards, deferred bonus and/or LTIP awards as a result of the occurrence of one or more circumstances listed below. Clawback may be applied for three years after the payment of a cash bonus or grant of deferred share awards and for three years after the vesting of an LTIP award.
- 4.2.4. The Remuneration Committee has chosen the relevant provisions in which malus and clawback may be applied on the basis that it believed these to be aligned with Shareholder expectation as well as FTSE All Share and relevant sector practice.
- 4.2.5. The circumstances in which malus and clawback may be applied are as follows:
- 4.2.5.1. the discovery of a material misstatement resulting in an adjustment to the audited consolidated accounts of the Company;
 - 4.2.5.2. the discovery that an assessment of any performance target or condition in respect of an award was based on error, or inaccurate or misleading information;
 - 4.2.5.3. the discovery that any information used to determine the amount of an award was based on error, or inaccurate or misleading information;
 - 4.2.5.4. the occurrence of corporate failure or an insolvency event;
 - 4.2.5.5. the determination that an action or conduct of an award holder which, in the reasonable opinion of the Remuneration Committee, amounts to fraud or gross misconduct; and

4.2.5.6. the occurrence of the censure of the Company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Company.

4.3. Discretion

4.3.1. The Remuneration Committee has discretion in several aspects of the operation of the Policy.

4.3.2. The Remuneration Committee may also exercise operational and administrative discretions under relevant plan rules approved by Shareholders. The Remuneration Committee operates share-based arrangements for the Executive Directors in accordance with their respective plan rules, the Listing Rules and any relevant tax rules as applicable. The Remuneration Committee, consistent with market practice and the relevant plan rules, retains discretion over a number of areas relating to the operation and administration of the plans. These include (but are not limited to) the following:

4.3.2.1. eligibility;

4.3.2.2. the form in which the award is granted and settled (e.g. shares, nil cost options, cash);

4.3.2.3. the timing of the grant of award and/or payment;

4.3.2.4. the size of an award (up to any individual and plan limits) and/or a payment;

4.3.2.5. discretion relating to the measurement of any performance target/underpin (see below);

4.3.2.6. determining vesting and performance and pro-rating of awards in the event of a 'good leaver' scenario or on a change of control or restructuring of the Company;

4.3.2.7. determination of whether or not a person is characterised as a good leaver (in addition to any specified categories) under the relevant plan;

4.3.2.8. adjustments required in certain circumstances (e.g. share capital variation, rights issues, demerger, corporate restructuring, special dividends); and

4.3.2.9. the ability to vary or substitute any performance condition(s)/underpins if circumstances occur which cause it to determine that the original condition(s) have ceased to be appropriate, provided that any such variation or waiver is fair, reasonable and not materially less difficult to satisfy than the original condition (in its opinion). In the event that the Remuneration Committee were to make an adjustment of this sort, a full explanation would be provided in the next remuneration report.

4.3.3. In all cases, the Remuneration Committee retains absolute discretion to override formulaic outcomes in the bonus, LTIP and any other incentive plan (e.g. to ensure that any payouts reflect underlying Company performance and the broader stakeholder experience).

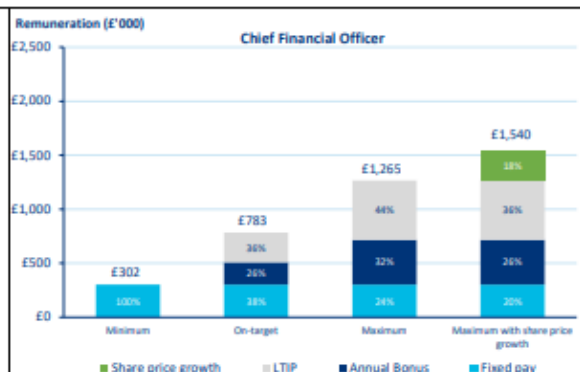
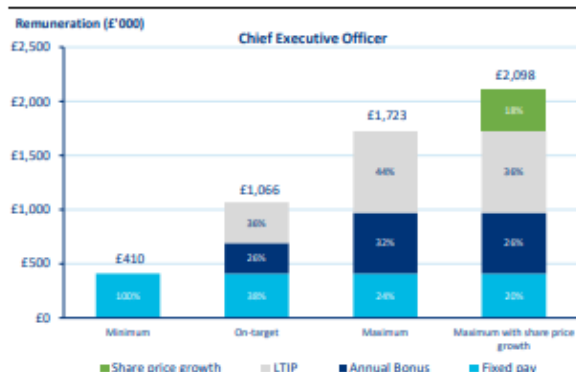
4.3.4. In addition, the Remuneration Committee has the discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Remuneration Committee, disproportionate to seek or await Shareholder approval.

4.3.5. In addition, for the avoidance of doubt, in approving this Policy, authority is given to the Company to honour any existing commitments entered into with current or former Directors prior to the adoption of this Policy.

4.4. Illustrations of application of Policy

The graphs below seek to demonstrate how pay varies with performance for the Executive Directors based on the proposed Policy. The assumptions used in determining the level of pay out under given scenarios are as follows:

Scenario	Description
Minimum (Fixed Pay)	Chief Executive Officer
	Base salary
	Estimated Benefits
	Pension (% of salary)
On-target	Chief Executive Officer
	Base salary
	Estimated Benefits
	Pension (% of salary)
Maximum	Chief Executive Officer
	Base salary
	Estimated Benefits
	Pension (% of salary)
Maximum Plus 50% share price growth	Chief Executive Officer
	Base salary
	Estimated Benefits
	Pension (% of salary)
On-target	Chief Financial Officer
	Base salary
	Estimated Benefits
	Pension (% of salary)
Maximum	Chief Financial Officer
	Base salary
	Estimated Benefits
	Pension (% of salary)
Maximum Plus 50% share price growth	Chief Financial Officer
	Base salary
	Estimated Benefits
	Pension (% of salary)



4.5. Approach to recruitment remuneration

The table below summarises the Policy in respect of recruitment remuneration:

Element	Approach
Salary and benefits	<ul style="list-style-type: none"> - Set by reference to market and taking account of individual experience and expertise in the context of the role. - Salary would also be set with reference to the salary of any departing Executive Director and the remaining Executive Director(s). - The Executive Director would be eligible to receive benefits in line with the Company's benefits policy as set out in the Policy table – this includes either a contribution to a personal pension scheme or cash allowance in lieu of pension benefits in line with the policies set out in the Policy table.
Maximum variable incentive	<ul style="list-style-type: none"> - Annual bonus as per the Policy maximum. - LTIP award as per the Policy maximum.
Sign-on payments	<ul style="list-style-type: none"> - The Company does not provide sign-on payments to Executive Directors.
Buy-out awards	<ul style="list-style-type: none"> - Any previous outstanding long-term cash and/or share awards which the Executive Director holds which would be forfeited on cessation of their previous employment may be compensated. - Where this is the case, the general principle is that the outstanding award will be valued by reference to the following factors: <ul style="list-style-type: none"> o the proportion of the performance period completed on the date of the Executive Director's cessation of employment with their former employer; o the performance conditions attached to the vesting of the incentives and the likelihood of them being satisfied; and o any other terms and conditions that may have a material impact on value. - The valuation will be conducted using a recognised valuation methodology by an independent party and the equivalent 'fair value' may be awarded as a one-off LTIP on date of joining under the LTIP. To the extent that this is not possible, a bespoke arrangement will be used. - To ensure effective retention of the Executive Director upon recruitment, any new award will be granted subject to performance conditions and vesting may be over the same period as the forfeited award from the previous employer or over a new three year period. - The exact terms will be determined by the Remuneration Committee on a case-by-case basis taking into account all relevant factors.
Relocation policies	<ul style="list-style-type: none"> - In instances where the new Executive Director is relocating from one work location to another, the Company may provide, as a one-off or otherwise, a relocation allowance as part of the Director's relocation benefits, which shall be time-limited. - The level of the relocation package will be assessed on a case-by-case basis.

4.6. Service contracts

4.6.1. The Policy on Executive Directors' service contracts is that they should be entered into on a rolling basis without a specific end-date providing for no more than one year's notice.

4.6.2. The Non-Executive Directors do not have service contracts with the Company. Their appointments are governed by letters of appointment which are available for inspection on request at the Company's registered office and which will be available for inspection at the General Meeting. Each appointment is for a period of up to three years, although the continued appointment of all Directors is put to Shareholders at the AGM on an annual basis. In addition, the appointment of a Non-Executive Director is terminable by either party giving notice of three months.

4.7. Payments for loss of office

The table below summarises the Policy in respect of payments for loss of office:

Element	Approach
Salary and benefits	<ul style="list-style-type: none"> - Salary and benefits may be paid in lieu of notice. In cases where a contract is terminated other than on the terms of the service contract, the Company will seek to mitigate any damages payable. - There will be no compensation for normal resignation or in the event of termination by the Company due to misconduct or for poor performance.
Annual bonus	<ul style="list-style-type: none"> - Normally, no annual bonus will be paid to an Executive Director who has either left the business or is under notice at the time of any bonus payment. - If the individual is a good leaver, any bonus will be awarded on a pro-rata basis as applicable. Any deferred share awards would normally vest at the normal vesting date (although may vest at the date of cessation, at the Remuneration Committee's discretion). - A 'good leaver' is defined as an individual ceasing employment due to death, ill-health, injury, disability, redundancy, retirement, the sale out of the Group of their employing business or in any other reason which the Remuneration Committee in its absolute discretion permits.
Long term incentives (LTIP)	<ul style="list-style-type: none"> - Where an Executive Director ceases to be an officer or employee of the Company before the end of the relevant vesting period, the treatment of outstanding awards is determined in accordance with the LTIP rules. - A proportion of the LTIP awards held by good leavers may vest at the Remuneration Committee's discretion determined by taking into account whether, and to what extent, any performance conditions have been satisfied and the length of time the LTIP award has been held at the date of cessation of employment. - The LTIP awards will not normally vest until the end of the performance period with performance tested at that time, although exceptionally awards may, at the discretion of the Remuneration Committee, vest on cessation of employment. - A 'good leaver' is defined as an individual ceasing employment as a result of death, ill-health, injury, disability, redundancy, retirement, the sale out of the Group of their employing business or any other reason which the Remuneration Committee in its absolute discretion permits.

Other	- The Company may meet relocation and other incidental expenses on termination of employment, the fees of legal or other professional advisers, outplacement, compensation in respect of statutory rights under relevant employment protection legislation and accrued but untaken holiday. It may also elect to continue to provide certain benefits rather than making payment in lieu of the benefit in question.
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4.8. Consideration of employment conditions in the Company when developing the Policy

In setting the Policy, the pay and conditions of employees of the Company other than Directors are taken into account. The Remuneration Committee is provided with data on the remuneration structure for all staff and uses this information to ensure consistency of approach throughout the Company. The Company has a small number of employees and applies the same broad policy in relation to incentive compensation throughout the organisation. Although the Remuneration Committee takes into account the pay and conditions of other employees, the Company did not consult with employees when drawing up the Policy.

4.9. Consideration of Shareholders' views

4.9.1. The Company is committed to engagement with Shareholders and will seek major Shareholders' views in advance of making significant changes to the Policy and how it is implemented. The Chair of the Remuneration Committee will attend the AGM to hear the views of Shareholders on the Policy and answer any questions in relation to remuneration.

4.9.2. The Remuneration Committee also actively monitors developments in the expectations of institutional investors and considers good practice guidelines from institutional shareholders and shareholder bodies.

4.10. External appointments

The Policy permits an Executive Director to serve as a Non-Executive Director elsewhere when this does not conflict with the individual's duties to the Company, and where an Executive Director takes such a role they may be entitled to retain any fees which they earn from that appointment.

**Approved by shareholders of
Supermarket Income REIT plc
at the General meeting on 20 March 2025**