



**DATED: 21 MAY 2024**

**SUPERMARKET INCOME REIT PLC**

**TERMS OF REFERENCE FOR THE  
REMUNERATION COMMITTEE**

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**SUPERMARKET INCOME REIT PLC**  
**REMUNERATION COMMITTEE**

**Establishment and Purpose**

- 1) The Board established a committee of the Board to be known as the remuneration committee (the "Committee") at its meeting on 6 May 2020. The role of the Committee is to assist the Board to fulfil its responsibility to shareholders to ensure that remuneration policy and practices of the Company reward directors fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements.

**Membership and Quorum**

- 2) The Committee shall be appointed by the Board from amongst the directors who are independent of the adviser and manager and shall consist of all the Board members. A quorum shall be two members.
- 3) The Chair of the Committee shall be appointed by the Board. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to Chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board shall **not** be Chair of the Committee.
- 4) The membership of the Committee may be amended from time to time by the Board.
- 5) Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members (other than the Chair of the Board, if he or she is a member of the Committee) continue to be independent.

**Meetings**

- 6) At least one meeting shall be held each year and at such other times as required by the Board. Any Committee member or the secretary may call a meeting.
- 7) The company secretary or his or her nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 8) The remuneration of the non-executive directors of the Board shall be determined within the limits set out in the Company's articles of association of £500,000 or such other sum as the Company in general meeting may determine from time to time. No director shall vote on any decisions as to their own remuneration.
- 9) The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 10) Meetings of the Committee may be conducted when the members are physically present together or in the form of either video or audio conference, provided that all participants can hear and speak.

### **Notice of meetings**

- 11) Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee Chair.

### **Voting Arrangements**

- 12) Subject to Paragraph 13, each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting whether in person or by audio or video conference.
- 13) If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote on that matter at the meeting.
- 14) The Committee Chair may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

### **Minutes of Meetings**

- 15) The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 16) Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the committee Chair it would be inappropriate to do so.
- 17) A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

### **Annual general meeting**

- 18) The Committee Chair should attend the annual general meeting to answer any shareholder questions on the committee's activities.

### **Authority**

- 19) The Committee is authorised by the Board to investigate and review any matter within its terms of reference and to consider any matter the Committee deems relevant to the discharge of its duties.
- 20) The Committee is authorised by the Board to obtain, at the Company's expense outside legal or other professional advice on any matters within its terms of reference.

### **Duties of the Committee - Remuneration**

- 21) The duties of the Committee in relation to the remuneration of directors shall be to:-

- a) determine and agree with the Board the framework and policy for the remuneration of the Company's Chair and non-executive directors pursuant to the Company's articles of association. The remuneration of non-executive directors shall be a matter for the Committee within the limits set in the articles of association. Each individual director shall not vote in any decisions as to their own remuneration;
- b) in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the AIC Code 2019;
- c) review the ongoing appropriateness and relevance of the remuneration policy;
- d) obtain reliable, up-to-date information about remuneration in other companies. To help fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;
- e) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- f) agree the policy for authorising claims for expenses for the directors; and
- g) work and liaise as necessary with all other Board committees.

#### **Shareholder approval**

- 22) The Committee shall produce a report to shareholders annually on matters relating to remuneration that shall include the information required to be disclosed by the Companies Act 2006 (including any regulations made under that Act), the AIC Code, the Listing Rules (as published by the Financial Conduct Authority) (Listing Rules) and any other relevant statutory, regulatory or governance codes and incorporate:
  - a) an annual statement by the Committee's Chair and an annual report on directors' remuneration (together, annual remuneration report); and
  - b) the directors' remuneration policy (directors' remuneration policy) or, if it is not being submitted for approval as required, a summary of such policy or details of when the directors' remuneration policy was approved and where it can be found on the Company's website;
  - c) submit the directors' remuneration policy for approval on a binding basis by shareholders:
    - i) every three years;
    - ii) in any year in which there is a change to the policy;
    - iii) if shareholder approval was not obtained when last submitted; and
    - iv) If majority shareholder approval was not achieved on the last submitted annual remuneration report.
  - d) submit the annual remuneration report for approval on an advisory basis by shareholders at the annual general meeting each year.

- e) Subject to delegation of authority by the Board, engage in appropriate discussions as necessary with shareholders if, 20 per cent. or more of votes have been cast by shareholders against a resolution to approve the annual remuneration report or directors' remuneration policy at any annual general meeting or general meeting, as the case may be, and agree with the Board any appropriate disclosure, including in the annual report.

### **Reporting responsibilities**

23) The Committee shall:

- a) Report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all meetings shall be included in the Board papers for a subsequent Board meeting.
- b) Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- c) Prepare a formal report for shareholders to be incorporated in the Company's annual report that shall include the matters referred to in paragraph 22 and ensure that it is submitted for approval as appropriate in accordance with paragraph 22 above.
- d) If the Committee has appointed remuneration consultants, identify in the annual report, the name of the consultants and state whether they have any connection with the Company.
- e) The Committee shall produce reports to be included in the Company's annual report about its activities, the membership of the committee, number of meetings and attendance over the course of the year.

### **General Matters**

24) The Committee shall:

- a) Have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required.
- b) Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
- c) Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies including be not limited to the provisions of the AIC Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, as well as guidelines published by the Investment Association, the Pensions and Lifetime Savings Association, the GC100 and Investor Group and any other applicable rules, as appropriate.

- d) Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

**Authority**

25) The Committee is authorised to:

- a) Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate independent legal or professional advice on any matter within its terms of reference as it considers necessary.
- b) Seek any information it requires from any member of the Board and/or any director or employee of the AIFM or the Investment Adviser in order to perform its duties.
- c) Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.
- d) Call on the AIFM or the Investment Adviser to be questioned at a Committee meeting as and when required.
- e) Have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.

**Adopted by the Board on 21 May 2024**

**Schedule 1**

**Members:**

Cathryn Vanderspar (Chair)

Frances Davies

Jon Austen