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**SUPERMARKET INCOME REIT**

**DATED: 21 MAY 2024**

**SUPERMARKET INCOME REIT PLC**

**TENURE POLICY**

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**TENURE OF THE CHAIR**

**REQUIREMENT:**

Chairs of investment companies differ to chairs of other companies which means different considerations apply with regard to tenure.

The Chair of an investment company presides over a board which does not have a chief executive or other executive directors. Like the UK Corporate Governance Code (“UK Code”), the AIC Code of Corporate Governance Code (2018) (“AIC Code”) (Provision 11) requires the chair to be independent on appointment. However, unlike the UK Code, it specifically recommends (Provision 12) that the chair avoids relationships which might compromise independence throughout the chair’s tenure. These Provisions further reinforce the regulatory rules that apply to investment companies (e.g. LR 15.2 12-A) which ensure that the chair remains independent both on and after appointment. A more flexible approach to chair tenure will help companies manage succession planning in the context of the sector’s different circumstances, whilst at the same time still address the need for regular refreshment and diversity.

**POLICY:**

Supermarket Income REIT plc (the “Company”) recognises the benefits of regular refreshment and diversity on the Board. However, the Company considers it appropriate to adopt a more flexible approach to Chair tenure as the Company’s assets are long term assets, which may benefit for a longer Chair tenure and this will help the Company manage succession planning. However and to the extent that the Company’s succession planning permits, the Company formerly considers the tenure of the Chair periodically with increased scrutiny on the ninth anniversary of the Chair’s appointment, and each year thereafter.

The Chair is expected to be independent on appointment and to remain independent throughout the Chair’s tenure.

Under the terms of the letters of appointment each Director is appointed for an initial three-year term. All Directors retire and seek re-election at each AGM. It is expected that each Director will serve two three-year terms but may be invited by the Board to service for an additional three-year term.

The Board’s policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company’s Directors has been imposed.

**SUCCESSION PLANNING**

**REQUIREMENT:**

Succession planning should take into account the need to refresh board membership on a gradual basis. Principle K of the AIC Code (2018) requires consideration to be given to the length of service of the board as a whole and the need to regularly refresh membership.

It should not be the case that the board membership is only refreshed in reaction to a director leaving or coming to the end of their expected period of tenure, or their nine-year term. The concept of refreshing the board is also relevant as part of a proactive succession plan to meet diversity objectives, to bring in new skills to the board or to cut short the term of a director who is not making a sufficient contribution to the board.

The 2018 FRC Guidance emphasises that there should be discussions with the non-executive directors on the board about tenure, and that they should be encouraged to be flexible about the length of their term on the board. The board should be prepared to ask a non-executive director to leave before their tenure reaches nine years, even if they are making a good contribution to the board, if that would assist in getting the right mix of skills and experience or diversity on the board, or would assist in staggering board departures.

Key considerations:

- Succession plans should consider different time horizons:
- Contingency planning for sudden and unforeseen departures;
- Medium-term planning: the orderly replacement of current board members (for example, retirement); and
- Long-term planning: the relationship between delivery of company strategy and objectives to the skills needed on the board now and in the future.

There should not be reliance on the skills of one individual. Discussions on tenure at the time of appointment will help to inform and manage the long-term succession strategy. The needs of the Company and the Board will change over time, so expectations should be managed and non-executive directors encouraged to be flexible about term lengths and extensions.

There should be discussions with shareholders about board refreshment and succession.

**POLICY:**

The Board's policy is to refresh the Board in an orderly fashion, staggering changes over time in order to allow a smooth transition of skills and knowledge to incoming Board members. This also assists in avoiding the "group think" danger when a majority of the Directors have been on the board for a long time over the same period.

The Board's policy for succession planning is that there should be forward-looking and detailed succession and refreshment plans when proposing re-election of long-serving members.

Any member of the Board who has served for nine years will be subject to a particularly rigorous review and evaluation process to determine whether they remain independent and should continue in their position. Each board member is subject to annual re-election at each annual general meeting.

As part of its succession planning the Board continues to review the structure of the Board, the importance of continuity of experience, balanced against the tenure of existing Directors. The Board also considers the other activities of non-executive Board members to ensure that there are no conflicts of interest and that Directors are able to apply the

appropriate amount of time and skill to the activities of a small and highly engaged Board and are not 'over-boarded'. However, the Board recognises the benefit of having highly experienced Directors who have skills and contemporary experience drawn from elsewhere and encourages this as part of its make up, so long as it does not create conflict or any constraints in being able to fulfil responsibilities to the Company.

**CONTROLS:**

The Nomination Committee is responsible for the implementation of this Policy and for monitoring compliance with this Policy. The Nomination Committee will report annually, in the Corporate Governance section of the Annual Report and Accounts, on the current policy on tenure of the Chair, including a clear rationale on how this policy is consistent with the need for regular refreshment and diversity. The report will also include details of how this policy informs the Company's succession planning and future Board appointments. The report will include a reference to this policy.

**REVIEW OF THIS POLICY:**

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

**Adopted by the Board of  
Supermarket Income REIT PLC  
Reviewed and updated 21 May 2024**