



**SUPERMARKET INCOME REIT PLC
(THE "COMPANY")**

**TERMS OF REFERENCE
FOR THE REMUNERATION COMMITTEE
(THE "COMMITTEE")**

1. ESTABLISHMENT AND PURPOSE

- 1.1. 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.

2. MEMBERSHIP AND QUORUM

- 2.1. The Committee shall be appointed by the Board and shall comprise at least three members, all of whom shall be independent non-executive directors. The chair of the Board may also serve on the Committee if they are considered independent. A quorum shall be two members.
- 2.2. 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.
- 2.3. The membership of the Committee may be amended from time to time by the Board.
- 2.4. Appointments to the Committee are made by the Board, on the recommendation of the Nomination Committee and in consultation with the chair of the Committee, 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.
- 2.5. Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate.

3. MEETINGS

- 3.1. The Committee shall meet at least twice a year and at such other times as required by the Board. Any Committee member or the secretary may call a meeting.
- 3.2. 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.
- 3.3. The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 3.4. 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.

4. NOTICE OF MEETINGS

- 4.1. Where practicable, 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.

5. VOTING ARRANGEMENTS

- 5.1. Subject to Paragraph 12, 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.
- 5.2. 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.
- 5.3. The Committee Chair may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

6. MINUTES OF MEETINGS

- 6.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. 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.
- 6.3. 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.

7. ENGAGEMENT WITH SHAREHOLDERS

- 7.1. The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek to engage with major shareholders on significant matters related to the Committee's areas of responsibility.

8. AUTHORITY

- 8.1. 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.
- 8.2. The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 8.3. The Committee has no authority in relation to the remuneration of the non-executive directors, other than the Chair of the Company. The remuneration of the non-executive directors shall be a matter for the Board, excluding the non-executive directors and shall be determined in accordance with the Articles of Association and remuneration policy.
- 8.4. No individual shall be involved in any decision as to their own remuneration outcome.
- 8.5. 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.

- 8.6. The Committee shall be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and requesting their attendance at its meetings if it considers this necessary, at the Company's expense.
- 8.7. The Committee is authorised to obtain reliable, up-to-date information about remuneration in other companies and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board.
- 8.8. The Committee shall 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.

9. DUTIES OF THE COMMITTEE – REMUNERATION

- 9.1. The Committee should carry out the duties detailed below for the Company and the Group as a whole, as appropriate.
- 9.2. The Committee shall:
- 9.2.1. have delegated responsibility for determining the policy for directors' remuneration and setting remuneration for the company's chair and executive directors and senior management¹, taking into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of the relevant Corporate Governance Code adopted by the Company. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders;
 - 9.2.2. establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests, with share awards subject to a total vesting and holding period of at least five years, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares;
 - 9.2.3. design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to company purpose and values, clearly linked to the successful delivery of the company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances;
 - 9.2.4. review the ongoing appropriateness and relevance of the remuneration policy;
 - 9.2.5. within the terms of the agreed policy and in consultation with the Chair and/or chief executive, as appropriate, determine the total individual remuneration package of each executive director, the company chair and senior management including bonuses, incentive payments and share-based awards. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of company and individual performance, and wider circumstances;

¹ For the purpose of these terms of reference 'senior management', which includes the Company Secretary unless the role is outsourced, shall be defined as members of the Executive Committee.

- 9.2.6. review, in consultation with shareholders as appropriate, the design of all share incentive plans for approval by the Board and, where required, shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards for executive directors and senior managers, and the performance targets to be used;
- 9.2.7. set the remuneration of the Chair of the Company, appropriately reflecting the time commitment and responsibility of the role;
- 9.2.8. review workforce remuneration and related policies;
- 9.2.9. implement the remuneration for executive directors in accordance with the agreed remuneration policy;
- 9.2.10. have oversight of the total bonus expense for all employees;
- 9.2.11. agree the policy for authorising claims for expenses for the directors; and.
- 9.2.12. work and liaise as necessary with all other Board committees.

10. SHAREHOLDER APPROVAL

- 10.1. 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 relevant Corporate Governance Code adopted by the Company, the Listing Rules (as published by the Financial Conduct Authority) (Listing Rules) and any other relevant statutory, regulatory or governance codes and incorporate:
 - 10.1.1. an annual statement by the Committee's Chair and an annual report on directors' remuneration (together, annual remuneration report);
 - 10.1.2. 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;
 - 10.1.3. submit the directors' remuneration policy for approval on a binding basis by shareholders:
 - 10.1.3.1. every three years;
 - 10.1.3.2. in any year in which there is a change to the policy;
 - 10.1.3.3. if shareholder approval was not obtained when last submitted; and
 - 10.1.3.4. If majority shareholder approval was not achieved on the last submitted annual remuneration report.
 - 10.1.4. submit the annual remuneration report for approval on an advisory basis by shareholders at the annual general meeting each year; and
 - 10.1.5. subject to delegation of authority by the Board, engage in appropriate discussions as necessary with major 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.

11. REPORTING RESPONSIBILITIES

11.1. The Committee shall:

- 11.1.1. report to the Board on its proceedings after each meeting on the nature and content of its discussion, recommendations and action to be taken;
- 11.1.2. make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for Board discussion when necessary;
- 11.1.3. prepare a formal report for shareholders to be incorporated in the Company's annual report that shall include the matters referred to in paragraph 10 and ensure that it is submitted for approval as appropriate in accordance with paragraph 10 above;
- 11.1.4. 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; and
- 11.1.5. 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.

12. GENERAL MATTERS

12.1. The Committee shall:

- 12.1.1. have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- 12.1.2. 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;
- 12.1.3. give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies including but not limited to the provisions of the relevant Corporate Governance Code adopted by the Company, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, as well as guidelines published by the Investment Association, Institutional Shareholder Services, Glass Lewis and any other applicable rules or guidance, as appropriate; and
- 12.1.4. 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.

Adopted by the Board on 25/03/2025

SCHEDULE 1

MEMBERS OF THE COMMITTEE

Cathryn Vanderspar (Chair)	6 May 2020
Jon Austen	6 May 2020
Roger Blundell	15 January 2025
Frances Davies	1 June 2022