



**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 at its meeting on 6 May 2020 in accordance with the articles of association of the Company. 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 are aligned to Company purpose and values and are designed to support strategy and promote long-term sustainable success, reward directors fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements.
- 1.2. These terms of reference may be amended from time to time by a resolution of the Board.

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. The quorum shall be two members.
- 2.2. The Chair of the Committee shall be appointed by the Board, and before such appointment, the appointee should have served on a remuneration committee for at least 12 months. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting from those 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. 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. 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. MEETINGS

- 3.1. The Committee shall meet at least twice a year and at such other times as required by the Board.
- 3.2. The Chair of the Committee shall have the discretion to decide who, other than Committee members, shall attend and address Committee meetings.
- 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. Any Committee member or the secretary may call a Committee meeting.
- 4.2. 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.

5. VOTING ARRANGEMENTS

- 5.1. 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 or any other conflict of interest arising from a cross-directorship or otherwise, that member shall not be permitted to vote or participate in the discussions concerning any resolutions on that matter at the meeting, and (if so required by the Board) shall resign from the Committee.
- 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 or via email and signed or otherwise approved via electronic signature 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. DUTIES OF THE COMMITTEE – REMUNERATION

Remuneration policy and practices

The Committee shall:

- 8.1. have delegated responsibility for determining the policy for executive directors' remuneration and setting remuneration for the Company's chair, 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 UK Corporate Governance Code and associated guidance;
- 8.2. have 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.

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.

- 8.3. ensure that the objective of the remuneration 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;
- 8.4. 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;
- 8.5. 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;
- 8.6. review the ongoing appropriateness and relevance of the remuneration policy;
- 8.7. 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;
- 8.8. review the pension arrangements for executive directors and senior management and consider the alignment of pension contribution rates with those available to the workforce;
- 8.9. agree the policy for authorising claims of expenses from the directors;
- 8.10. review workforce remuneration and related policies and the alignment of incentives and rewards with culture and oversee any major changes in remuneration and employee benefits structure throughout the Company;

Share based remuneration and bonus arrangements

- 8.11. review and recommend for approval by the Board and, where required, shareholders, in consultation with shareholders as appropriate, the design of all share incentive plans in which executive directors and senior management participate. 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 management, and the performance targets to be used;
- 8.12. monitor and assess any performance conditions applicable to any long-term incentive awards granted under any schemes or plans adopted by the Company. Ensure that the performance conditions are fully explained, aligned to the Company purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy and enhancement of shareholder value;
- 8.13. consider whether the executive directors, the company secretary and senior executives should be eligible for annual bonuses;
- 8.14. design and invoke agreed safeguards, for example, clawback or withholding the payment of any sum or share award, to protect against rewards for failure through appropriate risk management of any incentive arrangements to ensure that any performance-related payments reflect actual achievements;
- 8.15. ensure that all incentive arrangements are aligned to the Company's risk policies and systems, its purpose and values, support the strategy and promote long-term sustainable success;

Service contract and severance

- 8.16. approve the terms of the service contracts, the duration of which shall not normally exceed one year's notice period, for executive directors and senior management and any material amendments to those contracts;
- 8.17. determine the policy for, and scope of, termination payments and compensation commitments for each executive director and senior management and ensure that poor performance is not rewarded and that there is a clear policy to link non-contractual payments to performance;
- 8.18. ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company and in accordance with legal and regulatory requirements, that failure is not rewarded and that the duty to mitigate loss is fully recognised; and
- 8.19. determine the policy for the inclusion of malus and clawback provisions in directors' contracts and other agreements or documents which cover director remuneration.

9. SHAREHOLDER APPROVAL

- 9.1 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 UK Corporate Governance Code, the UK Listing Rules and any other relevant statutory, regulatory or governance codes and incorporate:
 - 9.1.1 an annual statement by the Committee's Chair and an annual report on directors' remuneration (together, annual remuneration report);
 - 9.1.2 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;
 - 9.1.3 submit the directors' remuneration policy for approval on a binding basis by shareholders:
 - 9.1.3.1 every three years;
 - 9.1.3.2 in any year in which there is a change to the policy;
 - 9.1.3.3 if shareholder approval was not obtained when last submitted; and
 - 9.1.3.4 If majority shareholder approval was not achieved on the last submitted annual remuneration report.
 - 9.1.4 submit the annual remuneration report for approval on an advisory basis by shareholders at the annual general meeting each year; and
 - 9.1.5 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.

10 REPORTING RESPONSIBILITIES

The Committee shall:

- 10.1 report to the Board on its proceedings after each meeting on the nature and content of its discussion, recommendations and action to be taken and the minutes of the Committee meetings shall be included in the board papers for a subsequent board meeting;
- 10.2 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;
- 10.3 prepare a formal report for shareholders to be incorporated in the Company's annual report that shall include the matters referred to in paragraph 9.1 and ensure that it is submitted for approval as appropriate in

- accordance with paragraph 9.1 above;
- 10.4 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 or individual directors; and
- 10.5 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.
- 10.6 make available its terms of reference on the Company's website.

11 GENERAL MATTERS

The Committee shall:

- 11.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- 11.2 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;
- 11.3 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 UK Corporate Governance Code, the requirements of the UK Listing Rules, Prospectus and Disclosure and Transparency Rules, as well as guidelines published by the Investment Association, the Pension and Lifetime Savings Association, Institutional Shareholder Services, Glass Lewis and any other applicable rules or guidance, as appropriate;
- 11.4 Work and liaise as necessary with all other board committees, including the nomination committee in respect of any remuneration package to be offered to any new appointee of the board, ensuring that the interaction between committees and the Committee and the board is reviewed regularly; and
- 11.5 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.

12 AUTHORITY

The Committee is authorised to:

- 12.1 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;
- 12.2 seek any information it requires from any employee of the Company in order to perform its duties;
- 12.3 establish 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;
- 12.4 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; and
- 12.5 publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.

ADOPTED AT THE BOARD MEETING OF THE COMPANY ON 3 MARCH 2026

SCHEDULE 1

MEMBERS OF THE COMMITTEE

Cathryn Vanderspar (Chair)

Roger Blundell

Frances Davies