

GOVERNANCE

Directors' Remuneration report

Committee Chairman's Letter

Dear shareholder,

On behalf of your Board, I am pleased to present the Directors' Remuneration report for the period ended 1 April 2017.

Overview of remuneration strategy

The focus of our remuneration strategy is on rewarding performance – the majority of executive remuneration (approximately 70% at maximum) is variable and only payable if demanding performance targets are met. The performance measures are firmly linked to our strategy and ultimately aligned with shareholders' interests to deliver earnings growth and improved shareholder value in the medium-term. The majority of variable pay is payable in the form of shares.

Further information on how executive remuneration links to our strategy is set out in the table on page 42.

2017 Remuneration Policy

The Committee's main focus over the year has been to approve the Company's new Remuneration Policy. During the design of the new policy, the Committee consulted with the major shareholders. As Chairman of the Committee, I wrote to the Company's largest shareholders, the Investment Association (IA) and Institutional Shareholder Services (ISS) in order to update them on the proposed changes and seek feedback.

The main principles applied to the review process were to simplify remuneration arrangements, ensure arrangements were in line with general market practice and to retain flexibility to respond to future requirements. No increases to overall quantum or opportunity have been proposed and as a result there are no material changes in remuneration arrangements.

Annual bonus plan Structure

The current opportunity is 150% of salary for the CEO of which 25% is paid in shares (not subject to compulsory deferral) and a total of 105% of salary for the CFO which comprises 75% of salary under the annual bonus plan and 30% under the 2011 Deferred Share Bonus Plan ('DSBP') which is subject to the same performance conditions as the element under the annual bonus plan but deferred for two years.

To simplify the bonus structure, it is proposed that the annual bonus and DSBP are consolidated with no change in quantum so that the annual bonus opportunity is 150% of salary for the CEO and 105% for the CFO.

Deferral

At the same time the Committee intends to introduce bonus deferral for all executive directors, with not less than 1/3rd of the total bonus awarded being deferred into Premier Foods' shares for three years. This will increase alignment between executive directors and shareholders and will increase the bonus payable in shares as a percentage of salary for both CEO and CFO (which is currently 25% and 28.5%, respectively). In order to facilitate this deferral the Company is seeking shareholder approval to introduce a new Deferred Bonus Plan (DBP) at the 2017 AGM.

The deferred amount will be subject to recovery provisions. Executive directors are required to retain 50% of post-tax shares from the vesting of LTIP awards until such time as their shareholding guidelines have been met. Shares from the DBP will be subject to the same retention requirement.

Long-Term Incentive Plan ('LTIP') Structure

The current LTIP is comprised of performance shares and matching shares. There have been annual grants of performance shares under the current plan, however, matching shares have not been granted in recent years. Given matching shares are minority practice, to simplify the structure and align with market practice, matching shares will be removed from the plan under the new policy.

In addition, to further align with best practice, a two year post vesting holding period will apply and current recovery provisions will be extended to recovery and withholding provisions.

Executive shareholdings and external directorships

Finally, the Company's guidelines on executive directors' shareholdings and external directorships have been incorporated into the Remuneration Policy.

Performance outcome for 2016/17

The Committee reviewed the CEO's and CFO's performance over the financial period and assessed the extent to which their annual bonus targets had been achieved. Whilst significant progress was made in respect of key Strategic and Personal objectives, trading performance was below target. No bonus awards have been made for the financial period, details of the performance assessments are set out on pages 43 to 45.

Arrangements for the coming period

Targets for the annual bonus and LTIP awards for 2017/18 are aligned with the Group's strategic priorities highlighted in the Chief Executive's review on page 05.

As part of the Company's cost reduction programme it was agreed that there would be no salary increase for colleagues not involved in collective bargaining for 2017/18 and consequently no salary increases are proposed for the CEO and CFO. The CEO's salary therefore remains unchanged since his appointment in 2013.

I look forward to your continuing support.

Jennifer Laing
Remuneration Committee Chairman

16 May 2017

How the Remuneration report is structured

- Directors' Remuneration Policy 2017 (for approval by shareholders): pages 36 to 41
- Remuneration of executive directors: pages 42 to 49
- Other disclosures: pages 50 to 51
- Remuneration of non-executive directors: page 51
- Work of the Remuneration Committee: page 52

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Directors' Remuneration report continued

Remuneration Policy

Set out below is the Directors' Remuneration Policy which, if approved, will apply from the close of the AGM on 20 July 2017. Total remuneration is made up of fixed and performance-linked elements, with each element supporting different strategic objectives.

	Link to strategy	Operation	Maximum opportunity	Performance measures
Base salary	<p>Provides an appropriate level of fixed income.</p> <p>Set at levels to attract and retain talented individuals with reference to the Committee's assessment of:</p> <ul style="list-style-type: none"> The specific needs of the Group by reference to the size and complexity of the business, acknowledging the Group is currently in a turnaround situation; The specific experience, skills and responsibilities of the individual; and The market rates for companies of comparable size and complexity and internal Company relativities. 	<p>Normally reviewed annually (currently with effect from 1 April) in conjunction with those of the wider workforce.</p>	<p>Salaries for the relevant year are detailed in the Annual Report on Remuneration.</p> <p>Whilst the Company does not have a cap on salaries, increases are normally expected to be in line with increases across the management grades, subject to particular circumstances such as a significant change in role, responsibilities or organisation. An explanation of differences in remuneration policy for executive directors compared with other employees is set out later in this Directors' Remuneration Policy.</p>	<p>Group performance is taken into consideration when determining an appropriate level of base salary increase for the Group as a whole and personal performance is taken into account when determining an appropriate level of base salary increase for the executive.</p> <p>Performance Period: N/A.</p>
Benefits	<p>Help to recruit, retain and promote the efficient use of management time.</p>	<p>The Company typically provides the following benefits:</p> <ul style="list-style-type: none"> Company car or cash allowance. The Company provides an executive driver service, as and when appropriate, to allow the CEO to work while commuting to business appointments; Private health insurance; Life insurance; Telecommunication services; Professional memberships; Allowance for personal tax and financial planning; and Other ancillary benefits, including relocation expenses (as required). 	<p>There is currently no maximum level, however, the provision and level of allowances and benefits are considered appropriate and in line with market practice.</p>	<p>N/A.</p> <p>Performance Period: N/A.</p>
Pension	<p>To offer market competitive levels of benefit and help to recruit and retain and to recognise long-term commitment to the Group.</p>	<p>Executive directors receive an allowance in lieu of pension provision which is subject to periodic review or may participate in the Group's defined contribution scheme on the same basis as all other new employees. Executive directors may also salary sacrifice additional amounts into this scheme but will not receive any additional contribution from the Group. Only basic pay is pensionable.</p>	<p>The maximum contribution of allowance for executive directors is 20% of basic salary. The current level of contribution or allowance for the current executive directors is as follows:</p> <ul style="list-style-type: none"> CEO: the allowance is 20% of basic salary. CFO: the Company contributes 7.5% of basic pay up to an Earnings Cap (currently £150,600, but increasing each April in line with the Retail Prices Index) and pays a salary supplement (currently £22,819, which increases each April in line with the Retail Prices Index). 	<p>N/A.</p> <p>Performance Period: N/A.</p>

	Link to strategy	Operation	Maximum opportunity	Performance measures
Annual Bonus	Designed to incentivise delivery of annual financial and operational goals and directly linked to delivery of the Group strategy.	<p>An annual bonus is earned based on performance against a number of performance measures which are linked to the Group's strategy. Maximum of 2/3rds of the bonus is paid in cash and a minimum of 1/3rd deferred into shares under the Premier Foods Deferred Bonus Plan ('DBP') which are released after three years subject to continued employment.</p> <p>The rules of the DBP contain a dividend equivalent provision enabling payments to be made (in cash or shares) at the time of vesting, in an amount equivalent to the dividends that would have been paid on the participant's vested shares between the date of grant of the relevant award and the date of vesting.</p> <p>Recovery provisions apply for the cash and share elements.</p>	<p>Maximum (as a percentage of salary):</p> <ul style="list-style-type: none"> CEO: 150% CFO: 105% 	<p>Performance conditions are designed to promote the delivery of the Group's strategy and can be made up of a range of:</p> <ul style="list-style-type: none"> Financial targets (e.g. turnover, trading profit and cash flow) representing not less than 50% of the total bonus opportunity, subject to the delivery of a threshold level of trading profit; Short to medium-term strategic targets including financial and non-financial Key Performance Indicators, subject to the delivery of a threshold level of profitability; and Personal performance representing not more than 20% of the total bonus opportunity. <p>No more than 20% of the bonus will vest for threshold performance with full vesting taking place for equalling or exceeding the maximum target.</p> <p>Specific details of the performance measures for the relevant year can be found in the Annual Report on Remuneration to the extent that they are not commercially sensitive.</p> <p>Performance Period: One year</p>
Long-Term Incentive Plan (LTIP)	The Premier Foods Long-Term Incentive Plan ('LTIP') provides a clear link to our strategic goal of returning to profitable growth with sustainable share price growth over the long-term.	<p>Annual grant of Performance Share Awards.</p> <p>Performance Share Awards are the conditional award of shares or nil cost options which normally vest after three years subject to performance conditions.</p> <p>Awards under the LTIP, including the determination of any relevant performance conditions, will be considered and determined on an annual basis at the discretion of the Committee.</p> <p>The rules contain a dividend equivalent provision enabling payments to be made (in cash or shares) at the time of vesting, in an amount equivalent to the dividends that would have been paid on the participant's vested shares between the date of grant of the relevant award and the date of vesting. Recovery and withholding provisions apply</p>	<p>Maximum individual limit of 200% of salary.</p> <p>Currently award levels are (as a percentage of salary):</p> <ul style="list-style-type: none"> CEO: 200% CFO: 150% 	<p>Performance conditions are based on a range of targets focused on the delivery of increased shareholder value over the medium to long-term. Currently these include a combination of total shareholder return and adjusted earnings per share.</p> <p>No more than 20% of the LTIP award will vest for threshold performance with full vesting taking place for equalling or exceeding the maximum target.</p> <p>Performance Period: Three years</p> <p>Holding Period: Two years (post vesting)</p>
Sharesave Plan	To offer all employees the opportunity to build a shareholding in a simple and tax-efficient manner.	The Company's Sharesave Plan is a HMRC compliant scheme which is usually offered annually to all employees. The key terms of the plan will only be changed to reflect HMRC changes.	Participants may save up to the statutory limit (currently £500 per month but subject to any lower limit set by the Committee) over a three year period, following which they have the opportunity to buy Company shares at a price set at the beginning of the savings period.	<p>None, other than continued employment</p> <p>Performance Period: Three years.</p>

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	Link to strategy	Operation	Maximum opportunity	Performance measures
Shareholding Guidelines	To align executives' interests with shareholders.	Executive directors are expected to retain 50% of shares from vested awards under the DBP and the LTIP (other than sales to settle any tax or NICs due) until they reach their guideline multiple of salary in shares. The Committee will review progress against the guidelines (which are set out in the Annual Report on Remuneration) on an annual basis.	N/A.	N/A. Performance Period: N/A.
Non-executive director fees	Provides an appropriate level of fixed fee to recruit and retain individuals with a broad range of experience and skill to support the Board in the delivery of its duties. Fees are reviewed annually.	The remuneration of non-executive directors is determined by the Chairman and executive directors. The remuneration of the Chairman is determined by the Remuneration Committee. Includes a Chairman's fee and standard non-executive fee. Additional fees are payable for additional responsibilities for example the roles of Committee Chairs and the Senior Independent Director. Any reasonable business related expenses (including tax thereon) which are determined to be a taxable benefit can be reimbursed.	Increases are normally expected to be in line with the market, taking into account increases across the Group as a whole, subject to particular circumstances such as a significant change in role, responsibilities or organisation. The current aggregate maximum under the Company's Articles of Association for the Chairman and the non-executive directors is £1,000,000.	N/A. Performance Period: N/A.

1. Notes to the policy table

For the avoidance of doubt, in approving this Directors' Remuneration policy, authority is given to the Company to honour any commitments entered into with current or former directors that have been disclosed to shareholders in previous remuneration reports. Details of any payments to former directors will be set out in the Annual Report on Remuneration as they arise as required under the Remuneration Regulations.

The Committee operates the Annual Bonus plan, DBP, and LTIP according to their respective rules which include flexibility in a number of areas. These include:

- the timing of awards and payments;
- the size of an award, within the maximum limits;
- the participants of the plan;
- the performance measures, targets and weightings to be used for the annual bonus plan and long-term incentive plans from year to year;
- the assessment of whether performance conditions have been met;
- the treatment to be applied for a change of control or significant restructuring of the Group;

- the determination of a good/bad leaver for incentive plan purposes and the treatment of awards thereof; and
- the adjustments, if any, required in certain circumstances (e.g. rights issues, corporate restructuring, corporate events and special dividends).

Choice of performance measures and approach to target setting

The Committee reviews the performance measures used in the incentive arrangements on an annual basis to ensure that they remain appropriate and aligned to the delivery of the annual business plan and Group strategy. The majority of annual bonus measures will be focused on financial performance with the remainder linked to individual performance and/or strategic objectives. This approach is adopted in order to link pay to the delivery of overall Group performance measured across a balance of key strategic aims. The targets will be set by reference to internal budgeting and strategic plans for the financial and strategic measures and key objectives identified by the Committee for the personal performance measures.

Currently, the LTIP uses a combination of adjusted earnings per share and total shareholder return based measures to reflect both an internal measure of Group performance as well as the delivery of shareholder value. Targets are set taking into account both internal and external assessments of future performance and what constitutes good and superior returns for shareholders. The Committee also retains the discretion within the policy to adjust the targets and/or set different measures and/or alter weightings for future awards.

In addition, the Committee also retains the discretion within the policy to amend the existing performance conditions for the incentive plans if events happen that cause it to determine that the conditions are unable to fulfil their original intended purpose.

The Committee will consider the bonus outcomes against all of the pre-set targets following their calculation and in exceptional circumstances may moderate (up and down) these outcomes to take account of a range of factors including the Committee's view of overall Group performance for the year. No upward moderation would be undertaken without first consulting with major shareholders.

2. Remuneration scenarios & weighting

The chart below shows executive director remuneration at three different levels of performance (minimum, mid-point and maximum) as set out previously:



Footnotes:

- As the DBP is a portion of Annual Bonus it is included within this segment.
- The value of share awards does not include any assumptions on share price movements.
- The executive directors can participate in the Sharesave Plan on the same basis as other employees. For simplicity, the value that may be received from participating in the Sharesave Plan has been excluded from the scenario charts.
- Assumptions when compiling the charts are:
 Minimum = fixed pay only (base salary, benefits and pension).
 Mid-point = fixed pay plus 50% of Annual Bonus payable and 50% of LTIP vesting.
 Maximum = fixed pay plus 100% of Annual Bonus payable and 100% of LTIP vesting

3. Service contracts

Executive directors have rolling service contracts. The current executive directors' service contracts contain the key terms shown in the below table. In the event that any additional executive directors are appointed, it is likely that their service contracts will contain broadly similar terms.

Provision	Detailed terms
Remuneration	Salary, bonus, share incentives, expenses and pension entitlements in line with the above Directors' Remuneration Policy Table.
Change of Control	The service agreements do not provide for any enhanced payments in the event of a change of control of the Company.
Notice Period	Standard notice periods are set at 12 months from the executive directors and Company.
Payment in lieu of notice	<p>The Company may, at its discretion, pay a sum equal to base salary, benefits, and pension contributions which would have been earned during the Notice Period as payment in lieu of notice. This payment is payable in two six monthly instalments or until such earlier date alternative employment is secured, subject to mitigation.</p> <p>In the event of the Company serving notice within 12 months following a change of control then employment will terminate immediately and the Company will make a payment in lieu of notice.</p> <p>There is no entitlement to a pro rata bonus payment in lieu of notice.</p>

The terms and conditions for the Chairman and non-executive directors are set out in their letters of appointment, which are available for inspection at the Company's registered office and will be available at the AGM, as are executive service contracts. The letters of appointment entitle the non-executive directors and the Chairman to receive fees but do not have provisions on payment for early termination. The appointment of non-executive directors is for a fixed term of three years which may be terminated by three months' notice from either party, with the exception of Tsunao Kijima and Daniel Wosner whose appointments are governed by the Relationship Agreements with Nissin Foods Holdings Co., Ltd and Oasis Management Company Limited, respectively.

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4. External directorships

The Company recognises that its executive directors may be invited to become non-executive directors of companies outside the Company and exposure to such non-executive duties can broaden experience and knowledge, which would be of benefit to the Company. Any external appointments are subject to board approval (which would not be given if the proposed appointment was with a competing company, would lead to a material conflict of interest or could have a detrimental effect on a director's performance).

5. Policy on payment for loss of office

The Committee aims to deal fairly with cases of termination, while attempting to limit compensation and honour contractual remuneration entitlements. The principles that would be followed are:

- The executive directors have rolling contracts with 12 months' notice periods.
- The Company may elect to terminate employment immediately in circumstances where it considers it to be appropriate by making a payment in lieu of notice equivalent to the executive director's salary, pension and benefits for the notice period in two equal instalments (the first within 28 days of termination and the second six months following the date of termination). These payments are subject to the executive director's duty to mitigate his loss by finding alternative employment. If the executive director finds an alternative position, future payments will be reduced by the amount of remuneration received by the executive director pursuant to that alternative remunerated position.
- Salary, pensions and benefits will generally not be paid to a 'bad leaver' in lieu of notice. The Company may terminate an executive director's employment without notice (or payment in lieu) in certain circumstances including where he commits an act of dishonesty, is guilty of gross misconduct or a serious breach of his service agreement.
- A time pro-rated bonus (where relevant in respect of that bonus year) may be payable (and for the current CEO will be payable) for the period of active service from the start of the bonus year to the date on which the director's employment terminates for 'good leavers'. Any unpaid bonus for the preceding completed bonus year may also be payable (and for the current CEO will be payable) to a 'good leaver'. The amount of such bonus will be determined at the discretion of the Committee taking into account performance. Any bonus payable could at the discretion of the Remuneration Committee, be paid entirely in cash. There is no entitlement to any bonus (in respect of that or any previous bonus year) following notice of termination (or cessation of employment) for 'bad leavers' and they will not receive any bonus in such circumstances.
- Any share-based entitlements granted to an executive director under the Company's share plans will be determined based on the relevant plan rules or award agreement. The default treatment is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, disability, injury, redundancy (not in respect of the DBP), transfer of the employing company or business out of the Group or other circumstances at the discretion of the Committee (taking into account the individual's performance and the reasons for their departure) 'good leaver' status can be applied. The 'good leaver' treatment under the various plans is as follows:
 - DBP and LTIP awards will vest on the normal vesting date (unless the Remuneration Committee decides that the awards should vest on the date of cessation) subject to, in the case of LTIP awards, performance conditions (measured over the original time period or a shorter period where the LTIP awards vest on cessation of employment) and are reduced pro-rata to reflect the proportion of the period from grant actually served. The Remuneration Committee has the discretion to disapply time pro-rating if it considers it appropriate to do so. However, it is envisaged that this would only be applied in exceptional circumstances. In determining whether an executive should be treated as a 'good leaver' or not, the Committee will take into account the performance of the individual and the reasons for their departure.
 - The Company may enable the provision of outplacement services to a departing executive director, where appropriate.
 - Where it is necessary to discharge an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a director's office or employment the Committee may make a payment to a departing executive director.
 - In the event of change of control of the Company, if the Company gives notice to terminate or the executive director is constructively dismissed, his employment shall terminate immediately and he will be entitled to a payment in lieu of notice equivalent to the executive director's salary, pension and benefits for the 12 month notice period. Any share based entitlements will be dealt with in accordance with the rules of the relevant schemes.

6. Recruitment policy

On the recruitment of an executive director the Committee will aim to align the executive's remuneration package with the approved Directors' Remuneration Policy. In arriving at a remuneration package the Committee will take into account the skills and experience of the individual and the market rate for a candidate. The details of the recruitment policy are set out below:

Reward Element	Detailed terms
Base Salary	In line with the above Directors' Remuneration Policy table. However, includes discretion to pay lower base salary with incremental increases as new appointee becomes established in the role.
Pension and benefits	In line with the above Directors' Remuneration Policy table.
Performance based pay	Executive directors are entitled to participate in the Company's Annual Bonus, DBP and Long-Term Incentive Plans in line with the above Directors' Remuneration Policy table. The maximum variable pay for the CEO will be 350% of the base salary and 255% of base salary for the CFO and other directors. In its discretion the Committee may set different performance measures to apply to awards made in year of appointment if it considers that to be appropriate.
Buy Outs	In order to facilitate external recruitment of executive directors, it may be necessary for the Committee to consider buying out existing incentive awards which would be forfeited on the individual leaving their current employment. The Committee would seek, where possible, to provide a buy-out structure which was consistent with the forfeited awards in terms of quantum, vesting period and performance conditions. The buy out award may necessitate the use of the flexibility in the Listing Rules to make such awards outside the existing LTIP.

Footnotes:

- Should an executive appointment be made for an internal candidate, such an individual would be allowed to retain any and all provisions of their current remuneration package.
- The Committee has discretion to authorise the payment of reasonable relocation costs (and tax thereon) which may be necessary to secure the appointment of an executive director.

7. Consideration of employees/wider Group

In line with current market practice, the Group does not actively consult with employees on executive remuneration. However, the Committee is kept updated during the year on salary increases within the Group, and the level of annual bonus awards, as well as overseeing participation in long-term incentives for below Board level senior management. As a result, the Committee is aware of how typical employee total remuneration compares to the potential total remuneration packages of executive directors. The Group HR Director is a regular attendee at meetings of the Remuneration Committee and is able to brief the Committee on meetings which have been held with employee representative bodies.

Differences in Remuneration Policy for executive directors compared to other employees

The executive directors' remuneration policy is set within the wider context of the Group's remuneration policy for the wider workforce. The key differences of quantum and structure in pay arrangements across the Group reflect the different levels of responsibilities, skill and experience required for the role. Executive directors have a much greater emphasis on performance based pay through the annual bonus and the LTIP. Salaries for management grades are normally reviewed annually (currently in April each year) and take account of both business and personal performance. Specific arrangements are in place at each site and these may be annual arrangements or form part of a longer term arrangement linked to the delivery of efficiency targets.

The majority of management grades participate in the Annual Bonus plan to ensure alignment with the Group's strategic priorities. Senior management participate in long-term incentive arrangements reflecting their contribution to Group performance and enhancing shareholder value. All employees are encouraged to own shares in the Company via the Sharesave Plan and executive directors through the shareholding guideline.

8. Consideration of shareholders' views

The Remuneration Committee and the Board considers shareholder feedback received in relation to the AGM each year at a meeting immediately following the AGM and any action required is incorporated into the Remuneration Committee's action plan for the ensuing period. This, and any additional feedback received from shareholders from time to time, is then considered by the Committee and as part of their annual review of remuneration arrangements.

Specific engagement with major shareholders may be undertaken when a significant change in remuneration policy is proposed or if a specific item of remuneration is considered to be potentially contentious. During the design of the new policy, the Committee consulted with the major shareholders.

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Annual Report on Remuneration

An advisory vote on this Annual Report on Remuneration will be put to shareholders at the AGM on 20 July 2017.

Single figure table for total remuneration (audited)

Single figure for the total remuneration received by each executive director for the periods ended 1 April 2017 (2016/17) and 2 April 2016 (2015/16).

Directors	Salary		Taxable Benefits		Pension		Annual bonus		Share based awards		Total	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Gavin Darby	700	700	22	19	140	140	–	599	–	293	862	1,751
Alastair Murray	408	404	23	20	34	34	–	245	–	–	465	703

Benefits include those mentioned in the summary table in the Directors' Remuneration Policy report on page 36.

Gavin Darby received a basic salary for the period of £700,000 per annum and a salary supplement in lieu of pension of 20% of base salary.

Alastair Murray received a basic salary for the period of £408,040 per annum and an annualised salary supplement in lieu of pension of 7.5% of the Earnings Cap (£150,600 for the 2016/17 tax year) which equates to £11,295 for the period together with an additional RPI adjusted pensions supplement of £22,819 in respect of the financial period.

No bonus award has been made to executive directors in respect of the financial year, details of the performance assessments are set out on pages 43 to 45.

How remuneration links with strategy

The following table summarises the performance measures for executive incentive arrangements and how they are aligned with our strategy (see our business model and strategy on pages 04 to 06).

Strategic priority	Objective	Measures for 2017/18	Incentive scheme
 Driving revenue growth, international opportunities and strategic partnerships.	Profitable growth/ increase in earnings	Trading profit Strategic objectives focused on commercial opportunities Adjusted EPS	Annual Bonus Annual Bonus Long-Term Incentive Plan
 Improving organisational efficiency and lowering our cost base/  Maintaining strong cash flow generation.	Debt reduction	Net debt & cash management	Annual Bonus
 Deleveraging the business to below 3.0x Net debt/EBITDA to deliver improved shareholder value over the medium-term.	Share price growth	Relative TSR	Long-Term Incentive Plan
 Being responsible and sustainable.	Development of key stakeholder relationships	Personal objectives focused on building stakeholder relationships	Annual Bonus

Base salary and fees (executive directors) (audited)

The Committee sets base salary by reference to the size and complexity of the business based on factors such as revenue, market share, and total enterprise value rather than just market capitalisation, which can be volatile as a result of the Group's capital structure. Given the challenges facing the business in 2013, the Board felt it was important to appoint a CEO and CFO with significant experience to lead the Company through a period of significant change and consequently their salaries were set at the upper quartile for the FTSE 250. The business turnaround has involved the establishment of a joint venture for the Hovis bread business and the completion of a successful restructuring of our financial structure with the introduction of a new smaller lending group, an equity raise, the diversification of funding through a high yield bond and also the completion of a new agreement with the Group's pension trustees. In addition a new senior management team has been brought in to lead the business. The Committee is mindful of these salaries when considering pay increases and elements of variable pay which are based on multiples of salary.

In line with the salary increase to all employees not involved in collective bargaining the Committee approved a 1% salary increase for the CEO and CFO in 2016/17 (which took effect from 1 April 2016). Gavin Darby elected not to take a salary increase and therefore his salary remained unchanged from his appointment in 2013. As part of the Company's cost reduction programme it was agreed that there would be no salary increase for employees not involved in collective bargaining for 2017/18.

Executive director	1 April 2017	Change	2 April 2016	Change	4 April 2015
Gavin Darby	£700,000	–	£700,000	–	£700,000
Alastair Murray	£408,040	–	£408,040	+1%	£404,000

Annual Bonus (executive directors) (audited)

Each year the Committee sets individual performance targets and bonus potentials for each of the executive directors. Annually the Committee reviews the level of achievement against the performance targets set and, based on the Committee's judgement, approves the bonus of each executive director. Annual bonus payments are not pensionable.

Performance assessment for 2016/17

The Committee undertook a full and detailed review of the performance of each executive director against the targets set at the start of the period. As well as the specific targets, the Committee also considered the financial performance of the business as a whole as well as an assessment of the market in which the Company operates.

As discussed in the Chairman's statement on page 03 the Company results for the period were below expectation due largely to a change in retailer promotional strategy which reduced category volumes, and significant input cost inflation. As a result Trading profit was below both our target level of profit and the financial underpin for the Annual Bonus plan. The additional financial measures of revenue growth and Net debt were also adversely effected. The Committee reviewed performance against each of the Strategic targets (also subject to a financial underpin) and the extent to which they were achieved. The Committee agreed that whilst significant progress had been made in the period in respect of Strategic measures the financial underpin had not been achieved and therefore no bonus was payable.

The Remuneration Committee agreed that both executive directors had achieved a significant proportion of their Personal objectives. As these are not financially underpinned, a bonus equivalent to 12.6% of maximum opportunity for the CEO, and 11.5% for the CFO, could have been paid. However the Remuneration Committee, together with both the CEO and CFO, have agreed that there will be no bonus payment in relation to the Personal objectives for 2016/17.

The Financial targets and performance assessment for Strategic and Personal targets are set out in the tables on pages 44 and 45 for information. Individual weightings have been provided for each Strategic objective.

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Gavin Darby (audited)

					Annual Bonus	
Performance measure	Target	Stretch	Performance outcome	Weighting	Performance (% of max bonus)	
Financial objectives (subject to Trading profit underpin of £131.0m)						
Trading profit	£134m	£136.2m	£117.0m	40%	–	
Sales growth	2%	4%	-1.4%	10%	–	
				50%	–	
Performance measure	Performance outcome			Weighting	Performance (% of max bonus)	
Short to medium-term Strategic objectives (subject to Trading profit underpin of £131m)						
Commercial growth opportunities	The Committee determined that the commercial project was close to completion but as negotiations had yet to be finalised it would be fully assessed next year.			10.0%	–	
	Creation of strategic relationship board with Nissin. Growth opportunities starting to be delivered with the launch of new <i>Batchelors</i> Super Noodles in a pot and the addition of Soba noodles distribution in the UK, as well as the establishment of a US broker agreement.			8.0%	6.5%	
	Strong +18% growth of International business.			4.0%	4.0%	
Shareholder value	Knighton Foods business integrated and stabilised.			4.0%	2.0%	
	Recovery of trading performance and EBITDA at the Hovis joint venture. New three year plan approved with financing in place.			2.3%	1.0%	
Corporate Development	Good progress noted, with strategic options sent to the Board. Following review it had been agreed not to progress with the project.			5.0%	2.0%	
				33.3%	–	
Personal objectives						
Customer relationships	Strong development of relationships with major customers through direct engagement of the CEO. Progress recognised through the enhanced score achieved in the 2016 Grocery Advantage Survey results.					
Diversity strategy	Introduction of new Equality & Diversity action plan which was approved by the Board in March 2017.					
Stakeholder engagement	Leading role with Food and Drink Federation (FDF) culminating in election as President in 2017. Award of President's Cup from the Institute of Grocery Distribution (IGD) in October 2016. Pro-actively launched the Group's 10 point plan to encourage healthy eating in advance of the government's Childhood Obesity Plan.					
				16.7%	12.6%	
				Final outcome	100%	
					–	

Alastair Murray (audited)

					Annual Bonus
Performance measure	Target	Stretch	Performance outcome	Weighting	Performance (% of max bonus)
Financial objectives (subject to Trading profit underpin of £131.0m)					
Trading profit	£134m	£136.2m	£117.0m	30%	–
Net debt	£510.9m	£499.0m	£523.0m	20%	–
				50%	–
Performance measure	Performance outcome			Weighting	Performance (% of max bonus)
Short to medium-term Strategic objectives (subject to Trading profit underpin of £131m)					
Commercial	Knighton Foods business integrated and stabilised; development of three year plan and financing in place.			4.0%	3.0%
	The Committee agreed that certain commercial projects had progressed well but remained ongoing.			8.0%	–
Cost and efficiency	Completion of major restructuring of the Group's warehousing and distribution network which exceeded cost savings objectives.			3.3%	3.3%
	Discussions in regard to financial synergies with Nissin ongoing with senior management.			4.0%	–
Pensions	2016 Actuarial Valuation completed, new amended Framework Agreement signed with revised schedule of contributions which significantly reduce the Group's cash outflows over the next three years.			7.0%	7.0%
Corporate Development	Good progress noted, with strategic options sent to the Board. Following review it was agreed not to progress with the project.			7.0%	3.0%
				33.3%	–
Personal objectives					
Shared service centre and operational efficiency	The Committee reviewed progress against a number of efficiency KPIs and it was agreed that 4 out of 6 had been successfully delivered in the period.				
	Improvement in focus on resolving priority internal audit issues.				
Investor relations	Strong engagement with shareholders and a successful capital markets day. However, overall the objective had not been achieved.				
Business systems	Successful completion of business systems integration with delivery of agreed annual savings. Improvements in ways of working have delivered a significant reduction in major system issues across the Group.				
				16.7%	11.5%
				Final outcome	100%
					–

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Directors' Remuneration report continued

Annual bonus measures for 2017/18

The Committee has determined that the weightings for the annual bonus performance measures will remain broadly the same as last year split between Financial, Strategic and Personal objectives representing 50%, 35% and 15% of opportunity, respectively.

The performance measures are linked to the Group's strategy to focus on revenue growth, cost efficiency and cash generation with the aim to deleverage the business. Trading profit and Net debt are both Group KPIs (see page 08). Strategic objectives are focused on commercial opportunities to drive sales, generate cost savings and improve free cash flow. The Board considers the Financial targets and certain of the Strategic and Personal objectives to be commercially sensitive but has agreed that the targets will be disclosed as part of the performance assessment in next year's annual report. The Financial and Strategic targets contain a Trading profit underpin.

If the Company's new Remuneration Policy and the Deferred Bonus Plan (DBP) are approved by shareholders in July 2017, 1/3rd of any annual bonus awarded in respect of the 2017/18 financial year will be deferred in shares for 3 years under the new DBP.

	CEO	CFO
Maximum opportunity as a % of salary	150%	105%
Performance measure	Weighting	Weighting
Financial objectives (subject to a Trading profit underpin)		
Trading profit	40%	30%
Net debt	10%	20%
	50%	50%
Short to medium-term Strategic objectives (subject to a Trading profit underpin)		
CEO	35%	
<ul style="list-style-type: none"> • Delivery of incremental growth and value creation initiatives through relationships with our strategic partners. • Corporate development opportunities. 		
CFO		35%
<ul style="list-style-type: none"> • Corporate development opportunities. • Delivery of incremental growth and value creation initiatives. • Strategic cash flow and efficiency opportunities. • Review of pension risk management. 		
Personal objectives		
CEO	15%	
Organisational development/ Customer relationships/ Stakeholder management		
CFO		15%
Delivery of cost efficiency KPIs/ Improved efficiency within audit and control/ IT transition project		
	100%	100%

Deferred Share Bonus Plan (DSBP)

Alastair Murray participated in the DSBP which operated alongside the Annual Bonus plan with a maximum opportunity of 30% of salary. The CEO does not participate in the DSBP. Awards can be based on the achievement of a range of Company-wide financial and strategic targets which are set at the start of each financial period. If the objective is met, the bonus earned will be converted into shares following the announcement of the results for the financial period and deferred for a period of up to two years. These shares are subject to forfeiture over the period of deferral and the shares for these awards are sourced in the market.

As set out in the Chairman's letter on page 35 in order to simplify remuneration arrangements it is proposed that Alastair Murray's entitlement under the DSBP is combined with his annual bonus going forward and therefore, if the new Remuneration Policy is approved by shareholders in July 2017 no further awards will be made under this plan.

DSBP award for 2016/17 (audited)

For the 2016/17 award, the Committee determined that the performance targets for the DSBP would be aligned with those of the Annual Bonus plan (excluding personal objectives). The two performance conditions were split 50:50 between Financial and Strategic measures subject to a Trading profit underpin. As set out in the assessment of the 2016/17 annual bonus on page 43 the underpin was not met and consequently no award will be made under the DSBP in respect of 2016/17.

Deferred Share Bonus Plan	CFO
Maximum opportunity as a % of salary	30%

Performance Measures (subject to a Trading profit underpin of £131.0m)	Weighting	Outcome
Financial	50%	-
Short to medium-term strategic objectives	50%	-
	100%	-

Long-Term Incentive Plan (LTIP)

The current LTIP was approved by shareholders in 2011; awards have two elements, performance shares and matching shares. The Committee reviewed the use of the matching shares element of the LTIP and it was concluded that matching shares were no longer common practice in the market and it is therefore proposed that this element of the LTIP be removed from the Remuneration Policy going forward.

LTIP award for 2016/17 (audited)

Details of the LTIP award granted on 3 June 2016 are set out below.

	Basis of award	Value on award date	Performance period
Gavin Darby	200%	£1,400,000	03.04.16 – 31.03.19
Alastair Murray	150%	£612,000	03.04.16 – 31.03.19

Performance measure	Weighting	Targets		
		Below threshold	Threshold	Stretch
Relative TSR ¹	2/3	< Median	Median	Upper quartile
Adjusted EPS ²	1/3	< 9.2p	9.2p	10.2p
% of relevant portion of award vesting ³		0%	20%	100%

1. Measured against the constituents of the FTSE All Share Index (excluding investment trusts) around the start of the period.
2. 2015/16 base year EPS was 8.3p.
3. Straight line vesting between threshold and stretch.

LTIP award for 2017/18

For the 2017/18 award the Committee proposes to use the same measures as the 2016/17 LTIP award, i.e. a relative TSR condition (comprising 2/3rds of the award) and an adjusted EPS condition (comprising 1/3rd of the award), which is aligned with the Company's focus on revenue, cost efficiency and cash generation in order to reduce net debt and improve shareholder return over the medium-term. The Committee believes that these measures are fully aligned with the interests of shareholders and that awards will only vest following the achievement of stretching performance targets.

The TSR condition requires at least a median ranking to be achieved for 20% of this part of the award to vest, with full vesting taking place for an upper quartile ranking against the constituents of the FTSE All Share Index (excluding investment trusts). The Committee considers that the FTSE All Share Index is an appropriate index to use as it includes a wide range of companies, including the members of the FTSE Small Cap Index. The Compound Annual Growth Rate (CAGR) for the adjusted EPS target ranges from 2.7% to 6.5%. The Committee considers the targets to be challenging, particularly in the context of current growth levels in the markets in which we operate. Further details of all outstanding LTIP awards are provided in the table on page 49.

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Directors' Remuneration report continued

LTIP award for 2017/18 continued

	Basis of award	Value on award date	Performance period
Gavin Darby	200%	£1,400,000	03.04.17 – 31.03.20
Alastair Murray	150%	£612,000	03.04.17 – 31.03.20

Performance measure	Weighting	Targets		
		Below threshold	Threshold	Stretch
Relative TSR ¹	2/3	< Median	Median	Upper quartile
Adjusted EPS ²	1/3	< 7.8p	7.8p	8.7p
% of relevant portion of award vesting ³		0%	20%	100%

1. Measured against the constituents of the FTSE All Share Index (excluding investment trusts) around the start of the period.

2. 2016/17 base year adjusted EPS was 7.2p.

3. Straight line vesting between threshold and stretch.

Anticipated vesting of 2014 LTIP Award

The performance conditions for the 2014 LTIP award were based on a relative TSR condition (comprising 2/3rds of the award) and an adjusted EPS condition (comprising 1/3rd of the award). The Committee assessed the two performance conditions in May 2017 and concluded that the targets had not been met and consequently the 2014 LTIP award has lapsed in full.

Co-Investment Award

The Co-Investment Award, which was specific to Gavin Darby, was awarded following his appointment as CEO in 2013 and designed to align the CEO with shareholders and the delivery of share price growth. On appointment Gavin Darby purchased shares worth 100% of annual base salary in the Company. In return the Company made an award of shares worth 200% of salary which vested in thirds on 1 May 2014, 2015 and 2016. The vesting of each tranche of the award was subject to a bonus having been paid for the relevant financial year and continued employment. The final tranche of the Co-Investment Award vested on 1 May 2016 and Gavin Darby exercised the award on 5 August 2016. 354,062 shares were sold at 51.375p to cover tax and employee national insurance with the remaining shares being retained. The final tranche of his Co-Investment Award was included in the single figure table for the period 2015/16, details of which are set out on page 42.

Dilution limits

Awards under certain executive and all-employee share plans may be satisfied using either newly issued shares or shares purchased in the market and held in the Group's Employment Benefit Trust (which held 250,420 shares as at 1 April 2017). The Group complies with the Investment Association guidelines in respect of the dilutive effect of newly issued shares. The current dilutive impact of share awards over a 10 year period is approximately 1%.

Pension payments

The table below provides details of the executive directors' pension benefits:

	Total contributions to DC-type pension plan £'000	Cash in lieu of contributions to DC-type pension plan £'000
Gavin Darby	–	140
Alastair Murray	11	23

Executive directors have the right to participate in the Group's defined contribution ('DC') pension plan or elect to be paid some or all of their contributions in cash. Gavin Darby is paid a cash contribution of 20% of salary whilst Alastair Murray participates in the Group's DC pension scheme and receives a cash supplement.

Share ownership guidelines and share interest table (audited)

To align executive directors' interests with those of shareholders they are expected to retain 50% of shares from vested awards under the DSBP and the LTIP (other than sales to settle any tax or NICs due) until they reach a value at least equal to their annual salary (valued at the time of purchase or vesting). The following table shows executive directors' interests in Company shares. Awards under the LTIP are subject to a three year vesting period and will only vest if stretching performance conditions are met. The figures shown represent the maximum number of shares a director could receive following the end of the vesting period if all performance targets were achieved in full.

	Shares owned as at 1 April 2017	Shares owned as at 2 April 2016	Extent to which share ownership guidelines met	Unvested share interests under the LTIP	Unvested share interests under the DSBP	Sharesave Plan	Total
Gavin Darby	5,213,336	4,153,526	449%	9,217,341	–	38,350	14,469,027
Alastair Murray	309,522	309,522	61%	4,349,253	157,560	24,732	4,841,067

Executive share awards

	Date of grant	Balance as at 2 April 2016	Shares awarded in the year	Shares exercised in the year	Shares lapsed in the year	Balance as at 1 April 2017	Option price	Share price on date of grant	Share price on date of exercise	Exercise period/ vesting date
Gavin Darby										
Co-Investment Award	22.02.13	751,814	–	751,814	–	–	–	62.07p	51.37p	01.05.16
LTIP ¹	22.02.13	2,255,442	–	–	2,255,442	–	–	62.07p	–	31.03.16
	25.06.14	2,629,107	–	–	–	2,629,107	–	53.25p	–	31.03.17
	11.06.15	3,294,117	–	–	–	3,294,117	–	42.50p	–	31.03.18
	03.06.16	–	3,294,117	–	–	3,294,117	–	42.50p	–	31.03.19
Sharesave Plan ²	11.10.13	3,214	–	–	–	3,214	72.79p	–	–	01.12.16
	26.09.14	10,404	–	–	–	10,404	34.60p	–	–	01.12.17
	15.12.15	16,906	–	–	–	16,906	31.94p	–	–	01.02.19
	20.12.16	–	7,826	–	–	7,826	34.50p	–	–	01.02.20
		8,961,004	3,301,943	751,814	2,255,442	9,255,691				
Alastair Murray										
LTIP ¹	25.06.14	1,126,760	–	–	–	1,126,760	–	53.25p	–	31.03.17
	11.06.15	1,782,352	–	–	–	1,782,352	–	42.50p	–	31.03.18
	03.06.16	–	1,440,141	–	–	1,440,141	–	42.50p	–	31.03.19
DSBP	03.06.16	–	157,560	–	–	157,560	–	42.50p	–	02.06.18
Sharesave Plan ²	15.12.15	16,906	–	–	–	16,906	31.94p	–	–	01.02.19
	20.12.16	–	7,826	–	–	7,826	34.50p	–	–	01.02.20
		2,926,018	1,782,352	–	–	4,531,545				

1. All LTIP awards are in the form of performance shares. Details of the vesting of the 2014 LTIP Award are set out on page 48.

2. The Sharesave Plan is an HMRC tax advantaged scheme under which option prices for awards may be set at up to a 20% discount to the market value of shares immediately prior to the date the offer is made. Executive directors are eligible to participate in the Group's Sharesave Plan on the same basis as all other eligible employees.

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Directors' Remuneration report continued

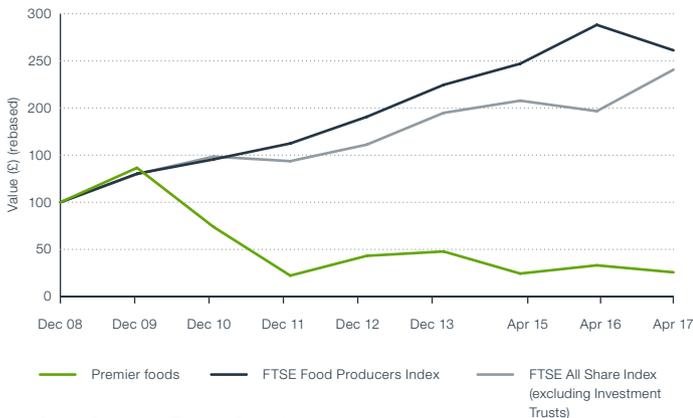
Share ownership for the wider Group

The Committee recognises the importance of aligning colleagues across the business with those of shareholders and encourages share ownership in order to increase focus on the delivery of shareholder return. All members of the ELT participate in the LTIP. In 2014 all colleagues (excluding the ELT) were given an award of 500 free shares under the Share Incentive Plan and each year colleagues are invited to join the Company's all employee Sharesave Plan. Participation in the Sharesave Plan currently represents 30% of the workforce.

Total shareholder return

The market price of a share in the Company on 31 March 2017 (the last trading day before the end of the financial period) was 44.0 pence; the range during the financial period was 37.0 pence to 59.50 pence.

This graph shows the value, by 1 April 2017, of £100 invested in Premier Foods plc on 31 December 2008, compared with the value of £100 invested in the FTSE Food Producers Index and FTSE All Share Index (excluding Investment Trusts) on the same date. The Committee considers these to be the most appropriate comparator indices to assess the performance of the Group. The other points plotted are the values at intervening financial year-ends.



Chief Executive's single figure for total remuneration

The table below shows the single figure for total remuneration and the annual bonus and LTIP vesting as a percentage of maximum opportunity for the financial period and the previous seven financial periods. The figures for 2014/15 represents a 15 month period.

Year	CEO	Single Figure for total remuneration	Annual bonus as a % of maximum	LTIP vesting as a % of maximum
2016/17	Gavin Darby ¹	£862,455	–	–
2015/16	Gavin Darby	£1,750,933	57.0%	–
2014/15	Gavin Darby	£1,736,749	23.4%	–
2013	Gavin Darby	£1,405,753	16%	–
	Michael Clarke	£1,122,795	–	–
2012	Michael Clarke	£1,699,575	66%	–
2011	Michael Clarke	£2,277,070	–	–
	Robert Schofield	£895,485	–	–
2010	Robert Schofield	£715,052	10%	–
2009	Robert Schofield	£929,967	29%	–

1. Details of the single figure for total remuneration are set out on page 42.

Percentage change in CEO pay

For the purpose of this table pay is defined as salary, benefits and annual bonus. There has been no increase to the CEO's salary since his appointment in 2013. The average pay of management grades (approximately 400 employees) is used for the purposes of comparison as they are members of the Group's Annual Bonus plan. No bonus was paid to the CEO in 2016/17.

	CEO		Management grades	
	% Change 2016/17	% Change 2015/16	% Change 2016/17	% Change 2015/16
Base salary	–	–	–	+1%
Benefits	+16%	–23%	–	–
Annual bonus	–100%	+144%	–23%	+160%

Relative importance of spend on pay

The following table sets out the amounts and percentage change in total employee costs. The terms of our current banking facility contain restrictions on the payment of dividends. Free cash flow and Net debt have therefore been included as additional indicators. Cash flow demonstrates the cash available to reinvest in the business and service debt payments and net debt highlights the importance of organically deleveraging the business to a point at which dividend payments can be resumed under the Group's banking arrangements (see KPIs on pages 08 and 09).

	2016/17	2015/16	Change
Total employee costs	£157.9m	£147.6m	+7.0%
Free cash flow	£15.1m	£55.7m	-72.9%
Net debt	£523.2m	£534.2m	-2.1%

Non-executive directors (audited)

Single figure for the total remuneration received by each non-executive director for the financial periods ended 1 April 2017 and 2 April 2016.

	Basic Fee	Committee Chair Fee	SID Fee	Total Fees 2016/17	Total Fees 2015/16
David Beever	£265,000	–	–	£265,000	£265,000
Richard Hodgson	£57,000	–	–	£57,000	£57,000
Tsunao Kijima ¹	–	–	–	–	–
Ian Krieger	£57,000	£13,000	£10,000	£80,000	£79,167
Jennifer Laing	£57,000	£10,500	–	£67,500	£67,500
Pam Powell	£57,000	–	–	£57,000	£57,000
Daniel Wosner ²	£57,000	–	–	£4,750	–

- Mr Kijima was appointed a non-executive director on 21 July 2016 as a representative of Nissin, he does not receive a fee or other remuneration for this role.
- Mr Wosner was appointed a non-executive director on 1 March 2017 as a representative of Oasis.

Non-executive directors' fees

The fees of our non-executive directors (NEDs) are set out below. A review of non-executive fees was undertaken in May 2017 and no increase to fees was recommended.

NED Fees	1 April 2017	Change	2 April 2016
Chairman fee	£265,000	–	£265,000
Basic NED fee	£57,000	–	£57,000
Additional remuneration:			
Audit Committee Chairman fee	£13,000	–	£13,000
Remuneration Committee Chairman fee	£10,500	–	£10,500
Senior Independent Director fee	£10,000	–	£10,000

Non-executive directors' terms of appointment

All non-executive directors have entered into letters of appointment/amendment as detailed in the table below. The appointments are subject to the provisions of the Companies Act 2006 and the Company's Articles. Terms of appointment are normally for three years or the date of the AGM immediately preceding the third anniversary of appointment. Non-executive directors' continued appointments are evaluated annually, based on their contributions and satisfactory performance. Following the expiry of a term of appointment, non-executives may be re-appointed for a further three year period. Mr Kijima's and Mr Wosner's appointments are governed by the terms of the Relationship Agreements with Nissin and Oasis, respectively.

NED	Date of original appointment	Expiry of current appointment/ amendment letter	Notice period
David Beever	22 January 2008	AGM 2017	3 months
Richard Hodgson	6 January 2015	AGM 2017	3 months
Tsunao Kijima	21 July 2016	–	–
Ian Krieger	1 November 2012	AGM 2018	3 months
Jennifer Laing	1 October 2012	AGM 2018	3 months
Pam Powell	7 May 2013	AGM 2016	3 months
Daniel Wosner	1 March 2017	AGM 2019	–

Non-executive directors' interests in shares (audited)

NED	Ordinary shares owned as at 1 April 2017	Ordinary shares owned as at 2 April 2016
David Beever	304,881	304,881
Richard Hodgson	–	–
Tsunao Kijima ¹	–	–
Ian Krieger	504,000	504,000
Jennifer Laing	54,802	54,802
Pam Powell	160,366	160,366
Daniel Wosner ²	72,850	–

- Mr Kijima is Managing Director of our largest shareholder, Nissin. It was agreed on appointment that he would not hold shares in the Company.
- Mr Wosner was appointed a non-executive director on 1 March 2017 as a representative of Oasis.

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Directors' Remuneration report continued

The Committee

The table on page 24 identifies the Committee members and meeting attendance. Both the Committee Chairman and a majority of the Committee are independent. Daniel Wosner was appointed as a member of the Committee following his appointment to the Board in March 2017. Whilst normally only independent non-executive directors may become members of the Committee it was felt that his input, as a representative of a major shareholder, would be helpful when considering remuneration arrangements. In addition, the CEO, HR Director and Aon Hewitt regularly attend by invitation. In accordance with the Committee's terms of reference, no one attending a Committee meeting may participate in discussions relating to his/her own terms and conditions of service or remuneration. Over the course of the year the Committee held three scheduled meetings.

Advisers

Aon Hewitt Limited ('Aon') has been appointed as advisers to the Committee. During the year Aon provided advice in connection with executive remuneration arrangements, the Company's new Remuneration Policy and the introduction of a new Annual Bonus plan for management operating below Board level. Aon are signatories of the Remuneration Consultants Company Code of Conduct. The trustees of the Company's pension schemes have appointed Aon to act as Administrators and Actuary to the schemes and, in the case of the RHM pension scheme, to act as Investment Advisers. Aon operates independently of the pension teams and the Committee is satisfied there is no conflict of interest. Aon received fees of £65,715 (2015/16: £57,512) in respect of their advice to the Committee during the financial period.

Role of the Remuneration Committee

The Committee has been delegated authority by the Board to approve the overall design of the Remuneration Policy for executive directors and senior management, to agree the terms of employment including recruitment and termination terms of executive directors, approve the design of all share incentive plans and recommend appropriate performance measures and targets for the variable element of remuneration packages and determine the extent to which performance targets have been achieved. The Committee's terms of reference are available on the Company's website.

What the Committee discussed during the financial period:

- Reviewed the voting results for the 2016 Directors' Remuneration report at the AGM;
- Approved the Company's 2017 Remuneration Policy for approval by shareholders;
- Approved a new management Annual Bonus plan for management at below Board level;
- Reviewed and recommended executive directors' and senior managers' annual bonuses in respect of the financial period and set the targets for the 2017/18 annual bonus in accordance with the strategic objectives of the Company;
- Granted the 2016 awards under the Company's all-employee and executive share plans and agreed the targets for awards due to be made in 2017; and
- Discussed developments in best practice with regard to remuneration policy and disclosure.

External appointments

The Board is open to executive directors who wish to take on a non-executive directorship with a publicly quoted company in order to broaden their experience and they may be entitled to retain any fees they receive. However, any such appointment would be reviewed by the Board on a case by case basis. The current executive directors do not have any external appointments with publicly quoted companies. Gavin Darby is currently President of the Food and Drink Federation.

Statement of voting at Annual General Meeting

Whilst overall the Directors' Remuneration report received strong support at the AGM in 2016, there was a 15% vote against (full details are set out below). The reasons for this vote were discussed by the Committee and it was concluded that this was primarily the result of a vote from a certain shareholder. As a result the Chairman of the Remuneration Committee and Senior Independent Director met with this shareholder to discuss their concerns.

	Approval of Directors' Remuneration Report 2015/16	% of votes cast	Approval of the current Remuneration Policy	% of votes cast
Date of AGM	21 July 2016		29 April 2014	
Votes for	436,369,922	85.41%	593,707,405	99.05%
Votes against	74,559,365	14.59%	5,714,208	0.95%
Total votes cast	510,929,287	100%	599,421,613	100%
Votes withheld	25,572,566		3,168,444	

The Directors' Remuneration report was approved by the Board on 16 May 2017 and signed on its behalf by:

Jennifer Laing

Chairman of the Remuneration Committee