

PREMIER FOODS PLC
(the “Company”)

REMUNERATION COMMITTEE - TERMS OF REFERENCE
(as approved by the Board on 25 February 2016)

Definitions:

“Committee”	the Remuneration Committee
“Company”	Premier Foods plc
“the Code”	UK Corporate Governance Code
“Chairman”	Chairman of the Remuneration Committee
“Company Chairman”	Chairman of the Board

1. CONSTITUTION

- 1.1 The Committee shall be a committee of the board of directors of the Company appointed by the Board on the recommendation of the Nominations Committee, in consultation with the Chairman. The Board shall appoint the Chairman.

2. MEMBERSHIP

- 2.1 The Committee shall comprise of a Chairman and at least two other members.
- 2.2 All members of the Committee shall be non-executive directors who are independent and free from any business or other relationship which could interfere with the exercise of their independent judgement. The Company Chairman may also serve on the Committee as an additional member if he or she was considered independent on appointment as Company Chairman.
- 2.3 Members of the Committee may serve for a period of up to three years. This may be extended for two additional periods of three years, provided the director still meets the criteria for membership of the Committee. Any membership of the Committee beyond nine years will be annually reviewed by the Committee with regard to member independence and may require explanation in the annual report.
- 2.4 The company secretary or a nominee shall act as the secretary of the Committee and will ensure that the Committee receive information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. QUORUM

- 3.1 The quorum necessary for the transaction of business by the Committee shall be two. In the absence of the Chairman or an appointed deputy, the remaining members shall elect one of themselves to chair the meeting.

4. MEETINGS

- 4.1 The Committee shall meet as appropriate but not less than twice a year.
- 4.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals, such as the Chief Executive Officer,

Chief Financial Officer, Group HR Director and external advisers may be invited to attend as and when appropriate.

- 4.3 A meeting of the Committee may be called by the secretary at the request of any member of the Committee.
- 4.4 Meetings of the Committee shall be called by giving at least five working days' written notice unless all the members of the Committee agree to shorter notice. Notice will be given to all members and attendees, and will confirm the venue, time and date of the proposed meeting and provide the agenda and supporting papers.
- 4.5 Members may participate in a meeting by means of a conference telephone, video conferencing facility or other similar communicating equipment.
- 4.6 No Committee attendee shall participate in any discussion or decision on their own remuneration, fees or terms or conditions of service.
- 4.7 The secretary shall minute the proceedings and resolutions of all meetings, including the names of those present and in attendance, as well as keeping appropriate records. Minutes of the meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the board, unless in the opinion of the Chairman it would be inappropriate to do so.
- 4.8. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

5. ANNUAL GENERAL MEETING

- 5.1 The Chairman shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

6. TERMS OF REFERENCE

In carrying out their responsibilities Committee members must act in accordance with the statement of Directors' Duties set out in sections 171-177 of the Companies Act 2006. The duties of the Committee shall be to:

- 6.1 have responsibility for setting the remuneration policy for all executive directors and the Company Chairman, including pension rights and any compensation payments. The Board itself should determine the remuneration of the non-executive directors. No director or senior manager shall be involved in any decisions as to their own remuneration;
- 6.2 determine and agree with the Board the policy for the remuneration of the Chief Executive Officer, the Company Chairman and in conjunction with the Chief Executive Officer and Company Chairman for other executive directors, ensuring that levels of remuneration are sufficient to attract directors of the quality required to promote the long-term success of the Company, but avoiding paying more than is necessary, having regard for the views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long term strategic goals. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance and stretching

targets should be designed to promote the long term success of the Company. When setting remuneration policy for directors, the Committee should review and have regard to pay and employment conditions across the Group, especially when determining annual salary increases;

- 6.3 monitor the level and structure of remuneration, including pension rights and any compensation payments, for such senior management as it is designated to consider. The Committee should also set the remuneration for the General Counsel & Company Secretary to maintain and assure their independence;
- 6.4 review ongoing appropriateness and relevance of the remuneration policy last approved by the Company's shareholders and review annually if the current remuneration policy should be amended and put to shareholders for approval at the next AGM;
- 6.5 approve the design of, and determine targets for any performance-related pay schemes operated by the Company and approval of the total annual payments made under such schemes based on the Committees' assessment of Company performance and executive directors individual performance over the financial year;
- 6.6 approve all long-term incentive scheme structures and option schemes;
- 6.7 approve all option grants for ratification by the Board;
- 6.8 approve the overall bonus payments and the terms of salary reviews proposed by management for the general staff;
- 6.9 determine the policy and scope for pension arrangements for each executive director;
- 6.10 approve the key terms of an executive director's service contract within the remuneration policy of the Company and ensure notice periods are set at a year or less;
- 6.11 ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the departing director's duty to mitigate loss is fully recognised;
- 6.12 within the terms of the agreed policy, determine the total individual remuneration package of each executive director including, where appropriate, bonuses, incentive payments and share options. The Committee should also determine if an executive director should be allowed to retain fees received for acting as a non-executive director at another company and disclose accordingly in the annual report;
- 6.13 in determining such packages and arrangements, give due regard to the contents of the Code as well as the UK Listing Authority's Listing Rules and associated guidance;
- 6.14 be aware of, and advise on, any major changes in employee benefit structures throughout the Company or Group;
- 6.15 agree the policy for authorising claims for expenses from the Chief Executive Officer, Company Chairman and other executive directors;

- 6.16 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and, where external consultants are appointed, the Committee should make available a statement of whether the consultants have any other connection with the Company; and
- 6.17 request that the remuneration consultants obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity, bearing in mind the risk of an upward ratchet of remuneration levels. The Committee shall also conduct an annual review of the performance of the remuneration consultants.

7. REPORTING RESPONSIBILITIES

- 7.1 The Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 The Committee shall ensure that provisions regarding disclosure of remuneration, including pensions, as set out in the Large and Medium-sized Companies and Group (Accounts and Reports) (Amendment) Regulations 2013 and the Code, are fulfilled and produce a remuneration policy report and annual remuneration report to be included in the Company's annual report and ensure that the policy report is approved by shareholders at least once every three years and the annual remuneration report is approved annually by shareholders at the AGM.
- 7.4 Through the Company Chairman, or the Chairman as required, ensure that the Company maintains contact as required with its principle shareholders on remuneration.

8. OTHER MATTERS

The Committee shall:

- 8.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 8.2 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;
- 8.3 give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes including but not limited to the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules as well as guidelines published by the Investment Association, the National Association of Pension Funds and any other applicable rules, as appropriate;
- 8.4 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;

- 8.5 to submit recommendations to the Board on these and any other matters which may be specifically referred to it by the Board;
- 8.6 work and liaise as necessary with all other Board committees; and
- 8.7 to ensure that its terms of reference are made available publicly.

9 AUTHORITY

The Committee is empowered in the articles of association of the Company to discharge its functions on behalf of the Board. The Committee shall:

- 9.1 have the right to seek and to be provided with any necessary information to fulfil its duties;
- 9.2 have the right to obtain outside legal help and any professional advice, at the Company's expense, which might be necessary for the fulfilment of its duties;
- 9.3 have the power to call any member of staff to be questioned at a meeting of the Committee as and when required; and
- 9.4 have the power to invite anyone with relevant experience to attend meetings of the Committee if necessary.

10 DECISIONS OF THE COMMITTEE

- 10.1 Any decisions of the Committee shall be taken on a simple majority basis. The Chairman shall have a casting vote in the event of equality of voting.