

**PREMIER FOODS PLC**  
(the “Company”)

**REMUNERATION COMMITTEE - TERMS OF REFERENCE**  
(as approved by the Board on 1 March 2022)

**Definitions:**

“Committee”	the Remuneration Committee
“Company”	Premier Foods plc
“the Code”	UK Corporate Governance Code
“Committee Chair”	Chair of the Remuneration Committee
“Board Chair”	Chair 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 Committee Chair. The Board shall appoint the Committee Chair, who shall ordinarily have served on the Committee for at least 12 months prior to their appointment.

**2. MEMBERSHIP**

- 2.1 The Committee shall comprise of a Committee Chair 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 Board Chair may also serve on the Committee as an additional member if he or she was considered independent on appointment as Board Chair, but shall not chair the Committee.
- 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 reviewed annually 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 receives 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 Committee Chair 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, and ordinarily, 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 Unless otherwise agreed, meetings of the Committee shall be called by giving at least five working days' 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 made available 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. ENGAGEMENT WITH SHAREHOLDERS**

- 5.1 The Committee Chair (together with the Board Chair, where appropriate) shall seek engagement with shareholders and investor bodies on significant matters related to the Committee's areas of responsibility. The Committee Chair 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 Committee shall:

- 6.1 Have delegated responsibility for determining the policy for directors' remuneration and setting remuneration for the company's chair and executive directors and senior management, including the company secretary, in accordance with the Principles and Provisions of the Code.
- 6.2 Establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests.

- 6.3 Design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to company purpose and values, clearly linked to the successful delivery of the company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances.
- 6.4 When determining executive director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.
- 6.5 No director or senior manager shall be involved in any decisions as to their own remuneration outcome. The board itself should determine the remuneration of the non-executive directors within the limits set in the Articles of Association.
- 6.6 In determining remuneration policy, take into account all other factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders.
- 6.7 Review the ongoing appropriateness and relevance of the remuneration policy and consider if the current remuneration policy should be amended and put to shareholders for approval at the next AGM.
- 6.8 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 managers including pensions, benefits, bonuses, incentive payments and share options or other share 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.
- 6.9 Determine the policy and scope for pension arrangements for each executive director, ensuring that the pension contribution rates for executive directors, or payments in lieu, are aligned with those available to the workforce.
- 6.10 Have oversight of the overall bonus payments and the terms of salary reviews proposed by management for the wider workforce.
- 6.11 Have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the company. However, the committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.
- 6.12 Review the design of all share incentive plans for approval by the board and, where required, shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards for executive directors and senior managers, and the performance targets to be used.

- 6.13 When reviewing share incentive awards, consider the use of a range of financial and non-financial strategic measures to help align targets with how the Company will deliver value over the long-term in line with the Company's purpose.
- 6.14 Consider the need to develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.
- 6.15 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.
- 6.16 Ensure that contractual terms on termination are fair to the individual and the Company, and that any payments made, do not reward poor performance and are robust in reducing compensation to reflect departing directors' obligations to mitigate loss and should be proportionate, reflecting their conduct and performance.
- 6.17 The Committee shall also review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration.

## **7. REPORTING RESPONSIBILITIES**

- 7.1 The Committee Chair 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 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.

## **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 Companies Act 2006, the requirements of the FCA's Listing, Prospectus and Disclosure and Transparency Rules as well as guidelines published by the Investment Association, 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.
- 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.
- 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 Committee Chair shall have a casting vote in the event of equality of voting.