Directors' remuneration report

Annual Statement

Dear shareholder,

On behalf of the Board, I am pleased to present the Directors' remuneration report for the 52-week period ended 1 April 2023.

Overview of performance

The business delivered a very strong performance over the year, further demonstrating the strength and resilience of its branded growth model, against the backdrop of a particularly challenging consumer environment. The business continued to invest in its supply chain to drive efficiencies. The Group's brands grew by 9.1% versus last year, benefitting from the launch of insight-driven new products. Revenue growth of products in new categories, such as *Ambrosia* porridge and *Mr Kipling* ice cream, has increased by 33% compared to prior year. International revenue increased by 10.0%, with growth in markets such as Australia, Europe and Canada. In July 2022, the Group announced the purchase of *The Spice Tailor* and the integration of the UK business has now been completed. *The Spice Tailor* represents a highly complementary business and delivered revenue growth of 25.0% in the year (on a 12 month pro forma basis).

The current economic climate has, undoubtedly, been challenging for the business, its consumers, customers and colleagues. A key feature of the Group's brand activation has been helping people to cook and prepare nutritious and tasty meals more affordably at home, through the 'Best Restaurant in Town' campaign, demonstrating the versatility of the Group's broad range of brands. We have also continued to work constructively with customers to deliver plans to drive mutual category growth.

The business has also continued to invest in the supply chain, with a number of major projects to improve efficiency, reduce cost and support long-term sustainable growth.

Revenue of £1,006.4m was +11.8% versus prior year and Trading profit of £157.5m was +11.5% versus last year, both ahead of analyst expectations. Net debt, which included the impact of the acquisition of *The Spice Tailor*, reduced to £274.3m. Taking into consideration the economic headwinds over the past 12 months, the Board believes that these represent a very strong set of results.

Annual Bonus performance outcome for FY22/23

As highlighted in the CEO review, the Group has made good progress with the execution of the Group's growth strategy, delivering strong Trading profit and operating cash flow, resulting in both of the stretching financial targets being exceeded. The Committee also assessed the non-financial targets set for the CEO and CFO, which were based on strategic and ESG objectives and, following strong performance against the stretching objectives set, it was determined that both the CEO and CFO had fully achieved these objectives.

In assessing the annual bonus outcome, the Committee also undertook a review of each director's individual performance, the overall performance of the business and the experiences of key stakeholders, including shareholders, employees, suppliers and customers. This resulted in the Committee awarding a bonus of 100% of maximum to Alex Whitehouse (£661,407, representing 125% of salary) and a bonus of 100% of maximum to Duncan Leggett (£363,125, representing 100% of salary). Full details of the targets and performance over the period are provided on pages 102 and 103.

One-third of the annual bonus payment will be made in the form of shares, deferred for a three-year period under the Deferred Bonus Plan (DBP). Details of the DBP are set out on page 105.

LTIP

The Committee assessed the performance conditions for the 2020 LTIP award. TSR performance was above the upper quartile compared to the FTSE All-Share comparator group (positioned between 1st and 2nd out of 372 companies), and adjusted EPS of 12.9p exceeded the maximum target set, meaning that both elements of the award will vest in full in June 2023. Full details of the targets and performance over the period are provided on page 104.

When assessing the annual bonus and LTIP outcomes, the Committee undertook an assessment 'in the round', to ensure that the outcomes are a fair reflection of overall Company performance and aligned with the experience of other stakeholders. As part of this, the Committee took into account the strong performance context, set out earlier in this letter, as well as the fact that the success of the business over the last three years, has been shared with colleagues and has resulted in a significant increase in the share price and creation of shareholder value. Colleagues have also been able to benefit from this share price growth, through participation in the Group's Sharesave scheme and the 2019 Award, which vested on 1 February 2023, provided a return of 284% (based on the share price on the date of vesting). The increased financial strength of the business enabled the reintroduction of dividend payments in 2021, and a final dividend for FY22/23 of 1.44p per share has been recommended by the Board, representing an increase of 20% versus prior year.

Taking all of the above into account, alongside the wider performance context detailed elsewhere in the annual report, the Committee considered that the annual bonus and LTIP outcomes are a fair reflection of Company and individual performance in the year. As such, the Committee has not exercised its discretion to adjust the formulaic outcomes.

Executive directors' salary

Both the CEO and CFO received a salary increase of 5% in FY22/23, effective from 1 July 2022, which was in line with all colleagues not involved in collective bargaining. This took into account performance of the Group and the individuals, as well as market positioning.

Executive director	Salary as at 1 April 2023	Change	Salary as at 2 April 2022
Alex Whitehouse	**£535,500**	+5.0%	£510,000
Duncan Leggett	**£367,500**	+5.0%	£350,000

The salary increase for executive directors for FY23/24, which will apply from 1 July 2023, will be disclosed in next year's Directors' Remuneration Report. In line with shareholder guidance, salary increases will be lower than the average rate of increase for colleagues. The Committee will continue to keep the executive directors' salaries under review as the Company's size and complexity continues to increase.

2023 Director's Remuneration Policy review and arrangements for FY23/24

Our Directors' Remuneration Policy is due to be put to a binding shareholder vote at this year's AGM. Since our current Policy was approved at the 2020 AGM, we have made significant progress with the turnaround of the business, the completion of the transformational agreement for our legacy pension schemes, the sale of our 49% investment in the Hovis business, and the issue of new £330m Fixed Rate Bonds due in October 2026. The business now has a far stronger balance sheet, with Net debt in FY22/23 of £274.3m which is 36% lower than three years ago. At the same time, we have continued to make strong strategic progress, with sustained revenue and profit growth ahead of market expectations.

The last three years have seen us strengthen our category-leading brands, including growing market share and building on their strong brand equities. We have also grown our international business through the application of our brand-building capabilities and executional focus in our priority markets. The strong operational and strategic performance, over the last three years, has seen the Group become an established member of the FTSE 250 index, with a current market capitalisation of over £1bn, which is more than three times larger than the start of FY20/21 when we last reviewed our Policy.

Over the course of the year, the Committee has carefully reviewed the current Policy and is satisfied that the overall structure (fixed pay, annual bonus and LTIP) remains appropriate for Premier Foods, and that it continues to support the delivery of our strategy and the generation of long-term sustainable shareholder value. Therefore, no changes are proposed to the structure of pay.

While the Committee believes that the overall Policy framework remains appropriate, we are proposing to increase the annual bonus and LTIP opportunities to ensure that our incentive levels are suitable, given the significant progress the business has made, as highlighted above. The Committee, therefore, proposes to:

- Increase maximum annual bonus opportunities by 25% of salary for each of the executive directors for FY23/24 onwards. The CEO's maximum bonus opportunity will increase from 125% to 150% of salary, and the CFO's bonus opportunity will increase from 100% to 125% of salary; and
- Increase maximum annual LTIP opportunities by 50% of salary for each of the executive directors for FY23/24 onwards. The CEO's LTIP opportunity will increase from 150% to 200% of salary, and the CFO's LTIP opportunity will increase from 100% to 150% of salary.

The Committee recognises that these increases are material. However, the current opportunities have fallen behind market practice for the size and scope of our organisation, and these increases, therefore, bring the incentive opportunities more in line with FTSE 250 norms. The Committee believes that these incentive opportunities are a fairer reflection of our organisational size and the complexity of the executives' roles, and will better incentivise the continued growth of the business and the delivery of the strategy going forward. The targets for the annual bonus and the LTIP have been set to be appropriately stretching, recognising the increased opportunities for FY23/24.

In line with the UK Corporate Governance Code, the Committee proposes to introduce a formal post-employment shareholding guideline under the 2023 Directors' Remuneration Policy. This guideline will require departing executive directors to hold 100% of their in-employment shareholding guideline (or their actual shareholding at the date of departure, if lower) for the first year post-cessation, and 50% in the second year. This guideline will apply to any shares vesting following the introduction of the Policy.

In early 2023, as Committee Chair, I consulted with our major shareholders and the main institutional voting agencies on the proposed 2023 Directors' Remuneration Policy. We had constructive conversations about our approach to remuneration, and the majority of our major shareholders were supportive of the proposals. Feedback from the consultation was shared with the Committee and the Board, and taken into consideration when approving the final proposals for the 2023 Directors' Remuneration Policy.

Relationship between ESG matters and remuneration arrangements

The Committee is aware of the increasing importance of ESG matters for both the Group and its stakeholders. An element of ESG has been included in the executive directors' annual bonus goals since FY20/21, with the weighting of this element aligned for both executives' annual bonus goals for FY22/23. ESG will form part of the executives' annual bonus goals for FY23/24, with these goals directly linked to the delivery of the Group's ESG strategy, the Enriching Life Plan. In addition, as part of the Committee's overall review of the Group's remuneration strategy, it ensures that arrangements do not encourage behaviour that is not aligned with the Group's ESG strategy. Further information regarding the Group's Enriching Life Plan is set out on pages 26 to 37.

Wider workforce

This year, the management team has been conscious of the impact of the cost of living crisis on the workforce as a whole and, as a result, two payments were made to factory-based colleagues over the course of FY22/23. In addition, reflecting the Group's strong performance in FY22/23, a discretionary bonus was paid to all colleagues who are not part of the annual bonus scheme.

During the year, as Workforce Engagement NED, I have provided updates to the Remuneration Committee on meetings held with colleagues across the business, which covered a range of topics including engagement on executive remuneration and how it aligns with pay for the wider workforce. The Committee also reviewed information on broader workforce pay policies and practices, which provided important context for the decisions on executive pay taken during the year. The pension levels for the executive directors are aligned with that available to the majority of the workforce. The operation of the annual bonus scheme is consistent for all participants and any financial measures are aligned with the overall Group targets. The executive directors have other additional constraints on their remuneration package, which are not applicable to the wider management population, such as bonus deferral and the LTIP holding period.

The Group also operates an all-employee Sharesave Plan, which allows all colleagues to share in the success of the Group. The colleague participation rate in this scheme is currently 34%.

I look forward to receiving your support for the 2023 Directors' Remuneration Policy and the Annual Report on Remuneration at the 2023 AGM.

On behalf of the Board

Helen Jones
Remuneration Committee Chair

18 May 2023

Overall approach to remuneration

At Premier Foods, the Remuneration Policy is designed to attract, retain and motivate a high-calibre management team. Focus is placed on driving exceptional performance and creating shareholder value in a sustainable way, as well as aligning the interests of the executive directors with key stakeholders.

The Committee follows the following broad principles when considering the design, implementation and assessment of remuneration, in line with the recommendations set out in Provision 40 of the 2018 UK Corporate Governance Code:

Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce

The Company's Remuneration Policy is designed to support the delivery of the Group's strategic objectives, which are aligned with the long-term interests of both shareholders and key stakeholders, including employees. The Committee is committed to being transparent in respect of the elements of remuneration, quantum, the rationale for targets set and performance outcomes. The work of the Workforce Engagement NED provides an opportunity for engagement with colleagues on executive remuneration. The Committee engages with shareholders and is keen to understand their views and priorities. Recent engagement has included discussion to understand shareholder views on the 2023 Directors' Remuneration Policy, which is submitted for shareholder approval at the AGM in July 2023 (further information is set out on pages 93 to 100).

Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand

The Committee believes the current arrangements for executive directors to be simple. These consist of the following elements:

- A fixed element that comprises salary, pension and taxable benefits.
- A variable element that is subject to performance conditions and comprises:
  - short-term goals via the annual bonus plan; and
  - long-term goals via the Long-Term Incentive Plan.

The Committee considers that the current arrangements are clear, easy to understand and provide an appropriate balance between fixed and variable remuneration. During the year, the Committee reviewed the annual bonus and LTIP measures for the executive directors and believes that they remained aligned to the delivery of the Group's strategy and that they were suitably stretching.

Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated

Targets are reviewed to ensure they reflect the overall risk appetite set by the Board and that they do not encourage inappropriate behaviours or excessive risk taking.

Mitigation is provided through the recovery provisions that apply to both the annual bonus and LTIP. Malus and clawback provisions apply in line with current best practice expectations. In addition, holding periods are in place for awards under the Deferred Bonus Plan and LTIP.

Predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the Policy

The Committee assesses the potential outcome of future reward by reference to potential pay-outs that can be received at a range of outcomes (minimum, mid-point and maximum), as set out in the proposed 2023 Directors' Remuneration Policy on page 93 to 100. In addition, the effect of future share price growth under the LTIP is also considered based on a 50% increase in share price over the period.

Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance

The Committee seeks to ensure that targets for the annual bonus and long-term incentives are aligned with the Group's strategy and the long-term sustainable development of the business.

The focus of our remuneration strategy is on rewarding performance – the majority of executive remuneration (over 70% at maximum) is variable and only payable if demanding performance targets are met. As set out in the Remuneration Committee Chair's letter, recognising the increased opportunities for FY23/24, the targets for the annual bonus and the LTIP have been set to be appropriately stretching. The majority of variable pay is payable in the form of shares.

When setting targets for variable elements of pay, the Committee carefully considers the targets to minimise the risk of excessive reward.

When assessing performance against the annual bonus and LTIP, the Committee also considers:

- the overall performance of the business;
- the experience of key stakeholders including shareholders, employees, suppliers and customers;
- the quality of earnings when assessing the achievement of financial targets; and
- the market in which the Company operates.

The Committee retains discretion to override formulaic outcomes produced by the performance conditions where, in the Committee's view, they do not reflect the performance of the business over the period or individual performance, or where events happen that cause the Committee to determine that the conditions are unable to fulfil their original intended role.

Alignment to culture – incentive schemes should drive behaviours consistent with company purpose, values and strategy

As part of the preparation of the 2023 Directors' Remuneration Policy, the Committee reviewed the overall design of the Group's remuneration strategy and believes that it is consistent with the Company's purpose, values and strategy, and is aligned with the Group's culture. When setting the goals for the annual bonus and LTIP award, the Committee considers a range of different potential measures, in order to select those which it believes are most likely to drive the successful delivery of the Group's strategy and are aligned with shareholders' interests to deliver earnings growth and improved shareholder value in the medium-term (further details are set out on pages 93 to 100).

2023 Directors' Remuneration Policy

Set out below is the 2023 Directors' Remuneration Policy. This Policy will be put forward to shareholders for their binding approval at the AGM on 20 July 2023, and will apply to payments made from this date. Further details regarding the operation of the Policy for FY23/24 can be found on pages 112 and 113.

Total remuneration is made up of fixed and performance-linked elements, with each element supporting different strategic objectives.

Base salary

Link to strategy

To provide an appropriate level of fixed income.

Set at levels to attract and retain talented individuals with reference to the Committee's assessment of:

- the specific needs of the Group by reference to the size and complexity of the business;
- the specific experience, skills, responsibilities and performance of the individual; and
- the market rates for companies of comparable size and complexity and internal Company relativities.

Operation

Normally reviewed annually (currently with effect from 1 July) in conjunction with the review for the wider workforce, although increases may be effective at other times if considered appropriate.

Maximum opportunity

Whilst the Company does not have a cap on salaries, increases are normally expected to be no more than the wider workforce increase (in percentage terms). However, increases may be above this level in certain circumstances, including (but not limited to):

- where an executive director has been appointed to the Board at a lower than typical market salary to allow for growth in the role, subject to performance, their salary may be increased to move it to typical market levels as the executive director gains experience;
- where an executive director has been promoted, or there has been a change in scope of the role/responsibilities;
- where there has been a change in market practice;
- where there has been a change in the size and complexity of the organisation; and
- other exceptional circumstances.

Performance

Performance measures: 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.

Performance period: N/A

Benefits

Link to strategy

To provide a competitive level of employment benefits.

Operation

The Company typically provides the following benefits (including the settlement of any tax thereon):

- cash allowance in lieu of company car;
- fully expensed fuel;
- private health insurance;
- life insurance;
- permanent incapacity benefit;
- IT services;
- professional memberships; and
- other benefits, including allowance for personal tax and financial planning (as required).

The Committee may introduce other benefits if it is considered appropriate to do so. Executive directors shall be reimbursed for all reasonable expenses and the Company may settle any tax incurred.

Where an executive director is required to relocate to perform their role, appropriate one-off or ongoing benefits may be provided (e.g. housing, schooling, etc.).

Maximum opportunity

There is currently no maximum level of benefit provision. However, when determining benefits, the Company considers the overall cost and the provision of benefits for the wider workforce.

Performance

Performance measures: N/A
Performance period: N/A

Pension

Link to strategy

To offer a level of retirement benefit in line with that offered to other UK employees.

Operation

Executive directors may participate in the Group's defined contribution scheme on the same basis as all other new UK employees, or receive an equivalent cash allowance in lieu of pension provision.

Executive directors may also pay additional amounts into this scheme by way of salary sacrifice, but will not receive any additional contribution from the Group. Only basic pay is pensionable.

Maximum opportunity

The maximum contribution or allowance for executive directors will be in line with that available to the majority of other UK employees or, if outside of the UK, a participant's pension plan in the relevant country. Currently, this is either a contribution, or a salary supplement, of 7.5% of basic pay up to an earnings cap. This is subject to change if the approach is also changed for the wider employee population.

Performance

Performance measures: N/A
Performance period: N/A

Annual bonus

Link to strategy

Designed to incentivise delivery of the Group's goals and reward executive directors for the delivery of the Group's strategy.

Operation

An annual bonus is subject to performance against measures that are linked to the Group's strategy. A maximum of two-thirds of the bonus is ordinarily paid in cash and a minimum of one-third is ordinarily deferred into an award of shares under the Premier Foods Deferred Bonus Plan ('DBP'), which normally vests after three years.

The rules of the DBP contain a dividend equivalent provision enabling additional payments to be made as soon as practicable after vested shares have been delivered to the participant of 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. Any dividend equivalents will normally be paid in shares.

Clawback and malus provisions apply to the annual bonus (both the cash and share elements).

The Committee may, in its discretion, adjust annual bonus pay-outs if it considers that the outcome does not reflect the underlying financial or non-financial performance of the Company or the individual performance of the participant over the relevant period, or that such a pay-out level is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. When making this judgement, the Committee may take into account such factors as it deems relevant.

Maximum opportunity

Maximum (as a percentage of salary): 150%

2023/24 financial year maximum levels:

- CEO: 150%
- Other directors: 125%

Performance

Performance measures: The Committee shall determine performance measures for the bonus each year. Performance measures are designed to promote the delivery of the Group's strategy and can be made up of a range of:

- financial targets (such as revenue, Trading profit and cash flow), representing not less than 50% of the total bonus opportunity, with the remainder being based on:
  - non-financial and/or personal targets.

The Committee has the discretion to adjust the performance targets, or set different performance measures, if events occur where the Committee considers this appropriate.

No more than 25% of the bonus will pay-out for threshold performance, with full pay-out taking place for equalling or exceeding the maximum target.

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 considered commercially sensitive.

Performance period: Normally one year.

Long-Term Incentive Plan

Link to strategy

The Premier Foods Long-Term Incentive Plan ('LTIP') provides a clear link to our strategic goal of delivering profitable growth with sustainable share price growth over the medium to long-term.

Operation

Under the LTIP, awards may be granted in respect of each financial year. Awards can be in the form of conditional shares or nil cost options, or in such other form that the Committee determines has the same economic effect. Where awards are in the form of nil cost options, participants may have up to 10 years from grant to exercise awards.

Awards under the LTIP normally vest following the end of a performance period of three years, subject to performance conditions. They will normally be subject to a post vesting holding period for two years following the end of the performance period.

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.

The rules contain a dividend equivalent provision, enabling payments to be made as soon as reasonably practicable after vested shares have been delivered to the participant in an amount equivalent to the dividends which would have been paid on the participant's vested shares between the date of grant of the relevant award, and the date of vesting. For nil-cost options, subject to a holding period, dividend equivalent payments may be made in respect of the period from the date of grant until the earlier of the expiry of the holding period, or the day on which the nil cost option is exercised. Any dividend equivalents will normally be paid in shares.

Clawback and malus provisions apply.

The Committee may, in its discretion, adjust vesting levels if it considers that such a vesting level is not appropriate, taking into account such factors as it deems relevant (which may include the overall performance of the Company, any Group Member or the relevant participant).

Maximum opportunity

Maximum (as a percentage of salary): 200%

2023/24 financial year LTIP award levels:

- CEO: 200%
- Other directors: 150%

Performance

Performance measures: The Committee shall determine performance measures for awards granted each year. The majority of the LTIP will normally be based on financial and/or share price related measures, with the remainder, if any, based on other measures including, but not limited to, those linked to the delivery of the business or ESG strategies.

Awards granted in 2023 will be subject to a combination of total shareholder return and adjusted earnings per share.

The Committee has the discretion to amend the performance targets if events occur which cause the Committee to reasonably consider that it would be appropriate, and, if the altered performance or target measure is not materially less challenging to satisfy.

No more than 25% of the LTIP award will vest for threshold performance, with full vesting taking place for equalling or exceeding the maximum target.

Performance period: Normally three years.

Holding period: Normally two years.

Sharesave Plan

Link to strategy

To offer all employees the opportunity to build a shareholding in a simple and tax-efficient manner.

Operation

Executive directors are entitled to participate in any all-employee plans on the same basis as other employees. The Company currently operates the HMRC compliant Sharesave Plan for UK employees. The key terms of the plan will only be changed to reflect HMRC changes.

Maximum opportunity

Participants in the Sharesave Plan 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. The limits for any other all-employee plans will be on the same basis as for other employees.

Performance

Performance measures: None, other than continued employment.

Performance period: Three years.

Shareholding requirements

Link to strategy

To align executives' interests with shareholders, and encourage long-term shareholding and commitment to the Company both during and post-employment.

Operation

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 required multiple of salary in shares (which is currently 200% of salary). The Committee will normally review progress against the requirements (which are set out in the Annual Report on Remuneration) on an annual basis.

Following stepping down from the Board, executive directors will normally be expected to maintain 100% of the in-employment shareholding guideline (or the actual shareholding if lower) for the first 12 months following departure from the Board, and 50% of the in-employment shareholding guideline (or the actual shareholding if lower) for the following 12 months.

The Committee retains the discretion to adjust or waive the shareholding requirements if it is considered to be appropriate in specific circumstances (e.g. ill-health).

Maximum opportunity

N/A

Performance

Performance measures: N/A
Performance period: N/A

Non-executive director fees

Link to strategy

Provides an appropriate level of fee to recruit and retain individuals with a broad range of experience and skill to support the Board in the delivery of its duties.

Operation

Fees are normally reviewed annually.

The remuneration of non-executive directors is determined by the Company Chair and executive directors. The remuneration of the Company Chair is determined by the Remuneration Committee.

This includes a Chair's fee and standard non-executive fee. Additional fees may be payable for other responsibilities assumed, or to reflect additional time commitments, for example the roles of Committee Chairs and the Senior Independent Director. Fees are set taking into account the time commitment required to fulfil the role and similar practice at other companies.

Any reasonable business-related expenses (including tax thereon) can be reimbursed.

Benefits may be introduced if appropriate.

Maximum opportunity

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 aggregate maximum opportunity is in line with the Company's Articles of Association (currently £1,000,000 per annum).

Performance

Performance measures: N/A
Performance period: N/A

1. Notes to the policy table

Notwithstanding the restrictions laid out in the Policy, where the Company has made a commitment to a director, which:

- was in accordance with the prevailing remuneration policy at the time that the commitment was made; and/or
- was made before the director became a director and, in the opinion of the Remuneration Committee, the payment was not in consideration for the individual becoming a director of the Company;

the Company will continue to give effect to it, even if it is inconsistent with the Remuneration Policy of the Company, which is in effect at that time.

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 status and the treatment of awards thereof;
- the ability to settle share awards or dividend equivalents (in whole or in part) in cash, if it considers that circumstances apply where it is appropriate to do so, for example, where there is a regulatory restriction on the delivery of shares; 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. Currently the annual bonus measures consist of financial (70%) and non-financial (30%) targets. 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 are set by reference to internal budgeting and strategic plans.

The 2023/24 LTIP grant will continue to use a combination of adjusted earnings per share and relative total shareholder return-based measures to reflect both an internal measure of Group performance and 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 if events happen that cause it to determine that the conditions are unable to fulfil their original intended purpose.

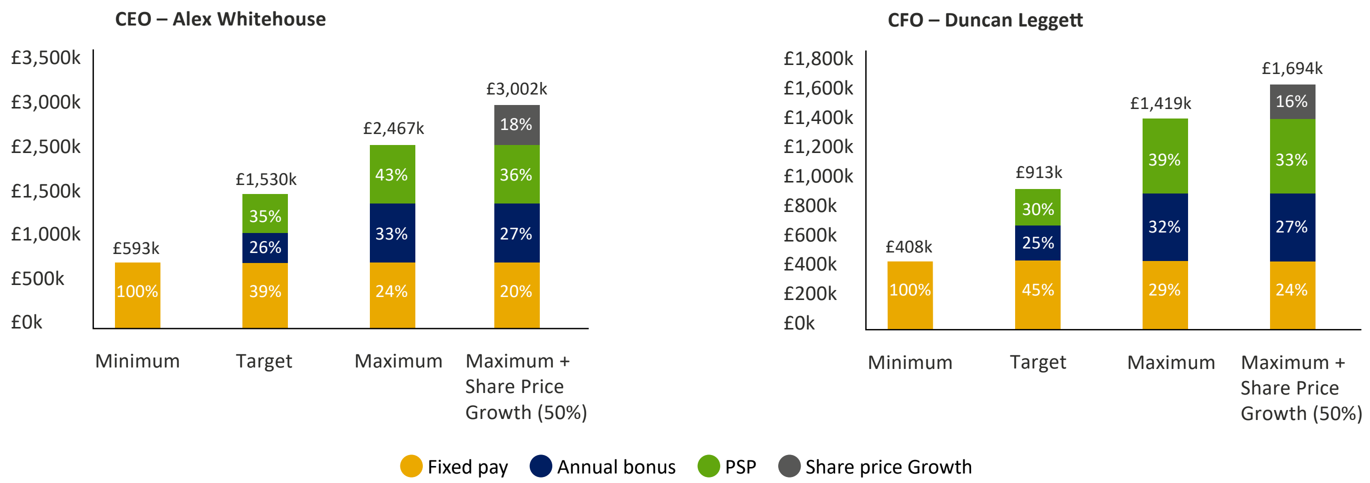
Malus and clawback

Annual bonus payments may be clawed back for a period of three years, from the date of payment, and DBP share awards have malus and clawback provisions that apply for a period of three years from the grant date. Malus and clawback provisions apply under the LTIP, until the third anniversary of the date on which the award vests. The circumstances in which malus and clawback may apply are:

- a material misstatement of financial results;
- an error in assessing performance or in the information/assumptions used;
- serious misconduct by the participant;
- corporate failure; or
- serious reputational damage.

2. Remuneration scenarios and weighting

This chart indicates the level of remuneration that could be earned by the current executive directors at minimum, target, maximum and maximum +50% share price growth under the Company's current Directors' Remuneration Policy.



Notes:

1 As the DBP is a portion of annual bonus, it is included within this segment.

2 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.

3 Assumptions when compiling the charts are:
Minimum = fixed pay only (base salary, benefits and pension).
Target = fixed pay plus 50% of the maximum annual bonus opportunity and 50% of the maximum LTIP opportunity.
Maximum = fixed pay plus 100% of the maximum annual bonus opportunity and 100% of the maximum LTIP opportunity.
Maximum +50% growth = fixed pay plus 100% of the maximum annual bonus opportunity and 100% of the maximum LTIP opportunity plus assumed share price growth of 50% over the three-year performance period.

3. Service contracts

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

Provision	Detailed items
Remuneration	Salary, benefits, pension, annual bonus and share incentives entitlements in line with the above Directors' Remuneration Policy table.
Change of control	The service agreement does not provide for any enhanced payment in the event of a change of control of the Company. In the event of the Company serving notice, within 12 months, following a change of control, employment will terminate immediately and the Company will make a payment in lieu of notice.
Notice period	Whilst the Board has the discretion to set a notice period of up to 12 months, the standard notice period is six months.

The terms and conditions for the Chair 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 with the executive service contracts. The letters of appointment entitle the non-executive directors and the Chair 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 up to three years, which may be terminated by three months' notice from either party, with the exception of Mr Kogo, whose appointment is governed by the Relationship Agreement between the Company and Nissin Foods Holdings Co., Ltd.

4. External directorships

The Company recognises that its executive directors may be invited to become non-executive directors of companies outside the Company and that 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). At the discretion of the Board, the executive director may be able to retain any fees received.

5. Policy on payment for loss of office

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

- The executive directors have rolling contracts. Whilst the Board has the discretion to set a notice period of up to 12 months, the standard notice period is six months.
- 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. The Committee retains the discretion to make a payment in lieu of notice as a single lump sum, or in such instalments as are considered appropriate. These payments are subject to the executive director's duty to mitigate their loss by finding alternative employment. If the executive director finds an alternative position, future payments will normally be reduced by the amount of remuneration received by the executive director pursuant to that alternative remunerated position. Any unused holiday entitlement may also be paid.
- The Company may terminate an executive director's employment without notice (or payment in lieu) in certain circumstances, including where they are guilty of gross misconduct or a serious or persistent breach of their service agreement.
- A bonus (where relevant in respect of that bonus year) may be payable where a director's employment terminates for a 'good leaver' reason. Any bonus payable will normally be pro-rated for time served and will be determined at the discretion of the Committee taking into account performance. Any unpaid bonus for the preceding completed bonus year may also be payable to a 'good leaver'. Any bonus payable will normally be subject to the deferral requirements set out earlier, but could, at the discretion of the Remuneration Committee, be paid entirely in cash and not subject to deferral. 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'.
- Any share-based awards, 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, 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 will be applied. '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 normally reduced pro-rata to reflect the proportion of the performance period 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 for the LTIP awards, this would only be applied in exceptional circumstances. LTIP awards will normally continue to be subject to the two-year holding period.
- The Remuneration Committee may agree that the Company will pay for the provision of outplacement support and reasonable fees for a departing executive director to obtain independent legal advice in relation to their termination arrangements.
- 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, or by way of correcting any error or oversight by the Company, the participant or any third party, in respect of their remuneration, the Committee may make a payment to a departing executive director, or to an executive director who has left the business.

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 addition, the Committee has discretion to include any other remuneration component or award that it feels is appropriate, taking into account the specific circumstances of the recruitment, subject to the limit on variable remuneration set out in the table below. The key terms and rationale for any such component would be disclosed as appropriate in the Remuneration Report for the relevant year.

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 package should be market competitive, to facilitate the recruitment of individuals of sufficient calibre to lead the business, but the Committee would intend to pay no more than it believes is necessary to secure the required talent.

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. This includes discretion to pay lower base salary with incremental increases, as new appointee becomes established in the role, as well as discretion to pay a higher base salary to attract the desired calibre of candidate.
Pension and benefits	In line with the above Directors' Remuneration Policy table. Where necessary, the Remuneration Committee may approve the payment of relocation costs (including any tax thereon) to facilitate recruitment. Flexibility is retained for the Company to pay legal fees and other costs incurred by the individual in relation to their appointment.
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 (excluding buy outs as referred to below) will be 350% of the base salary. In its discretion, the Committee may set different performance measures to apply to awards, made in the year of appointment, if it considers that to be appropriate.
Notice period	Whilst the Board has the discretion to set a notice period of up to 12 months, the standard notice period is six months.
Buy outs	In order to facilitate external recruitment of executive directors, it may be necessary for the Committee to consider buying out existing remuneration or contractual entitlements, that 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 the form of awards, quantum, vesting period and performance conditions. To facilitate any buy-out awards outlined above, in the event of recruitment, the Committee may grant awards to a new executive director relying on the provision in the Listing Rules, which would allow for the grant of awards to facilitate the recruitment of an executive director.

Other elements may be included in the following circumstances: i) an interim appointment being made to fill an executive director role on a short-term basis; and ii) if circumstances require that the Chair or a non-executive director takes on an executive function on a short-term basis.

The remuneration for a newly appointed Chair or non-executive director would normally be in line with the structure set out in the policy table for Chairs and non-executive directors on page 95.

Notes:

1 Should an executive appointment be made for an internal candidate, legacy terms and conditions would normally be honoured, including any accrued pension entitlements and any outstanding incentive awards.

7. Consideration of employees/wider Group

The remit of the Committee includes the oversight of remuneration for senior management (who are defined as the Group's Executive Leadership Team and Senior Leadership Team) as well as reviewing workforce remuneration and related policies, and the alignment of incentives and rewards with culture. The Group HR Director is a regular attendee at meetings of the Remuneration Committee and is able to brief the Committee on remuneration levels for the wider workforce and meetings that have been held with employee representative bodies. The Committee reviews workforce remuneration, 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. The Company engages with the wider workforce on a range of issues, including executive remuneration, through the work of the Workforce Engagement NED, who attends site-based employee meetings and provides feedback to the Board and Committee, so that the views of the wider workforce can be taken into consideration. As a result, the Committee is aware of how typical employee total remuneration compares to the potential total remuneration packages of executive directors and takes this into account when setting policy for executive director remuneration.

Differences in Remuneration Policy for executive directors compared to other employees

The executive directors' remuneration policy is set within the context of the Group's remuneration policy for the wider workforce.

The key differences of quantum and structure in pay arrangements between the CEO and the majority of colleagues reflect the different levels of overall accountability, responsibilities, skill and experience required for the role. The CEO's pay has 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 July 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.

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, for executive directors, through the shareholding guideline.

8. Consideration of shareholders' views

The Remuneration Committee and the Board consider 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 its 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 and the feedback received from the majority of shareholders was supportive.

9. Summary of the decision-making process and key changes to the Remuneration Policy

During the year, the Committee undertook a review of the Directors' Remuneration Policy and its implementation to ensure that the Policy supports the execution of strategy and the delivery of sustainable long-term shareholder value. The Committee discussed the content of the Policy at four Remuneration Committee meetings throughout the year. Throughout the review process, the Committee took into account the 2018 UK Corporate Governance Code, wider workforce remuneration and emerging best practice in relation to executive director remuneration. The Committee also considered input from management and our independent advisors, ensuring that conflicts of interest were appropriately managed (for example, executive directors were not present for the discussions directly related to their remuneration). The Committee considers that the overall remuneration framework – based on an annual bonus plan plus a performance share plan – remains appropriate to continue to incentivise management to drive long-term sustainable performance for shareholders. The proposed policy does, however, differ from the policy that was approved by shareholders at the 2020 AGM in the following areas:

Annual bonus	Maximum (as a percentage of salary) has been increased to 150%. Further context is provided in the Remuneration Committee Chair's letter.
Long-Term Incentive Plan (LTIP)	Maximum (as a percentage of salary) has been increased to 200%. Further context is provided in the Remuneration Committee Chair's letter.
Shareholding	Formal post-employment shareholding guideline introduced whereby, following stepping down from the Board, executive directors will normally be expected to maintain 100% of the in-employment shareholding guideline (or the actual shareholding if lower) for the first 12 months following departure from the Board, and 50% of the in-employment shareholding guideline (or the actual shareholding if lower) for the following 12 months.

Other minor changes have been made to the wording of the Policy to aid operation and increase clarity.

The Committee believes that the proposed Policy is clear and transparent and aligned with our culture. The Committee has taken into account provision 40 of the UK Corporate Governance Code and considers we comply as described below.

We operate a simple incentive framework, with award levels capped and pay outs linked to performance against a limited number of measures that are well linked to our strategy. Stretching, but fair, targets are set. This ensures that potential reward outcomes are clear and aligned with performance achieved, with the Committee having the discretion to adjust pay-outs where this is not considered to be the case.

Pay levels are set, taking into account external market levels, as well as internal practice to ensure pay remains competitive, whilst being equitable within the Company. Malus and clawback and discretion provisions, LTIP holding periods and shareholding guidelines, including post-employment, are in place to mitigate reputational and other risk.

Annual Report on Remuneration

An advisory vote on the Directors' Remuneration Report will be put to shareholders at the 2023 AGM. The Committee believes that the Remuneration Policy operated as intended in the year.

Single figure table for total remuneration (audited)

Single figure for the total remuneration received by each executive director for the 52 weeks ended 1 April 2023 (FY22/23) and the 52 weeks ended 2 April 2022 (FY21/22).

	Alex Whitehouse		**Duncan Leggett**	
	FY22/23 £'000	FY21/22 £'000	**FY22/23 £'000**	FY21/22 £'000
Salary	**529**	508	**363**	325
Taxable benefits[1]	**42**	31	**25**	21
Pension	**14**	13	**14**	13
Total fixed remuneration	**585**	552	**402**	359
Annual bonus[2]	**661**	634	**363**	325
LTIPs[3, 4]	**1,202**	1,520	**464**	490
Total variable remuneration	**1,863**	2,154	**827**	815
Single figure for total remuneration	**2,448**	2,706	**1,229**	1,174

1 The increase in taxable benefits reflects the inclusion of benefits in respect of permanent health insurance, which were not included in the prior year figures. Both directors were granted an award over 3,751 shares under the all-employee Sharesave Plan on 19 December 2022. An amount of £801 has been included within benefits with respect to this plan, which represents the 20% discount to the share price immediately prior to the offer (see the executive share awards table on page 107 for more information).

2 One-third of the annual bonus will be deferred into shares for three years, which are awarded under the terms of the DBP. Further details on DBP awards is set out on page 105.

3 The figures for share-based payments for FY22/23 represent an estimate of the value of the 25 June 2020 LTIP awards which will vest in full in June 2023, based on the three-month average price to 1 April 2023 of 116p. The share price at the date of grant was 69.5p and 40% of the value reported in the single figure is attributable to share price appreciation in the period (representing £478,955 for the CEO and £184,859 for the CFO) and no discretion has been exercised in relation to this.

4 The FY21/22 share-based award figures have been adjusted to include the value of the 24 September 2020 LTIP, which will vest in full in September 2023, based on the three-month average price to 1 April 2023 of 116p. The share price at the date of grant was 91.4p and 19% of the value reported in the single figure is attributable to share price appreciation in the period (representing £505,945 for the CEO and £490,144 for the CFO) and no discretion has been exercised in relation to this. As set out in the 2019/20 Directors' Remuneration Report, the two executive directors were each entitled to receive a pro rata award under the LTIP in respect of the 2019/20 financial period, to reflect the award levels of their new roles upon appointment as executive directors. This would ordinarily have been made immediately following appointment in 2019; however, members of the Board were in a prohibited dealing period, so the actual granting of the awards was delayed until 2020. These had the same performance measures, targets, and vesting level as the 2019 LTIP award, further details of which was set out in the Directors' Remuneration Report last year and later in this report on page 104. The FY21/22 share-based award figure for Mr Whitehouse has also been adjusted, in line with statutory reporting requirements, from that in last year's report, to show the actual value upon vesting of the 2019 LTIP award on 7 June 2022, based on a share price of 120.8p.

Base salary and fees (audited)

The Committee sets base salary by reference to the size and complexity of the business, based on factors such as market capitalisation, revenue, market share and total enterprise value.

Following their appointments in 2019, executive director salaries were increased incrementally to move them to around the lower quartile of the FTSE 250, which the Committee feels is appropriate given the Company's market capitalisation and its level of turnover, market value and complexity. The Committee is now comfortable that salaries are positioned appropriately for our current size, and therefore, the salary increases for executive directors for FY22/23, effective from 1 July 2022, were in line with the 5% increase awarded to all colleagues not involved in collective bargaining. The Committee will keep base salaries under review as we continue to grow in size and complexity and may make further step changes in the future if considered appropriate.

Executive director	**Salary as at 1 April 2023**	Change	Salary as at 2 April 2022
Alex Whitehouse	**£535,500**	+5.0%	£510,000
Duncan Leggett	**£367,500**	+5.0%	£350,000

Benefits

Benefits provided for the period related to the provision of car allowance, private fuel, private medical insurance, permanent health insurance and professional membership.

Pension

Under the Company's current Remuneration Policy, pension entitlements for executive directors are aligned with those available to the majority of the workforce, which currently equates to a contribution of 7.5% of basic pay up to an earnings cap (£181,800 for the 2022/23 tax year). Executive directors have the right to participate in the Group's defined contribution ('DC') pension plan, with any contribution above their annual allowance paid as cash. During the year, Alex Whitehouse and Duncan Leggett both participated in the Group's DC pension plan. Neither executive director participated in the Group's Defined Benefit pension scheme by reason of qualifying service.

The table below provides details of the executive directors' pension benefits in FY22/23:

	Company contributions to the Group's DC pension plan £'000	Cash in lieu of contributions to the DC-type pension plan £'000
Alex Whitehouse	4	10
Duncan Leggett	4	10

Annual bonus (executive directors) (audited)

Each year, the Committee sets individual performance targets and bonus opportunities 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 FY22/23

In line with the Remuneration Policy, for FY22/23, the CEO and CFO had maximum bonus opportunities of 125% of salary and 100% of salary, respectively. Performance was measured against targets relating to Trading profit (50% weighting), operating cash flow (20% weighting), strategic objectives (20% weighting) and ESG (10% weighting).

The Committee undertook a full and detailed review of the performance of each executive director against their financial and non-financial targets, including a 'performance in the round' assessment, which is set out below and in the Committee Chair's Annual Statement.

As stated earlier in this annual report, despite a number of challenges, the Group delivered a strong set of results in FY22/23. Trading profit was £157.5m, up +11.5% versus last year, driven by the effectiveness of the Group's branded growth model performance. Operating cash flow was £141.9m, up +11.4% versus last year.

The tables below set out performance compared to the financial and non-financial targets set at the start of the year.

Financial measures (audited)

	Annual bonus FY22/23					
Performance measure	Threshold (0%)	Target (50%)	Stretch (100%)	Performance outcome	Weighting	Performance (% of max bonus)
Financial targets (subject to a Trading profit underpin of £141.6m)						
Trading profit	£141.6m	£146.6m	£149.6m	£157.5m	50.0%	50.0%
Operating cash flow	£115.0m	£122.0m	£129.0m	£141.9m	20.0%	20.0%
					70.0%	70.0%

Strategic and ESG measures (audited)

Alex Whitehouse

Performance measure	Performance outcome	Weighting	Performance (% of max bonus)
Non-financial targets (subject to a Trading profit underpin of £141.6m)			
Strategic	**Knighton:** Completed viability exercise and review of strategic options for the Group's Knighton site. Reviewed the options, together with costs, timetable, risk and mitigation plans with the Board, who approved a proposal to enter into a consultation process with colleagues regarding the future of the site. **International expansion:** Finalised launch plans for cake in the US market. Following the completion of a very successful test in over 200 stores, a roll out to further stores is now underway. **Organisational design:** Undertook assessment of the organisational needs of the Group (including roles, structure and compensation) to support the delivery of the five-year Strategic Plan. Presented to the Board for approval in March 2023.	20.0%	20.0%
Environment, Social and Governance (ESG)	**People:** Continued sponsorship of the Group's Inclusion and Diversity programme. Female representation increased within both the Senior Leadership Team and middle management roles. Approved the launch of a new sponsorship programme. **Product:** Increased the range of non-HFSS products with the launch of a number of new products, including: *Mr Kipling* Deliciously Good range, *Plantastic* snack pots, *Plantastic* cooking sauces, and *Oxo* stock pots.	10.0%	10.0%
		30.0%	30.0%
	Final outcome	100.0%	100.0%

Duncan Leggett

Performance measure	Performance outcome	Weighting	Performance (% of max bonus)
Non-financial targets (subject to a Trading profit underpin of £141.6m)			
Strategic leadership	**Inorganic opportunities:** Led the financial assessment of M&A activity and the associated due diligence. Successful integration of *The Spice Tailor* into the Group. **Grow UK core:** Successful delivery of cost savings through supply chain and other efficiency improvement initiatives. **Investor relations:** Targeted programme to expand shareholder base with increased focus on overseas investors.	20.0%	20.0%
Environment, Social and Governance (ESG)	**Reporting:** Enhanced TCFD processes and increased compliance with TCFD requirements for FY22/23. Introduced external assurance for key ESG metrics to further strengthen processes and provide assurance on targets and performance reporting. **Risk:** Strengthened Risk processes to extend beyond the usual three-year time horizon and to embed climate and other ESG risks. New Director of Audit and Risk appointed to increase capability in this area.	10.0%	10.0%
		30.0%	30.0%
	Final outcome	100.0%	100.0%

The Committee considered the executives' achievements against their strategic and ESG objectives and, in light of the excellent progress delivered in the year, determined that a 100% pay-out for these elements was appropriate. The Committee considered the formulaic outcomes of the annual bonus assessment in the context of the current external environment, wider company and individual performance, the shareholder experience, the customer experience and the treatment of colleagues throughout the rest of the Group.

In addition to the operational highlights set out above, in FY22/23, Premier Foods has created approximately £65m of shareholder value, and delivered a shareholder return of 7% during the period, outperforming the FTSE 250 index (which was down 8% in the period).

The Committee believes that the executive directors continued to respond both decisively and effectively to the macro-economic challenges posed by significant inflationary pressures and the cost of living crisis, enabling the Group to perform successfully during FY22/23. In light of the Group's excellent financial performance, the strategic progress, and focus on the well-being of employees, the Committee concluded that the formulaic outcomes of the annual bonus assessment were justified, and that no discretion was required.

Long-Term Incentive Plan (LTIP)

Performance assessment for the June 2020 LTIP awards (audited)

The performance conditions for the 25 June 2020 LTIP award were based on a relative TSR condition (comprising two-thirds of the award) and an adjusted EPS condition (comprising one-third of the award). The Committee assessed the two performance conditions in May 2023 and concluded that both the relative TSR target and the adjusted EPS target had been fully achieved, which will result in full vesting of the LTIP award in June 2023. The TSR of Premier Foods over the three-year performance period was 389%, representing significant shareholder value creation and was significantly above the upper quartile TSR in the comparator group of circa 54%. The adjusted EPS performance of 12.9p was ahead of target and market consensus. The 2020 LTIP award was granted in June 2020 after the share price had recovered from an initial fall earlier in the year and was made at a higher share price than the 2019 LTIP awards, therefore there are no 'windfall gains' associated with this award. The Committee considered that the vesting reflected the underlying performance of the business and was appropriate. Details of the vesting outcomes are provided in the table below.

June 2020 LTIP

		Targets			Outcome		No. of shares to vest	No. of shares to vest
Performance measure	Weighting	Below threshold	Threshold	Stretch	Actual performance	Payout	Alex Whitehouse	Duncan Leggett
Relative TSR[1]	2/3	< Median	Median	Upper quartile	1st/2nd out of 372 companies	100%	1,040,145	401,459
Adjusted EPS[2]	1/3	< 11.4p	11.4p	12.4p	12.9p	100%		
% of relevant portion of award vesting[3]		0%	20%	100%				

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

2 FY19/20 base year adjusted EPS was 8.9p. As disclosed in the 2020/21 Directors' Remuneration Report, when the Committee initially set the 2020/21 EPS targets, the corporation tax rate was expected to be reduced from 19% to 17% for the 2023 financial year and the EPS targets were set based on this lower tax rate. The planned reduction in tax rate was repealed and the 19% corporation tax rate remained in place. The Committee restated the EPS targets to reflect this tax rate change, as previously disclosed.

3 Straight-line vesting between threshold and stretch.

Performance assessment for the September 2020 LTIP awards (audited)

Additional pro rata awards were granted to Alex Whitehouse (449,250 shares) and Duncan Leggett (435,220 shares) on 24 September 2020, reflecting their increased LTIP opportunities on appointment as CEO and CFO in 2019 (as set out in the table on page 107). The grant of the awards was delayed until 2020 due the Company being in a prohibited period; however, the performance conditions that applied to these awards were the same as for the June 2019 LTIP, which, as reported in last year's Remuneration Report, have now been met in full. The awards will vest on 24 September 2023. The value of the awards has been included within the FY21/22 LTIPs column in the single figure table on page 101.

September 2020 LTIP

		Targets			Outcome		No. of shares to vest	No. of shares to vest
Performance measure	Weighting	Below threshold	Threshold	Stretch	Actual performance	Payout	Alex Whitehouse	Duncan Leggett
Relative TSR[1]	2/3	< Median	Median	Upper quartile	3rd/4th out of 386 companies	100%	449,250	435,220
Adjusted EPS[2]	1/3	< 10.1p	10.1p	11.1p	12.1p	100%		
% of relevant portion of award vesting[3]		0%	20%	100%				

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

2 FY18/19 base year adjusted EPS was 8.5p.

3 Straight-line vesting between threshold and stretch.

Scheme interests awarded during the financial year (audited)

Deferred Bonus Plan (DBP)

One-third of any annual bonus payment awarded to executive directors is made in the form of shares. These shares are awarded under the terms of the DBP, which was approved by shareholders in July 2017. Awards will normally be made within six weeks following the announcement of the Group's full year results. The awards will normally vest on the third anniversary of grant and be awarded in the form of nil cost options (with no performance conditions), which will be exercisable up until the tenth anniversary of grant. The shares are subject to continued employment and forfeiture and clawback provisions. Details of the DBP award granted as nil cost options on 9 June 2022, based on a share price of 119.36p (representing the closing middle market quotation (MMQ) on the five dealing days prior to the date of grant), are set out below:

	FY21/22 Annual bonus	Bonus deferral (one-third)	No. of shares awarded	Deferral period
Alex Whitehouse	£634,375	£211,458	177,160	09.06.22 – 09.06.25
Duncan Leggett	£325,060	£108,353	90,778	09.06.22 – 09.06.25

LTIP award for FY22/23

Details of the LTIP award, granted in the form of nil-cost options on 9 June 2022, are set out below.

	Basis of award	Number of shares awarded	Face value on award date[1]	Performance period
Alex Whitehouse	150%	640,918	£765,000	01.04.22 – 31.03.25
Duncan Leggett	100%	293,230	£349,999	01.04.22 – 31.03.25

1 Determined based on the closing MMQ on the five dealing days ending 8 June 2022 of 119.36p.

		Targets			
Performance measure	Weighting	Below threshold	Threshold	Target	Stretch
Relative TSR[1]	50%	< Median	Median	N/A	Upper quartile
Adjusted EPS[2]	50%	< 11.4p	11.4p	11.9p	12.4p
% of relevant portion of award vesting[3]		0%	20%	50%	100%

1 Measured against the constituents of the FTSE 250 Index (excluding investment trusts) at the start of the period.
2 FY20/21 base year adjusted EPS was 11.0p.
3 Target EPS of 11.9p (at which 50% vests) with straight-line vesting between threshold and target and between target and stretch.

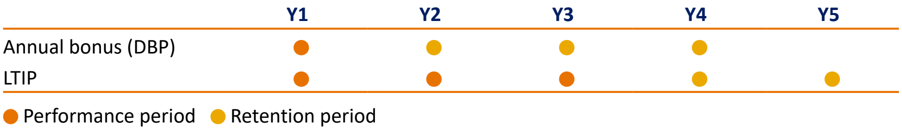
Additional context on these performance measures, weightings and targets was provided in the 2021/22 Directors' Remuneration Report.

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 Employee Benefit Trust (which held 4,511,923 shares as at 1 April 2023). 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 5.0%.

Share ownership guidelines, vesting and retention periods

To align executive directors' interests with those of shareholders, executives must hold 200% of salary in shares (valued at year end). The Committee will review progress against the requirements (see Share ownership guidelines table below), noting that the executive directors are expected to retain 50% of shares from vested awards under the Deferred Bonus Plan (DBP) and the LTIP (other than sales to settle any tax or NICs due) until the guideline is reached. Retention periods have been introduced for both the annual bonus scheme and LTIP to encourage a focus on the long-term sustainable development of the business. One-third of any annual bonus award is deferred into shares for three years under the DBP and any shares which vest under LTIP awards granted since 2018 will be deferred for a further two-year period.



Post-employment shareholding guideline

As set out in the Annual Statement on pages 90 and 91, the Remuneration Committee reviewed the recommendation set out in the UK Corporate Governance Code as part of its review of the Remuneration Policy, and is proposing to introduce a formal post-employment shareholding guideline.

Executives will be required to hold 100% of their in-employment guideline (or actual shareholding at departure, if lower) for the first year post-cessation, and 50% in the second year. Further details can be found in the 2023 Directors' Remuneration Policy set out on pages 93 to 100.

Share ownership for the wider Group

The Committee recognises the importance of aligning colleagues' interests 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. Participation in the Sharesave Plan currently represents approximately 34% of colleagues.

Statement of directors' shareholding and share interests (audited)

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. Awards are also subject to a two-year holding period post vesting. 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.

Share ownership guidelines and share interest table (audited) FY22/23

	No. of shares owned as at 1 April 2023[1]	No. of shares owned as at 2 April 2022	Share ownership guideline[2]	DBP Awards	LTIP Awards (vested)[3]	LTIP Awards (unvested)	Sharesave Awards	Total
Alex Whitehouse	**461,703**	452,678	408%	506,545	1,913,192	2,818,386	15,349	5,715,175
Duncan Leggett	**115,478**	106,811	88%	216,313	53,833	1,414,312	15,349	1,815,285

1 There were no changes in directors' share interests between year-end and 18 May 2023.

2 The Group's shareholding guidelines require executive directors to hold 200% of their salary in shares; The percentage stated includes the post-tax value of awards held under the Deferred Bonus Plan and vested LTIP awards, valued at the share price at year-end.

3 Vested but unexercised nil cost options.

Executive share awards (audited)

	Date of grant	Balance as at 2 April 2022	Awarded in the year	Exercised in the year	Vested in the year[2]	Lapsed in the year	**Balance as at 1 April 2023**	Option price	Share price on date of grant	Share price on date of exercise	Date of vesting/ becomes exercisable	Maximum Expiry date
Alex Whitehouse												
LTIP[1]	13.06.17	225,852	–	–	–	–	**225,852**	–	40.50	–	13.06.20	12.06.24
	08.08.18	779,497	–	–	–	–	**779,497**	–	41.20	–	08.08.21	07.08.25
	07.06.19	907,843	–	–	907,843	–	**907,843**	–	34.00	–	07.06.22	06.06.26
	25.06.20	1,040,145	–	–	–	–	**1,040,145**	–	69.50	–	25.06.23	24.06.27
	24.09.20	449,250	–	–	–	–	**449,250**	–	91.40	–	24.09.23	24.09.27
	10.06.21	688,073	–	–	–	–	**688,073**	–	108.60	–	10.06.24	09.06.31
	09.06.22	–	640,918	–	–	–	**640,918**	–	120.00	–	09.06.25	08.06.32
DBP	25.06.20	138,254	–	–	–	–	**138,254**	–	69.50	–	25.06.23	25.06.30
	10.06.21	191,131	–	–	–	–	**191,131**	–	108.60	–	10.06.24	10.06.31
	09.06.22	–	177,160	–	–	–	**177,160**	–	120.00	–	09.06.25	09.06.32
Sharesave Plan[2]	16.12.19	8,876	–	8,876	–	–	**–**	29.20	37.20	112.00	01.02.23	31.07.23
	15.12.20	7,531	–	–	–	–	**7,531**	71.70	95.00	–	01.02.24	31.07.24
	16.12.21	4,067	–	–	–	–	**4,067**	83.20	104.00	–	01.02.25	31.07.25
	19.12.22	–	3,751	–	–	–	**3,751**	85.40	107.40	–	01.02.26	31.07.26
		4,440,519	821,829	8,876	907,843	–	**5,253,472**					
Duncan Leggett												
LTIP[1]	13.06.17	53,833	–	–	–	–	**53,833**	–	40.50	–	13.06.20	12.06.24
	25.06.20	401,459	–	–	–	–	**401,459**	–	69.50	–	25.06.23	24.06.27
	24.09.20	435,220	–	–	–	–	**435,220**	–	91.40	–	24.09.23	24.09.27
	10.06.21	284,403	–	–	–	–	**284,403**	–	108.60	–	10.06.24	10.06.31
	09.06.22	–	293,230				**293,230**	–	120.00	–	09.06.25	08.06.32
DBP	25.06.20	34,289	–	–	–	–	**34,289**	–	69.50	–	25.06.23	25.06.30
	10.06.21	91,246	–	–	–	–	**91,246**	–	108.60	–	10.06.24	10.06.31
	09.06.22	–	90,778	–	–	–	**90,778**	–	120.00	–	09.06.25	09.06.32
Sharesave Plan[2]	16.12.19	8,876	–	8,876	–	–	**–**	29.20	37.20	112.00	01.02.23	31.07.23
	15.12.20	7,531	–	–	–	–	**7,531**	71.70	95.00	–	01.02.24	31.07.24
	16.12.21	4,067	–	–	–	–	**4,067**	83.20	104.00	–	01.02.25	31.07.25
	19.12.22	–	3,751	–	–	–	**3,751**	85.40	107.40	–	01.02.26	31.07.26
		1,320,924	387,759	8,876	–	–	**1,699,807**					

1 The 2019 LTIP for Mr Whitehouse includes 7,502 shares representing notional dividends paid during the performance period, up until the date of vesting on 7 June 2022. The Remuneration Committee has determined that the TSR and EPS elements of the 2020 LTIP awards will vest in full in June and September 2023 (see page 104 for more information).

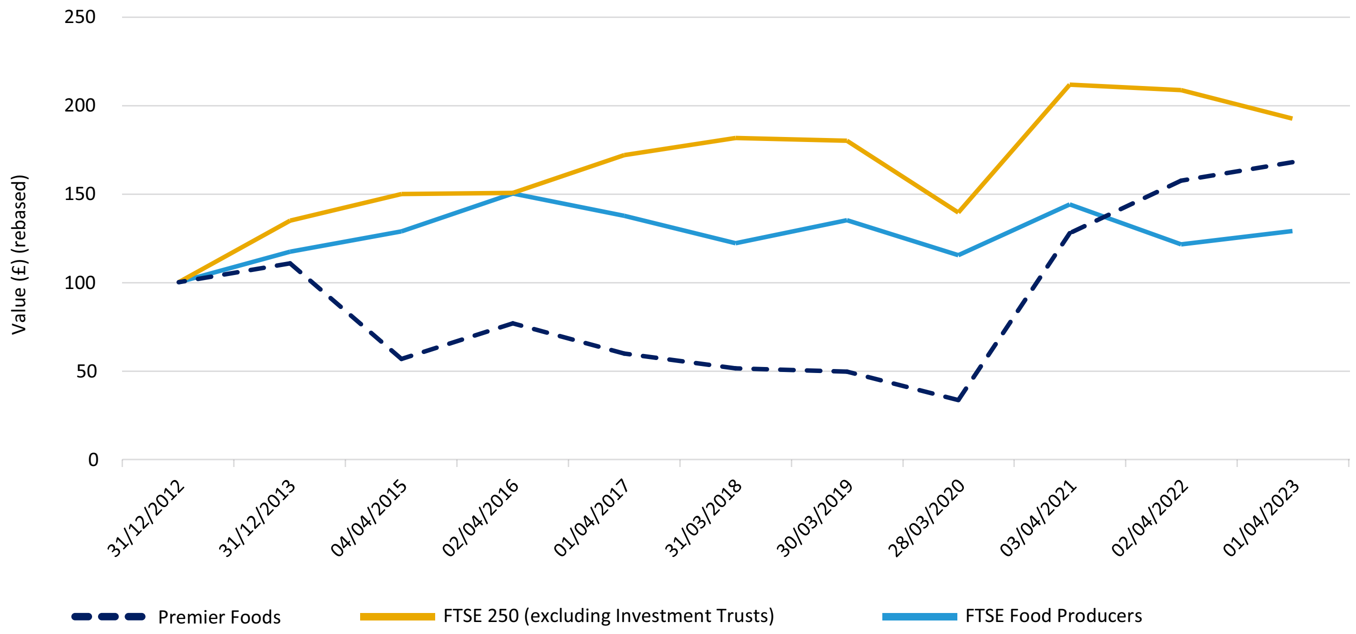
2 Executive directors are eligible to participate in the Group's Sharesave Plan on the same basis as all other eligible employees. Mr Whitehouse and Mr Leggett were granted an award over 3,751 shares under the all-employee Sharesave Plan on 19 December 2022. An amount of £801 has been included within taxable benefits, which represents the 20% discount to the share price immediately prior to the offer.

Total shareholder return

The market price of a share in the Company on 31 March 2023 (the last trading day before the end of the financial period) was 122.0p; the range during the financial period was 92.8p to 127.0p.

The graph shows the value, by 2 April 2022, of £100 invested in Premier Foods plc on 31 December 2012, compared with the value of £100 invested in the FTSE Food Producers Index and FTSE 250 (excluding Investment Trusts) Index on the same date. The Committee considers these to be the most appropriate comparator indices to assess the performance of the Group, given the Group's position as a FTSE 250 Food Producer. The other points plotted are the values at intervening financial year-ends.

Share graph



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 previous 10 financial periods.

Year	CEO	Single figure for total remuneration	Annual bonus as a % of maximum	LTIP vesting as a % of maximum
FY22/23	Alex Whitehouse	£2,447,797	100%	100%
FY21/22	Alex Whitehouse[2]	£2,705,795	100%	100%
FY20/21	Alex Whitehouse	£2,025,254	100%	100%
FY19/20	Alex Whitehouse[1]	£742,575	81.5%	33.3%
FY19/20	Alastair Murray[1]	£683,776	64.2%	33.3%
FY18/19	Alastair Murray	£158,297	53.0%	–
FY18/19	Gavin Darby	£1,241,708	60.0%	–
FY17/18	Gavin Darby	£1,229,383	35.0%	–
FY16/17	Gavin Darby	£862,455	–	–
FY15/16	Gavin Darby	£1,750,933	57.0%	–
FY14/15	Gavin Darby	£1,736,749	23.4%	–
FY13	Gavin Darby	£1,405,753	16.0%	–
FY13	Michael Clarke	£1,122,795	–	–

1 Alex Whitehouse was appointed as CEO on 30 August 2019 and Alastair Murray stepped down as Acting CEO and Chief Financial Officer.

2 The figures for FY21/22 have been adjusted, in line with statutory reporting requirements, to show the actual value upon vesting of the LTIP award on 7 June 2022. Full details of the single figure for total remuneration are set out on page 101.

Percentage change in remuneration of directors and employees

For the purpose of this table, remuneration is defined as salary, benefits and annual bonus. The increase in benefits for executive directors reflects the inclusion of private health insurance in FY22/23. Where directors have been appointed part way through the prior financial year, comparative figures have been calculated using an annualised figure. Tania Howarth, Lorna Tilbian and Roisin Donnelly were appointed as non-executive directors on 1 March, 1 April and 1 May 2022, respectively. Yuichiro Kogo does not receive a fee. The directors are the only employees of the Company, so the average pay of colleagues in the wider Group has also been included for the purposes of comparison.

	Change in pay FY22/23			Change in pay FY21/22			Change in pay FY20/21		
	Base salary % Change FY22/23	**Benefits % Change FY22/23**	**Annual bonus % Change FY22/23**	Base salary % Change FY21/22	Benefits % Change FY21/22	Annual bonus % Change FY21/22	Base salary % Change FY20/21	Benefits % Change FY20/21	Annual bonus % Change FY20/21
Executive directors									
Alex Whitehouse	**+4.3%**	**+34.5%**	**+4.2%**	+3.2%	+0.2%	+1.5%	+5.3%	-5.7%	+61.4%
Duncan Leggett	**+11.7%**	**+21.8%**	**+11.7%**	+12.5%	-1.8%	+9.1%	+12.7%	+4.5%	+33.1%
Non-executive directors									
Colin Day	**+8.5%**	**–**	**–**	+0.8%	–	–	0%	–	–
Richard Hodgson	**0%**	**–**	**–**	0%	–	–	0%	–	–
Simon Bentley	**0%**	**–**	**–**	0%	–	–	0%	–	–
Roisin Donnelly	**0%**	**–**	**–**	–	–	–	–	–	–
Tim Elliott	**0%**	**–**	**–**	0%	–	–	0%	–	–
Tania Howarth	**0%**	**–**	**–**	0%	–	–	0%	–	–
Helen Jones	**+12.9%**	**–**	**–**	0%	–	–	0%	–	–
Yuichiro Kogo	**–**	**–**	**–**	–	–	–	–	–	–
Lorna Tilbian	**0%**	**–**	**–**	–	–	–	–	–	–
All Group employees	**+11.1%**	**–**	**-31.2%**	-0.8%	–	+40.7%	+5.6%	–	+49.3%

Senior management and the wider workforce

The remit of the Committee includes the oversight of remuneration for senior management (who are defined as the Group's Executive Leadership Team and Senior Leadership Team) as well as reviewing workforce remuneration and related policies, and the alignment of incentives and rewards with culture. Remuneration for executive directors is set within the 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 scope of roles and levels of accountability required for the role, and that executive directors and senior management 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 July each year) and take account of both business and personal performance. Specific arrangements are in place at each site, which may be annual arrangements or form part of a longer-term arrangement, and the Board is kept regularly updated on these arrangements.

The Committee reviews the level of salary increases for colleagues not involved in collective bargaining and reviews the annual bonus plan for the general management population. Financial objectives for executive directors and the management population are aligned and strategic objectives are cascaded down the management structure. 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 our shareholding guidelines.

CEO pay ratio

The table on page 110 sets out a comparison of the CEO's total earnings as compared to the wider workforce, based on colleagues' pay at the 25th percentile, median and 75th percentile. Premier Foods is a food manufacturing business employing around 4,000 colleagues, the majority of whom are based at our manufacturing sites.

We apply the same reward principles for all colleagues – that overall remuneration should be competitive when compared to similar roles in similar organisations. For manufacturing colleagues, we benchmark against the general pay conditions for similar roles in the relevant local area, including other food manufacturers. For the CEO, we benchmark against salaries at companies with a similar level of turnover, enterprise value and complexity. The key differences of quantum and structure in pay arrangements, between the CEO and the majority of colleagues, reflect the different levels of overall accountability, responsibilities, skill and experience required for the role. The CEO's pay has a much greater emphasis on performance-based pay through the annual bonus and the LTIP. The ratios may, therefore, vary significantly year-on-year, depending on bonus and LTIP outcomes.

Year	Method	25th percentile	Median	Pay ratio 75th percentile
FY22/23	B	74:1	71:1	57:1
FY21/22	B	93:1	78:1	61:1
FY20/21	B	82:1	61:1	49:1
FY19/20	A	60:1	49:1	35:1
FY21/22	Base salary	£26,972	£24,729	£40,524
FY21/22	Total pay and benefits	£29,085	£34,540	£44,613

The CEO single figure for total remuneration was £2,447,797 (FY21/22: £2,705,795), as set out on page 108 of this report. The single figure (and associated percentile ratios) for FY21/22 have been adjusted to include the value of the 24 September 2020 LTIP award and to show the actual value upon vesting of the 2019 LTIP award on 7 June 2022. The main reason for the change in ratios from last year is a reduction in the value attributed to the CEO's vesting LTIP award in FY22/23 compared to the prior year. The Committee confirms that the ratio is consistent with the Company's wider policies on employee pay, reward and progression.

The Group has calculated the ratio in line with the reporting regulations using method B, which uses the most recent hourly rate gender pay gap information for all UK employees of the Company to identify three UK employees as the best equivalents. This uses data which is already reported externally as part of the Group's gender pay gap reporting. Due to the fact that the Group has a significant number of part-time employees and a range of different weekly working hours and shift allowances at various sites, the calculation of comparable full-time equivalents under method A was considered particularly complex. The results for this year were checked against colleagues' pay at either side of the data points selected, to ensure the results were representative and the figures provided are considered to be reflective of pay at the relevant sites where the colleagues are based. No adjustments or estimates have been used.

The workforce comparison is based on:

1. Payroll data as at 5 April 2022 for all colleagues, including part time colleagues and the CEO, but excluding non-executive directors.
2. Total pay comprising salary and taxable benefits (including shift allowance, overtime, car allowance and performance-related pay) as at 31 March 2023. Employers' pension contributions are not included in the data under the requirements of the gender pay gap reporting, but have been included in the total pay and benefits figures for the three colleagues listed in the table above for comparative purposes.

Gender pay gap reporting

Details of gender pay gap reporting are provided on page 182 and the full report is available on the Group's website.

Payments for loss of office (audited)

There were no payments for loss of office in the year (FY21/22: £Nil).

Payments to former directors (audited)

There were no payments to former directors in the year (FY21/22: £Nil).

Relative importance of spend on pay

The following table sets out the amounts and percentage change in total employee costs and distributions to shareholders (dividends and share buy backs). The Company has recommended the payment of a final dividend of 1.44p per share for the financial period, subject to shareholder approval at the AGM in July 2023, which represents a 20% increase on the prior year.

	FY22/23	FY21/22	Increase/ Decrease
Total employee costs	**£209.2m**	£183.0m	+14.3%
Distributions to shareholders	**£10.3m**	£8.5m	+21.2%

Non-executive directors

Fees payable to non-executive directors are determined by the Board. The level of fee is set in the context of the time commitment and responsibilities required by the role. As a result, additional fees are payable to the Chairs of the Audit and Remuneration Committees and for the role of Senior Independent Director. No change has been made to the basic NED fee since 2009.

Non-executive directors (audited)

Single figure for the total remuneration received by each non-executive director for the financial periods ended 1 April 2023 and 2 April 2022.

	FY22/23			FY21/22		
Director	Fees £	Expenses[3] £	**Total £**	Fees £	Expenses £	Total £
Colin Day	235,000	1,644	**236,644**	216,667	334	217,001
Richard Hodgson	67,000	–	**67,000**	67,000	–	67,000
Simon Bentley	70,000	–	**70,000**	70,000	–	70,000
Roisin Donnelly[1]	52,250	672	**52,922**	N/A	–	N/A
Tim Elliott	57,000	1,308	**58,308**	57,000	509	57,509
Tania Howarth[1]	57,000	628	**57,628**	4,750	–	4,750
Helen Jones	64,333	–	**64,333**	57,000	–	57,000
Yuichiro Kogo[2]	–	–	**–**	–	–	–
Lorna Tilbian[1]	57,000	687	**57,687**	N/A	N/A	N/A
Former directors:						
Pam Powell[1]	20,625	–	**20,625**	67,500	207	67,707
Daniel Wosner[1,2]	–	–	**–**	–	–	–

1 Tania Howarth, Lorna Tilbian and Roisin Donnelly were appointed as non-executive directors on 1 March, 1 April and 1 May 2022, respectively. Pam Powell and Daniel Wosner both retired as directors at the AGM on 20 July 2022.

2 Yuichiro Kogo and Daniel Wosner were appointed pursuant to relationship agreements with two of our major shareholders and did not receive a fee for their roles as non-executive directors.

1 Expenses relate to taxable travel costs in connection with the attendance at Board and Committee meetings during the year. The amounts in the table above include the grossed-up cost of UK tax paid by the Company on behalf of the non-executive directors.

Non-executive directors' fees

The fees of our non-executive directors (NEDs) are set out below. No increases were awarded in FY22/23.

	1 April 2023	Change	2 April 2022
Chair's fee	**£235,000**	–	£235,000
Basic NED fee	**£57,000**	–	£57,000
Additional remuneration:			
Audit Committee Chair fee	**£13,000**	–	£13,000
Remuneration Committee Chair 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 until 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 reappointed for a further three-year period. The terms of appointment for Yuichiro Kogo are governed by the terms of the relationship agreement between the Company and Nissin, our largest shareholder.

Director	Date of original appointment	Expiry of current appointment/amendment letter	Notice period
Alex Whitehouse	30 August 2019	–	6 months
Duncan Leggett	10 December 2019	–	6 months
Colin Day	30 August 2019	AGM 2025	3 months
Richard Hodgson	6 January 2015	AGM 2023	3 months
Simon Bentley	27 February 2019	AGM 2024	3 months
Roisin Donnelly	1 May 2022	AGM 2025	3 months
Tim Elliott	15 May 2020	AGM 2023	3 months
Tania Howarth	1 March 2022	AGM 2024	3 months
Helen Jones	15 May 2020	AGM 2023	3 months
Yuichiro Kogo	25 March 2021	–	–
Lorna Tilbian	1 April 2022	AGM 2024	3 months

Non-executive directors' interests in shares (audited)

NED	Ordinary shares owned as at 1 April 2023[3]	Ordinary shares owned as at 2 April 2022
Colin Day	**200,000**	200,000
Richard Hodgson	**–**	–
Simon Bentley	**–**	–
Roisin Donnelly[1]	**45,651**	N/A
Tim Elliott	**10,000**	10,000
Tania Howarth[1]	**–**	–
Helen Jones	**10,000**	10,000
Yuichiro Kogo[2]	**–**	–
Lorna Tilbian[1]	**–**	–
Former directors:		
Pam Powell[1]	**160,366**	160,366
Daniel Wosner[1]	**72,850**	72,850

1 Tania Howarth, Lorna Tilbian and Roisin Donnelly were appointed as non-executive directors on 1 March, 1 April and 1 May 2022, respectively. Pam Powell and Daniel Wosner both retired as directors at the AGM on 20 July 2022.

2 Yuichiro Kogo is a shareholder representative director appointed pursuant to a relationship agreement with Nissin, our largest shareholder.

3 There were no changes in directors' share interests between year-end and 18 May 2023.

Statement of implementation of the remuneration policy in FY23/24

The arrangements set out below are subject to the approval of the 2023 Directors' Remuneration Policy by shareholders at the AGM in July 2023.

Base salary and fees

The table below shows the base salaries of the executive directors as of 1 April 2023.

Executive director	Salary as at 1 April 2023
Alex Whitehouse	**£535,500**
Duncan Leggett	**£367,500**

The salary increase for executive directors for FY23/24, which will apply from 1 July 2023, will be disclosed in next year's Directors' Remuneration Report. In line with shareholder guidance, salary increases will be lower than the average rate of increase for colleagues. The Committee will continue to keep the executive directors' salaries under review as the Company's size and complexity continues to increase.

Benefits

Benefits for FY23/24 will be in line with the approved Remuneration Policy.

Pension

Pension entitlements for FY23/24 will be in line with the approved Remuneration Policy and on the same basis as that offered to the majority of the workforce (currently a salary supplement of 7.5% of base salary up to an earnings cap).

Annual bonus measures for FY23/24

The Committee agreed that, for FY23/24, the financial targets would represent 70% of the total bonus opportunity. The performance measures will be linked to the Group's strategy to focus on revenue growth, cost efficiency and cash generation with the aim to deliver the Group's growth strategy. As with last year, the financial targets comprise Trading profit and operating cash flow goals. Trading profit is a Group KPI (see page 56).

Non-financial objectives are focused on strategic opportunities to drive sales, generate cost savings and improve free cash flow in support of the Group's growth strategy. The element relating to ESG is aligned with the delivery of the Group's ESG strategy, the Enriching Life Plan (see pages 26 to 37 for more information). The Board considers the financial targets and the non-financial targets to be commercially sensitive, but has agreed that they will be disclosed as part of the performance assessment in next year's annual report. The financial and non-financial targets both contain Trading profit underpins.

As set out earlier in the report, the Committee is proposing to increase the annual maximum bonus opportunities by 25% of salary for each of the executive directors for FY23/24 onwards, subject to shareholder approval of the 2023 Directors' Remuneration Policy in July 2023. Recognising the increased opportunity, the Committee has set stretching targets for the one-year performance period. One-third of any annual bonus awarded in respect of FY23/24 will be deferred in shares for three years under the Deferred Bonus Plan.

	Alex Whitehouse	Duncan Leggett
Maximum opportunity as a % of salary	150%	125%
Performance measure	Weighting	Weighting
Financial objectives (subject to a Trading profit underpin)		
Trading profit	50%	50%
Operating cash flow	20%	20%
	70%	70%
Non-financial objectives (subject to a Trading profit underpin)		
Strategic	20%	20%
Environmental, Social and Governance	10%	10%
	100%	100%

LTIP award for FY23/24

As set out earlier in the report, the Committee is proposing to increase the annual maximum LTIP opportunities by 50% of salary for each of the executive directors for FY23/24 onwards, subject to shareholder approval of the 2023 Directors' Remuneration Policy in July 2023. For the FY23/24 award, the Committee proposes to use the same measures and weightings as for the FY22/23 LTIP award, i.e. relative TSR (50%) and adjusted EPS (50%), which are aligned with the Group's growth strategy to focus on revenue and profit growth, cost efficiency, cash generation and investment in the business in order to generate sustainable 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 250 Index (excluding investment trusts), which is considered an appropriate index to use as the Company is now an established member of the FTSE 250 Index.

The adjusted EPS target is 12.8p, with a range of 12.3p at threshold to 13.3p at maximum, which represents a circa 8% increase on the prior year's targets. In setting these targets, the Committee took into account the Group's five-year strategic plan and the impact of the change in corporation tax rate from 19% to 25%. The Group currently retains brought-forward losses, which it can utilise to offset against future tax liabilities and, therefore, tax is largely a non-cash item for Premier Foods. The Committee noted that a notional tax charge is included for the purposes of calculating EPS and, therefore, the increase in tax rate would reduce the EPS outcome in FY25/26. The Committee has set stretching targets for the three-year performance period, recognising the increased opportunity for FY23/24. The targets have been set to ensure that participants are motivated to deliver shareholder value without excessive risk-taking. In line with its usual approach, the Committee will review performance in the round to ensure that final vesting outcomes reflect the broader business and individual context in the period.

	Basis of award	Face value on award date	Performance period
Alex Whitehouse	200%	£1,071,000	01.04.23 – 31.03.26
Duncan Leggett	150%	£551,250	01.04.23 – 31.03.26

		Targets			
Performance measure	**Weighting**	**Below threshold**	**Threshold**	**Target**	**Stretch**
Relative TSR[1]	50%	< Median	Median	N/A	Upper quartile
Adjusted EPS	50%	< 12.3p	12.3p	12.8p	13.3p
% of relevant portion of award vesting[2]		0%	20%	50%	100%

1 Measured against the constituents of the FTSE 250 Index (excluding investment trusts) around the start of the period.

2 Target EPS of 12.8p (at which 50% vests) with straight-line vesting between threshold and target and between target and stretch.

The Committee

Details of the Committee members and their meeting attendance are set out on page 75. I was appointed as Chair of the Remuneration Committee on 20 July 2022, having served as a member of the Remuneration Committee for two years. Throughout the financial period, all members of the Committee have been independent. In addition, the Chair of the Board, CEO, HR Director and the remuneration advisers attended Committee meetings 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 five scheduled meetings.

Directors' remuneration report

CONTINUED

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, 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 remit has also been extended to review the remuneration arrangements for the wider workforce and to ensure there is alignment between the Group's remuneration arrangements and culture.

The key activities of the Committee during the financial period were as follows:

- Undertook a detailed review of remuneration arrangements for executive directors, as part of the preparation of the 2023 Directors' Remuneration Policy, and undertook an engagement exercise with major shareholders to understand their views;
- Reviewed remuneration arrangements for the ELT to ensure they continue to support the Group's evolving strategy, and aid the retention and recruitment of senior management;
- Together with the Board, received regular updates on the remuneration arrangements for the wider workforce, the impact of the cost of living crisis on colleagues, site pay negotiations, and the options to extend long-term incentive arrangements for management below the ELT;
- Reviewed and discussed developments in best practice in order to keep the Committee up to date with current market practice;
- Reviewed the voting results for the 2022 Directors' remuneration report;
- Reviewed the FY22/23 salary increase for colleagues not involved in collective bargaining;
- Reviewed and recommended executive directors' and senior managers' annual bonuses in respect of the financial period, and set the targets for the FY22/23 annual bonus, ensuring they were aligned with the strategic objectives of the Group;
- Granted the 2022 awards under the Company's all-employee plans and monitored colleague participation; and
- Granted the 2022 awards under the Company's executive share plans to executive directors and senior managers and agreed the targets for awards due to be made in 2023, ensuring they are aligned with the strategic objectives of the Group.

Committee evaluation

As part of the internal Board evaluation exercise conducted during the year (see page 78 for more information), a review of the Committee's effectiveness was also undertaken. The review included the management of meetings, quality of papers and presentations, an assessment of overall remuneration strategy and whether it supported the delivery of the Group and ESG strategies, the Committee's understanding of remuneration arrangements for the wider workforce and the views of key stakeholders. It was confirmed that the Committee remained effective and an action plan for the coming year was agreed. A review was also undertaken of the performance of the Committee's adviser, and it was confirmed that they had performed effectively in supporting the Committee over the period.

Advisers

Following a tender exercise undertaken in 2020, Deloitte LLP ('Deloitte') was appointed as adviser by the Committee in January 2021. The Deloitte engagement team have no other connection with the Group or its directors that is considered to impair their independence. Deloitte also provided advice to the Group in relation to tax and internal control during the year. Deloitte is a founding member of the Remuneration Consultants Group and, as such, adheres to its Code of Conduct. The Committee is satisfied that the advice received from Deloitte is objective and independent. During the financial period, Deloitte received fees of £88,250 (FY21/22: £68,950) on a time and material basis, in respect of their advice to the Committee.

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. Executives 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 hold any external appointments with publicly quoted companies.

Statement of voting at the Annual General Meeting

The details of the voting on the resolutions at the AGM held on 20 July 2022 are set out below (full details of the voting results for each resolution are available on the Group's website: www.premierfoods.co.uk).

	Approval of Directors' Remuneration Report FY21/22	% of votes cast	Approval of the current Directors' Remuneration Policy	% of votes cast
Date of AGM	20 July 2022		12 August 2020	
Votes for	697,295,750	99.31%	569,672,002	96.65%
Votes against	4,844,276	0.69%	19,748,413	3.35%
Total votes cast	702,140,026	100%	589,420,415	100%
Votes withheld	93,086		229,811	

The Directors' Remuneration Report was approved by the Board on 18 May 2023 and signed on its behalf by:

Helen Jones
Remuneration Committee Chair