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 30 March 2024.

Overview of performance

The business delivered a very strong performance over the year, making good progress against each of the Group's strategic pillars. The Group delivered branded revenue growth of 13.5%, demonstrating the continued success of the Group's branded growth model. Revenue from new categories increased by 72.3%, driven by *Ambrosia* porridge pots, and the International business grew by 12% (at constant currency), with *Mr Kipling* building distribution in the USA and cake reaching a record market share of 16.1% in the year in Australia. In October 2023, the Group announced the acquisition of the *FUEL10K* breakfast brand, providing a platform to accelerate expansion into the breakfast category.

Headline revenue of £1,122.6m was +15.1% versus prior year, and Trading profit of £179.5m was +14.0% versus prior year, both ahead of market expectations. Net debt, which included the impact of the acquisition of the *FUEL10K* acquisition, reduced by £39m. Taking into consideration the economic headwinds over the past 12 months, the Board believes that these results demonstrate the effectiveness of the Group's branded growth model and the capabilities of the management team.

In addition, in March 2024, the Group announced the suspension of future pension deficit contribution payments from 1 April 2024. The suspension of contributions has taken place earlier than originally expected, reflecting the strong performance of the pension scheme, and means that the Group will benefit from £33m of increased free cash flow for the financial year ending 29 March 2025. This provides us with enhanced capital allocation options to deliver the Group growth ambitions.

Annual Bonus performance outcome for FY23/24

As highlighted above, the Group has continued to make good progress with the execution of the Group's growth strategy, delivering strong Trading profit and operating cash flow, resulting in both of the financial targets in the annual bonus plan 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 performances 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, colleagues, suppliers and customers. Taking this into account, the Committee awarded a bonus of 100% of maximum to Alex Whitehouse (£833,372, representing 150% of salary) and a bonus of 100% of maximum to Duncan Leggett (£476,602, representing 125% 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 104.

Long-Term Incentive Plan ('LTIP')

The Committee assessed the performance conditions for the 2021 LTIP award. TSR performance was above the upper quartile compared to the FTSE All-Share comparator group (positioned between 39th and 40th out of 353 companies), and adjusted EPS of 13.7p exceeded the maximum target set, meaning that both elements of the award will vest in full in June 2024, and be subject to a two-year holding period. 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 Annual Statement, 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 – the 2020 Award vested on 1 February 2024 and provided a return of 93% (based on the share price on the date of vesting). The increased financial strength of the business has enabled the reintroduction of dividend payments in 2021, and a final dividend for FY23/24 of 1.728p 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 this 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.

2023 Director's Remuneration Policy review and arrangements for FY24/25

Our 2023 Directors' Remuneration Policy was put to a binding shareholder vote at AGM in July 2023, and we would like to thank shareholders for their strong support, with over 96% voting in favour. A summary of the key elements of the Policy is set out on page 99.

The Committee considers that the Remuneration Policy operated as anticipated over the financial period, and no changes are proposed to the Policy for FY24/25.

During the year, the Committee carried out a review of arrangements, to ensure the overall remuneration strategy for executive directors and senior management remained competitive and continued to drive the right behaviours and support the implementation of the Group's strategy.

Executive directors' salaries

As highlighted above, the Group continues to deliver very strong performance. This strong operational and strategic performance over the last year has led to the creation of significant shareholder value of c.£250m, and has allowed the Group to deliver a shareholder return of 23%, outperforming the FTSE 250 index (which was up 10% in the period). Over a longer period of five years, broadly aligned with when Alex Whitehouse was appointed as CEO and Duncan Leggett was appointed as CFO, the Group has delivered a shareholder return of 381%, significantly outperforming the FTSE 250 index (which was up 20% over the period). In that time, Premier Foods has also been promoted from the FTSE SmallCap Index to the FTSE 250 Index and is now positioned in the top half of that index (the Group's current market cap of c.£1.4bn places us at around position 102 in the FTSE 250).

Over the course of the year, the Committee has reviewed the approach to base salaries to ensure that they reflect the performance of the Group and the individuals, and the increased size and complexity of the organisation, as outlined above. With this in mind, it is proposed that the executive directors' salaries are increased, with effect from 1 July 2024, as follows:

	Salary for FY24/25	Salary as at 30 March 2024	Change
Alex Whitehouse	£620,000	£562,275	10.3%
Duncan Leggett	£415,000	£385,875	7.5%

The Committee recognises that these salary increases will be above the likely salary review for colleagues not involved in collective bargaining, which is expected to be between 3% and 3.5%. However, the Committee is conscious that current salaries have fallen behind market for the size and scope of our organisation, and these increases bring salaries more in line with comparable roles at companies with a similar market capitalisation to Premier Foods. The Committee believes that the proposed salaries are a fairer reflection of our organisational size, the complexity of the executive directors' roles as the Group continues to grow both within the UK and internationally, and the sustained excellent performance of the executive directors in delivering against our strategy and creating value for shareholders.

These changes will position the CEO's total maximum compensation package just below the FTSE 250 median, and the CFO's total maximum compensation package between the FTSE 250 lower quartile and median. The Committee considers that this market positioning is an appropriate reflection of the increased size and complexity of the business, the executive directors' sustained excellent performance in role, and our improved positioning within the FTSE 250.

It is the Committee's current intention that any increases next year will be in line with colleagues not involved in collective bargaining.

Group Chair and NED fees

Due to the increased size and complexity of the business, the Committee also reviewed the Group Chair and NED fees during the course of the year and determined that an increase, in line with the salary review for colleagues not involved in collective bargaining, in July 2024 (currently expected to be between 3% and 3.5%), is appropriate. In making this decision, the Board was mindful that the NED base fee and fees for chairing a Committee have not been increased for well over 10 years, that the Senior Independent Director fee was last increased in 2015, and that the Group Chair fee was last increased in 2022.

Annual Bonus measures

For FY24/25, the annual bonus will continue to be based 50% on Trading Profit, 20% on operating cash flow and 30% on strategic and ESG measures.

LTIP measures

Following a review of the performance measures for the LTIP, it was agreed that the current measures of 50% relative TSR and 50% adjusted EPS remain the most appropriate for the Group and continue to be aligned with the delivery of the Group's strategy.

The Committee reviewed the targets for the annual bonus and LTIP in FY24/25, and agreed that they are challenging and set at levels that will reward very good performance. They are also considered to be aligned with the Group's strategic priorities – further details of the measures are provided on page 114.

Relationship between ESG matters and remuneration arrangements

Our ESG strategy continues to be a critical part of our business strategy and remains important to our stakeholders. ESG performance has been assessed within the executive directors' annual bonus goals since FY20/21. ESG will again form part of the executives' annual bonus goals for FY24/25. In addition, as part of their overall review of the Group's remuneration strategy, the Committee ensures that arrangements encourage behaviour that is aligned with the Group's ESG strategy. Further information regarding the Group's Enriching Life Plan is set out on pages 30 to 41.

Wider workforce

The management team remains aware of the ongoing impact of the inflationary environment on the workforce as a whole and this has been recognised when setting salary increases for colleagues over the year. In addition, reflecting the Group's strong performance in FY23/24, a discretionary bonus was paid in March 2024 to colleagues who are not part of the annual bonus scheme, to enable all colleagues to share in the Group's success.

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 rest 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 36%.

I look forward to receiving your support for the Directors' Remuneration Report at the 2024 AGM.

On behalf of the Board

Helen Jones
Remuneration Committee Chair

16 May 2024

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 applies 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 was submitted for shareholder approval at the AGM in July 2023 (further information is set out on page 99).

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 remain aligned to the delivery of the Group's strategy and that targets are 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. Holding periods are in place for awards under the Deferred Bonus Plan and LTIP. In addition, a formal post-employment shareholding guideline was introduced as part of the 2023 Directors' Remuneration Policy.

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, target and maximum), as set out in the 2023 Directors' Remuneration Policy, which is included in the FY22/23 Annual Report. 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 75% at maximum) is variable and only payable if demanding performance targets are met. The targets for the annual bonus and the LTIP are designed 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 or the individual over the period, 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 those which are aligned with shareholders' interests to deliver earnings growth and improved shareholder value in the medium-term (further details are set out on page 99).

Summary of the Directors' Remuneration Policy

The current Directors' Remuneration Policy was approved by shareholders at the AGM on 20 July 2023 (with 96.24% votes in favour). The following table presents a summary of the key elements of the current Directors' Remuneration Policy and how it will be implemented in FY24/25. The full policy is available in the FY22/23 Annual Report, which can be found on the Group's website at www.premierfoods.co.uk

Current elements of remuneration and operation	How we plan to implement the Policy in FY24/25
Salary Set at levels to attract and retain talented individuals with reference to the size and complexity of the business, the specific experience, skills and responsibilities of the individual, and the market rates for companies of comparable size and complexity and internal Company relativities. Normally reviewed annually (currently with effect from 1 July) in conjunction with those of the wider workforce**.**	No change to Policy. For FY24/25: • CEO – £620,000 (10.3% increase) • CFO – £415,000 (7.5% increase) Further context for these salary increases is provided on page 97.
Benefits Benefits include: cash allowance in lieu of company car; fully expensed fuel; private health insurance; life insurance; permanent incapacity benefit; professional memberships; and other ancillary benefits.	No change to Policy.
Pension Pension contributions in line with that offered to the rest of the workforce (currently a salary supplement of 7.5% of base salary up to an earnings cap).	No change to Policy.
Annual Bonus Maximum opportunity: • CEO: 150% of salary • CFO: 125% of salary One-third of earned bonus is deferred into shares for three years. Awards are subject to malus and clawback provisions.	No change in maximum opportunity. Awards will be subject to the following performance measures: • Trading profit (50% weighting); • Operating cash flow (20% weighting); and • Strategic and ESG objectives (30% weighting). Awards are also subject to a Trading profit underpin.
Long-Term Incentive Plan 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. Maximum opportunity: • CEO: 200% of salary • CFO: 150% of salary Awards are subject to a three-year performance period, followed by a two-year holding period. Awards are subject to malus and clawback provisions.	No change in LTIP award levels for FY24/25. Awards are subject to the following performance measures: • Relative TSR (50% weighting); and • Adjusted EPS (50% weighting).
Shareholding guideline 200% of salary. Executive directors are expected to retain 50% of shares from vested awards under the DBP and LTIP until they reach the guideline.	No change to Policy. The current shareholdings are: • CEO – 720% of salary • CFO – 307% of salary
Post-employment shareholding guideline 100% of in-employment shareholding guideline (or actual shareholding at the date of departure, if lower) to be held for the first year post-cessation, and 50% in the second year.	No change to Policy.

Annual Report on Remuneration

An advisory vote on the Directors' Remuneration Report will be put to shareholders at the 2024 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 30 March 2024 (FY23/24) and the 52 weeks ended 1 April 2023 (FY22/23).

	Alex Whitehouse		Duncan Leggett	
	FY23/24 £'000	FY22/23 £'000	FY23/24 £'000	FY22/23 £'000
Salary	**556**	529	**381**	363
Taxable benefits[1]	**41**	42	**26**	25
Pension	**15**	14	**15**	14
Total fixed remuneration	**612**	585	**422**	402
Annual bonus[2]	**833**	661	**477**	363
LTIPs[3, 4]	**978**	1,365	**404**	527
Total variable remuneration	**1,811**	2,026	**881**	890
Single figure for total remuneration	**2,423**	2,611	**1,303**	1,292

1 Both directors were granted an award over 2,886 shares under the all-employee Sharesave Plan on 15 December 2023. An amount of £817 has been included within benefits with respect to this plan, which represents the 20% discount to the share price on the grant date (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 are set out on page 104. The awards are subject to continued employment and forfeiture and clawback provisions.

3 The figures for share-based payments for FY23/24 are an estimate of the value of the 10 June 2021 LTIP awards (representing 688,073 shares for the CEO and 284,403 shares for the CFO), which will vest in full in June 2024, based on the three-month average price to 30 March 2024 of 142.09p. The share price at the date of grant was 108.6p so 23.6% of the value reported in the single figure is attributable to share price appreciation in the period (representing £230,472 for the CEO and £95,262 for the CFO). No discretion has been exercised in relation to this (see page 104 for further information).

4 In line with statutory reporting requirements, the FY22/23 share-based award figures have been adjusted from that in last year's report, to show the value upon vesting of the June 2020 LTIP award on 25 June 2023, based on a share price of 129.0p.

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.

The salary increases for executive directors for FY23/24, effective from 1 July 2023, were lower than the average rate of increase for the Group's colleagues.

	Salary as at 30 March 2024	Salary as at 1 April 2023	Change
Alex Whitehouse	**£562,275**	£535,500	+5.0%
Duncan Leggett	**£385,875**	£367,500	+5.0%

Benefits (audited)

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

Pension (audited)

Under the Company's current Remuneration Policy, pension entitlements for executive directors are aligned with those available to the rest of the workforce, which currently equates to a contribution of 7.5% of basic pay up to an earnings cap (£205,200 for the 2023/24 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 FY23/24:

	Cash in lieu of contributions to the DC-type pension plan £'000	Company contributions to the Group's DC pension plan £'000
Alex Whitehouse	5	10
Duncan Leggett	5	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 FY23/24

In line with the Remuneration Policy, for FY23/24, the CEO and CFO had maximum bonus opportunities of 150% of salary and 125% 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 FY23/24. Trading profit was £179.5m, up +14.0% and Operating cash flow was £168.7m, up +18.6%, versus last year, driven by the effective execution of the Group's strategy by the management team.

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 FY23/24					
Performance measure	**Threshold (0%)**	**Target (50%)**	**Stretch (100%)**	**Performance outcome**	**Weighting**	**Performance (% of max bonus)**
Financial targets (subject to a Trading profit underpin of £158.0m)						
Trading profit	£158.0m	£163.0m	£170.0m	£179.5m	50.0%	50.0%
Operating cash flow	£119.4m	£124.4m	£130.4m	£168.7m	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 £158.0m)			
Strategic	**New category development:** Increased turnover of *Ambrosia* porridge pots by +111% over the year, ahead of the stretch target. This was facilitated by freeing additional capacity at the Lifton site, ahead of plan. In addition, Board approval was obtained for a significant investment in a new production line, to help meet forecast demand. **International expansion:** Increased listings for Cake in the USA to over 3,000 stores, ahead of the stretch target and sales of strategic focus brands within the Group's strategic growth markets increased to £40m, also ahead of the stretch target.	20.0%	20.0%
Environment, Social and Governance (ESG)	**Product:** Over the year, the business launched or reformulated 209 products which support high nutritional standards and 142 products which offer an additional health and/or nutrition benefit, including reducing salt across the *Sharwood's* noodles range and extending the *Mr Kipling* Deliciously Good range to Cherry Bakewell and Loaf Cakes. As a result, turnover of products that meet high nutritional standards increased to £397m, ahead of the stretch target. **Planet:** Development of a new approach to managing key waste streams at our Lifton factory helped to reduce food waste across our operations by -8.4% versus prior year, ahead of the target. **People:** Continued to make progress improving accessibility to leadership roles through enhanced recruitment, development and mentoring programmes. The proportion of women in senior management roles increased to 41%, (up from 28% in FY20/21, when we launched the target) and we are on track to achieve our long-term goal of gender parity by 2030.	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 £158.0m)			
Strategic	**Margin and cost savings:** Led Group wide margin and savings programme, including supply chain, procurement and wider margin management, to fund additional investment in the business. This delivered costs savings above the stretch target. **Internal controls over financial reporting:** Appointed external implementation partner and additional internal resource to strengthen the Internal Control function. Significant progress made to complete the initial phase of project covering enhancement of process documentation, identification of key financial controls and the implementation of management testing and remediation plans. On track to implement the Group's enhanced internal control framework to align with the requirements of the UK Corporate Governance Code 2024.	20.0%	20.0%
Environment, Social and Governance (ESG	**TCFD Reporting:** Strengthened disclosure of metrics used to assess and manage climate-related risks and opportunities. Adopted SASB (Sustainable Accounting Standards Board) Food and Beverage sector template for the first time and continued to assure key ESG metrics to ISAE3000. Achieved full TCFD compliance for FY23/24. **Internal Audit and Risk:** Strengthened Internal Audit with additional in-house resource and the appointment of new Internal Audit co-source partner. A programme to enhance the risk management process was launched in the year and significant progress made to develop an enhanced internal control framework to align with the UK Corporate Governance Code 2024 requirements, in line with the Board's expectations.	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 the maximum bonus outturn in the round, taking into account both the very strong progress delivered in the year and the announcement, in March 2024, regarding the suspension of future pension deficit contributions, in determining 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 FY23/24, Premier Foods has created approximately £250m of shareholder value, and delivered a shareholder return of 23% during the period, outperforming the FTSE 250 index (which was up 10% 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, enabling the Group to perform successfully during FY23/24. In light of the Group's excellent financial performance, the strategic progress, and focus on the overall colleague experience, the Committee concluded that the formulaic outcomes of the annual bonus assessment were justified, and that no discretion was required. Further detail is provided in the Annual Statement by the Committee Chair.

Long-Term Incentive Plan ('LTIP')

Performance assessment for the June 2021 LTIP award (audited)

The performance conditions for the 10 June 2021 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 2024 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 2024. Awards are also subject to a two-year holding period. The TSR of Premier Foods over the three-year performance period was 58.7%, representing significant shareholder value creation and was significantly above the upper quartile TSR in the comparator group of circa 30.5%. The adjusted EPS performance of 13.7p was ahead of target and market expectations.
The 2021 LTIP award was granted in June 2021 following a period of significant share price growth and was therefore made at a higher share price than the 2020 LTIP awards, so 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. The Committee's view is that the share price growth delivered since grant reflects the continued strong delivery against our strategy and the actions taken by management and, therefore, it is considered appropriate that participants are rewarded for this. Details of the vesting outcomes are provided in the table below.

June 2021 LTIP

		Targets				Outcome		No. of shares to vest[3]	No. of shares to vest[3]
Performance measure	Weighting	Below threshold	Threshold	Target	Stretch	Actual performance	Payout	Alex Whitehouse	Duncan Leggett
Relative TSR[1]	2/3	< Median	Median	N/A	Upper quartile	Between 39th and 40th out of 353 companies	100%	688,073	284,403
Adjusted EPS	1/3	< 10.6p	10.6p	11.1p	11.6p	13.7p	100%		
% of relevant portion of award vesting[2]		0%	20%	50%	100%				

1 Measured against the constituents of the FTSE All Share Index (excluding investment trusts) at the start of the period.
2 FY21/22 base year adjusted EPS was 11.0p.
3 Straight-line vesting between threshold and target and between target and stretch.
4 Dividend equivalent shares will be added, once the award has vested.

Scheme interests awarded during the financial year

Deferred Bonus Plan ('DBP') award FY23/24 (audited)

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 other than continued employment), which will be exercisable up until the tenth anniversary of grant. The shares are subject to forfeiture and clawback provisions. DBP awards were granted on 8 June 2023, as nil cost options based on a share price of 133.12p (representing the closing middle market quotation (MMQ) on the five dealing days prior to the date of grant), as set out below:

	FY22/23 Annual bonus	Bonus deferral (one-third)	No. of shares awarded	Deferral period
Alex Whitehouse	£661,407	£220,469	165,616	08.06.23 – 07.06.26
Duncan Leggett	£363,125	£121,042	90,926	08.06.23 – 07.06.26

June 2023 LTIP award for FY23/24 (audited)

Details of the LTIP award, granted in the form of nil-cost options on 8 June 2023, are set out below.

	Basis of award	No. of shares awarded	Face value on award date[1]	Performance period
Alex Whitehouse	150% of salary	603,403	£803,250	01.04.23 – 31.03.26
Duncan Leggett	100% of salary	276,066	£367,500	01.04.23 – 31.03.26

1 Determined based on the closing MMQ on the five dealing days ending 7 June 2023 of 133.12p.

		Targets			
Performance measure	Weighting	Below threshold	Threshold	Target	Stretch
Relative TSR[1]	50%	< Median	Median	N/A	Upper quartile
Adjusted EPS[2]	50%	< 12.3p	12.3p	12.8p	13.3p
% 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 FY22/23 base year adjusted EPS was 12.9p.

3 Straight-line vesting between threshold and target and between target and stretch.

August 2023 LTIP award for FY23/24 (audited)

As set out in last year's Annual Report, as part of the Company's 2023 Directors' Remuneration Policy, shareholder approval was sought to increase the LTIP opportunity for the CEO (from 150% to 200% of base salary) and for the CFO (from 100% to 150% of base salary). Following shareholder approval for the 2023 Directors' Remuneration Policy at the AGM held on 20 July 2023, the following additional LTIP awards were granted in the form of nil-cost options on 2 August 2023. To ensure consistency with the initial 2023/24 LTIP award, the same performance conditions and performance period have been applied.

	Basis of award	No. of shares awarded	Face value on award date[1]	Performance period
Alex Whitehouse	50% of salary	208,657	£267,749	01.04.23 – 31.03.26
Duncan Leggett	50% of salary	143,197	£183,750	01.04.23 – 31.03.26

1 Determined based on the closing MMQ on the five dealing days ending 2 August 2023 of 128.32p.

		Targets			
Performance measure	Weighting	Below threshold	Threshold	Target	Stretch
Relative TSR[1]	50%	< Median	Median	N/A	Upper quartile
Adjusted EPS[2]	50%	< 12.3p	12.3p	12.8p	13.3p
% 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 FY22/23 base year adjusted EPS was 12.9p.

3 Straight-line vesting between threshold and target and between target and stretch.

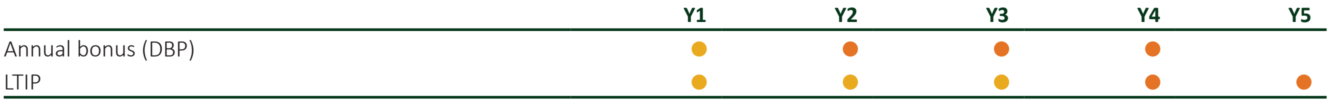
Additional context on these performance measures, weightings and targets was provided in the FY22/23 Directors' Remuneration Report.

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 6,721,393 shares as at 30 March 2024). 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 5.2%.

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), and the Committee reviews progress against these requirements (see Statement of directors' shareholdings and share interests table below). Retention periods are in place 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.



Performance period
Retention period

Post-employment shareholding guideline

As part of 2023 Directors' Remuneration Policy that was approved by shareholders at the AGM last year, the Remuneration Committee introduced a formal post-employment shareholding guideline. Executives are required to maintain 100% of their in-employment guideline (or their actual shareholding at departure, if lower) for the first year post-cessation, and 50% in the second year.

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 36% of colleagues.

Statement of directors' shareholdings 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. All of the awards were granted in the form of options.

	No. of shares owned as at 30 March 2024[1]	No. of shares owned as at 1 April 2023	Share ownership guideline[2]	DBP Awards	LTIP Awards (vested)[3]	LTIP Awards (unvested)	Sharesave Awards	Total
Alex Whitehouse	575,971	461,703	720%	674,518	3,208,123	2,141,051	10,704	6,034,396
Duncan Leggett	151,999	115,478	307%	307,823	856,748	996,896	10,704	2,172,171

1 There were no changes in directors' share interests between year-end and 16 May 2024.

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 of 149.4p.

3 Vested but unexercised nil cost options.

Executive share awards (audited)

	Date of grant	Balance as at 1 April 2023	Awarded in the year/ dividend equivalents	Exercised in the year	Vested in the year[2]	Lapsed in the year	Balance as at 30 March 2024	Option price (p)	Share price on date of grant (p)	Share price on date of exercise (p)	Date of vesting/ becomes exercisable	Maximum Expiry date
Alex Whitehouse												
LTIP[1]	13.06.17	225,852	–	225,852	–	–	–	–	40.50	154.2	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	–	34.00	–	07.06.22	06.06.26
	25.06.20	1,040,145	17,738	–	1,057,883	–	1,057,883	–	69.50	–	25.06.23	24.06.27
	24.09.20	449,250	13,650	–	462,900	–	462,900	–	91.40	–	24.09.23	23.09.27
	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
	08.06.23	–	603,403	–	–	–	603,403	–	131.00	–	08.06.26	07.06.33
	02.08.23	–	208,657	–	–	–	208,657	–	123.60	–	02.08.26	01.08.33
DBP	25.06.20	138,254	2,357	–	140,611	–	140,611	–	69.50	–	25.06.23	24.06.30
	10.06.21	191,131	–	–	–	–	191,131	–	108.60	–	10.06.24	09.06.31
	09.06.22	177,160	–	–	–	–	177,160	–	120.00	–	09.06.25	08.06.32
	08.06.23	–	165,616	–	–	–	165,616	–	131.00	–	08.06.26	07.06.33
Sharesave Plan[2]	15.12.20	7,531	–	7,531	–	–	–	71.70	95.00	150.0	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
	15.12.23	–	2,886	–	–	–	2,886	103.50	131.80	–	01.02.27	31.07.27
		5,253,472	1,014,307	233,383	1,661,394	–	6,034,396					
Duncan Leggett												
LTIP[1]	13.06.17	53,833	–	53,833	–	–	–	–	40.50	154.2	13.06.20	12.06.24
	25.06.20	401,459	6,846	–	408,305	–	408,305	–	69.50	–	25.06.23	24.06.27
	24.09.20	435,220	13,223	–	448,443	–	448,443	–	91.40	–	24.09.23	23.09.27
	10.06.21	284,403	–	–	–	–	284,403	–	108.60	–	10.06.24	09.06.31
	09.06.22	293,230	–	–	–	–	293,230	–	120.00	–	09.06.25	08.06.32
	08.06.23	–	276,066	–	–	–	276,066	–	131.00	–	08.06.26	07.06.33
	02.08.23	–	143,197	–	–	–	143,197	–	123.60	–	02.08.26	01.08.33
DBP	25.06.20	34,289	584	–	34,873	–	34,873	–	69.50	–	25.06.23	24.06.30
	10.06.21	91,246	–	–	–	–	91,246	–	108.60	–	10.06.24	09.06.31
	09.06.22	90,778	–	–	–	–	90,778	–	120.00	–	09.06.25	08.06.32
	08.06.23	–	90,926	–	–	–	90,926	–	131.00	–	08.06.26	07.06.33
Sharesave Plan[2]	15.12.20	7,531	–	7,531	–	–	–	71.70	95.00	150.0	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
	15.12.23	–	2,886	–	–	–	2,886	103.50	131.80	–	01.02.27	31.07.27
		1,699,807	533,728	61,364	891,621	–	2,172,171					

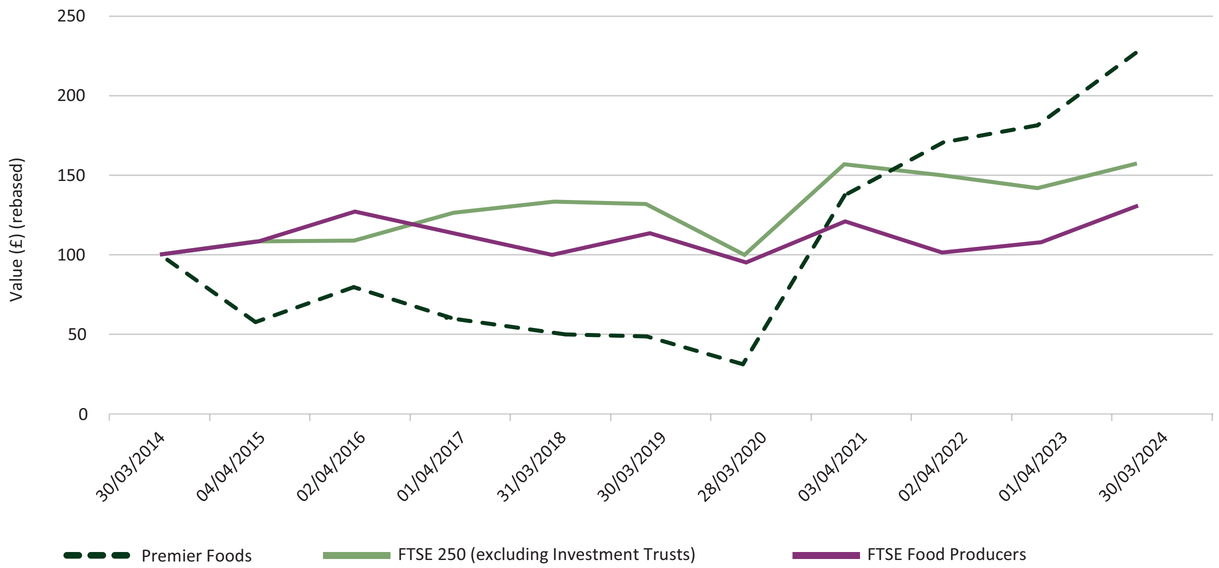
1 The 2020 LTIP and DBP awards, which vested in 2023, have been updated to include dividend equivalent shares representing notional dividends paid during the performance period up until the date of vesting. The Remuneration Committee has determined that the TSR and EPS elements of the 2021 LTIP awards will vest in full in June 2024 (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. Alex Whitehouse and Duncan Leggett were granted an award over 2,886 shares under the all-employee Sharesave Plan on 15 December 2023. An amount of £817 has been included within taxable benefits, which represents the value of the 20% discount to the share price on the date of grant.

Total shareholder return

The market price of a share in the Company on 28 March 2024 (the last trading day before the end of the financial period) was 149.4p; the range during the financial period was 113.2p to 155.8p.

The graph shows the value, by 30 March 2024, of £100 invested in Premier Foods plc on 30 March 2014, compared with the value of £100 invested in the FTSE Food Producers Index and FTSE 250 Index (excluding Investment Trusts) on the same date. The Committee considers these to be the most appropriate comparator indices to assess the performance of the Group, given the Group’s position as a FTSE 250 Food Producer. The other points plotted are the values at intervening financial year-ends.



Chief Executive’s single figure for total remuneration (audited)

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
FY23/24	Alex Whitehouse	£2,422,852	100%	100%
FY22/23	Alex Whitehouse[2]	£2,610,611	100%	100%
FY21/22	Alex Whitehouse	£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%	–

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 FY22/23 have been adjusted, in line with statutory reporting requirements, to reflect the actual value upon vesting of the LTIP award on 25 June 2023. Full details of the single figure for total remuneration are set out on page 100.

Percentage change in remuneration of directors and employees

For the purpose of this table, remuneration is defined as salary, benefits and annual bonus. 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 increase in fees for Tim Elliott reflects his appointment as Audit Committee Chair during the year. 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.

	Base salary % change				Benefits % change				Annual bonus % change			
	FY23/24	**FY22/23**	**FY21/22**	**FY20/21**	**FY23/24**	**FY22/23**	**FY21/22**	**FY20/21**	**FY23/24**	**FY22/23**	**FY21/22**	**FY20/21**
Executive directors												
Alex Whitehouse	**+5.0%**	+4.3%	+3.2%	+5.3%	**-2.9%**	+34.5%	+0.2%	-5.7%	**+26.1%**	+4.2%	+1.5%	+61.4%
Duncan Leggett	**+5.0%**	+11.7%	+12.5%	+12.7%	**+2.8%**	+21.8%	-1.8%	+4.5%	**+31.3%**	+11.7%	+9.1%	+33.1%
Non-executive directors												
Colin Day	**0%**	+8.5%	+0.8%	0%	**–**	–	–	–	**–**	–	–	–
Richard Hodgson	**0%**	0%	0%	0%	**–**	–	–	–	**–**	–	–	–
Roisin Donnelly	**0%**	0%	–	–	**–**	–	–	–	**–**	–	–	–
Tim Elliott	**+15.8%**	0%	0%	0%	**–**	–	–	–	**–**	–	–	–
Tania Howarth	**0%**	0%	0%	0%	**–**	–	–	–	**–**	–	–	–
Helen Jones	**0%**	+12.9%	0%	0%	**–**	–	–	–	**–**	–	–	–
Yuichiro Kogo	**–**	–	–	–	**–**	–	–	–	**–**	–	–	–
Lorna Tilbian	**0%**	0%	–	–	**–**	–	–	–	**–**	–	–	–
Former Directors												
Simon Bentley[2]	**0%**	0%	0%	0%	**–**	–	–	–	**–**	–	–	–
All Group employees	**+3.4%**	+11.1%	-0.8%	+5.6%	**–**	–	–	–	**+38.2%**	-31.2%	+40.7%	+49.3%

1 The salary increase for colleagues not involved in collective bargaining in FY21/22 was 2%.

2 Simon Bentley resigned from the Board with effect from 12 July 2023.

Senior management and the wider workforce

The remit of the Committee includes 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 regularly updated on these arrangements.

Each year, 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 colleagues are encouraged to own shares in the Company via the Sharesave Plan and executive directors through our shareholding guidelines.

CEO pay ratio

The table below 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 the specific experience, skills and responsibilities of the individual, and the market rates for companies of comparable size and complexity (including factors such as turnover, market capital and enterprise value). 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.

				Pay ratio
Year	**Method**	**25th percentile**	**Median**	**75th percentile**
FY23/24	B	89:1	69:1	47:1
FY22/23	B	79:1	75:1	61:1
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
FY23/24	Base salary	£26,043	£25,728	£47,186
FY23/24	Total pay and benefits	£27,227	£35,249	£51,225

The CEO single figure for total remuneration was £2,422,852 (FY22/23: £2,610,611), as set out on page 100 of this report. The single figure for FY22/23 (and associated percentile ratios) has been adjusted, in line with statutory reporting requirements, to reflect the actual value upon vesting of the 2020 LTIP award on 25 June 2023. The change in ratios from last year reflects that the colleague at the 25th percentile did not receive overtime allowance, the colleague at the 75th percentile had a higher base salary, and the value attributed to the CEO's vesting LTIP award in FY23/24 was lower. 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 2023 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 30 March 2024. Employers' pension contributions and bonus 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 188 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 (FY22/23: £Nil).

Payments to former directors (audited)

There were no payments to former directors in the year (FY22/23: £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 buybacks). The Company has recommended the payment of a final dividend of 1.728p per share for the financial period, subject to shareholder approval at the AGM in July 2024, which represents a 20% increase on the prior year.

	FY23/24	**FY22/23**	**Increase/ Decrease**
Total employee costs	**£212.1m**	£209.2m	+1.4%
Distributions to shareholders	**£12.4m**	£10.3m	+20.4%

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.

Non-executive directors (audited)

Single figure for the total remuneration received by each non-executive director for the financial periods ended 30 March 2024 and 1 April 2023.

	FY23/24			FY22/23		
	Fees £'000	**Expenses[3] £'000**	**Total £'000**	Fees £'000	Expenses[3] £'000	Total £'000
Colin Day	**235**	**3**	**238**	235	2	237
Richard Hodgson	**67**	**–**	**67**	67	–	67
Roisin Donnelly[1]	**57**	**1**	**58**	52	1	53
Tim Elliott	**66**	**6**	**72**	57	1	58
Tania Howarth	**57**	**1**	**58**	57	1	58
Helen Jones	**68**	**–**	**68**	64	–	64
Yuichiro Kogo[2]	**–**	**–**	**–**	–	–	–
Lorna Tilbian	**57**	**4**	**61**	57	1	58
Former directors:						
Simon Bentley[4]	**20**	**–**	**20**	70	–	70

1 Roisin Donnelly was appointed as a non-executive director on 1 May 2022. Simon Bentley retired as a director on 12 July 2023

2 Yuichiro Kogo was appointed pursuant to a relationship agreement with our largest shareholder and does not receive a fee for his role as a non-executive director.

3 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.

4 Simon Bentley resigned from the Board with effect from 12 July 2023.

Non-executive directors' fees

The fees of our non-executive directors (NEDs) are set out below. No increases were awarded in FY23/24, see the 'Statement of implementation of the remuneration policy in FY24/25' section for details of proposed increases to the Group Chair and NED fees in FY24/25.

	FY23/24	**FY22/23**	**Increase/ Decrease**
Group 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	–

Directors' remuneration report continued

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 2024	3 months
Roisin Donnelly	1 May 2022	AGM 2025	3 months
Tim Elliott	15 May 2020	AGM 2026	3 months
Tania Howarth	1 March 2022	AGM 2024	3 months
Helen Jones	15 May 2020	AGM 2026	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 30 March 2024[3]	Ordinary shares owned as at 1 April 2023[3]
Colin Day	**250,000**	200,000
Richard Hodgson	**–**	–
Roisin Donnelly[1]	**45,651**	45,651
Tim Elliott	**15,000**	10,000
Tania Howarth	**–**	–
Helen Jones	**10,000**	10,000
Yuichiro Kogo[2]	**–**	–
Lorna Tilbian	**–**	–
Former directors:		
Simon Bentley[1]	**N/A**	–

1 Roisin Donnelly was appointed as a non-executive director on 1 May 2022. Simon Bentley retired as a director on 12 July 2023.

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 16 May 2024.

Statement of implementation of the remuneration policy in FY24/25

Base salary and fees

Over the course of the year, the Committee has reviewed the approach to base salaries to ensure that they reflect the performance of the Group and the individuals, and the increased size and complexity of the organisation, as outlined above. With this in mind, it is proposed that the executive directors' salaries are increased with effect from 1 July 2024, as follows:

	Salary for FY24/25	Salary as at 30 March 2024	Change
Alex Whitehouse	**£620,000**	**£562,275**	**+10.3%**
Duncan Leggett	**£415,000**	**£385,875**	**+7.5%**

The Committee recognises that these salary increases will be above the likely salary review for colleagues not involved in collective bargaining, which is expected to be between 3% and 3.5%. These changes will position the CEO's total maximum compensation package just below the FTSE 250 median, and the CFO's total maximum compensation package between the FTSE 250 lower quartile and median. The Committee considers that this market positioning is an appropriate reflection of the increased size and complexity of the business, the executive directors' sustained excellent performance in role, and our improved positioning within the FTSE 250. Further context for the salary increases is provided on page 97.

It is the Committee's current intention that any increases next year will be in line with colleagues not involved in collective bargaining.

Group Chair and NED fees

Due to the increased size and complexity of the business, the Committee also reviewed the Group Chair and NED fees during the course of the year and determined that an increase, in line with the salary review for colleagues not involved in collective bargaining in July 2024 (currently expected to be between 3% and 3.5%), is appropriate. In making this decision, the Board was mindful that the NED base fee and fees for chairing a Committee have not been increased for well over 10 years, that the Senior Independent Director fee was last increased in 2015, and that the Group Chair fee was last increased in 2022.

Benefits

Benefits for FY24/25 will be in line with the approved Remuneration Policy.

Pension

Pension entitlements for FY24/25 will be in line with the approved Remuneration Policy and on the same basis as that offered to the rest of the workforce (currently a salary supplement of 7.5% of base salary up to an earnings cap).

Annual bonus

The Committee agreed that, for FY24/25, 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 26).

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 30 to 41 for more information). The Board considers the financial and 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.

There are no proposed changes to the maximum opportunities which will remain at 150% of salary for the CEO and 125% of salary for the CFO. The Committee has set stretching targets for the FY24/25 performance period. One-third of any annual bonus awarded in respect of FY24/25 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 and Environmental, Social and Governance (ESG)	30%	30%
	100%	100%

LTIP award for FY24/25

There are no proposed changes to the LTIP award levels which will remain at 200% of salary for the CEO and 150% of salary for the CFO. For the FY24/25 award, the Committee proposes to use the same measures and weightings as for the FY23/24 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 14.2p, with a range of 13.7p at threshold to 14.8p at maximum, which represents a circa 11.0% 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 closure of the Charnwood business that was confirmed in March 2024. The Committee has set stretching targets for the three-year performance period, 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%	£1,124,550	01.04.24 – 31.03.27
Duncan Leggett	150%	£578,813	01.04.24 – 31.03.27

		Targets			
Performance measure	Weighting	Below threshold	Threshold	Target	Stretch
Relative TSR[1]	50%	< Median	Median	N/A	Upper quartile
Adjusted EPS	50%	< 13.7p	13.7p	14.2p	14.8p
% 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 14.2p (at which 50% vests) with straight-line vesting between threshold and target and between target and stretch.

The Committee

Director	Date of appointment to Committee
Helen Jones	May 2020 (appointed Committee Chair July 2022)
Richard Hodgson	December 2017
Tim Elliott	May 2020
Roisin Donnelly	April 2022

Details of the Committee meeting attendance is set out on page 80. 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 Group Chair, 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 four scheduled meetings.

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:

- Assessed and confirmed the final performance testing of the FY22/23 Annual Bonus and 2020 LTIP Award;
- Reviewed the FY23/24 salary increase for all colleagues not involved in collective bargaining, including executive directors and the ELT;

- Reviewed and recommended executive directors' and senior managers' annual bonuses in respect of the financial period, and set the targets for the FY23/24 annual bonus, ensuring they were aligned with the strategic objectives of the Group;
- Granted the 2023 awards under the Company's all-employee Sharesave plan and monitored colleague participation;
- Granted the 2023 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 2024, ensuring they are aligned with the strategic objectives of the Group;
- Reviewed shareholder feedback and the voting results for the 2023 Directors' remuneration report and Directors' Remuneration Policy at the 2023 AGM;
- Undertook an annual review of remuneration arrangements for executive directors;
- Reviewed remuneration arrangements for the ELT to ensure they remain competitive and 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 ongoing impact of the inflationary environment on colleagues, site pay negotiations, and the options to extend long-term incentive arrangements for management below the ELT;
- Considered the results of the Committee's evaluation and the action plan for the coming year; and
- Reviewed and discussed developments in best practice in order to keep the Committee up to date with current market practice.

Committee evaluation

As part of the internal Board evaluation exercise conducted during the year (see pages 82 and 83 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 did not provide any other services to the Group in 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 £64,000 (FY22/23: £88,250) 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 2023 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 FY22/23	% of votes cast	Approval of the current Directors' Remuneration Policy	% of votes cast
Date of AGM	20 July 2023		20 July 2023	
Votes for	717,755,279	98.28%	702,864,358	96.24%
Votes against	12,587,600	1.72%	27,460,333	3.76%
Total votes cast	730,342,879	100%	730,324,691	100%
Votes withheld	75,353		93,541	

The Directors' Remuneration Report was approved by the Board on 16 May 2024 and signed on its behalf by:

Helen Jones
Remuneration Committee Chair