

## Remuneration Resolutions

Our 2016 Annual Report on Remuneration received 98% vote in favour at the 2017 AGM, a level of support with which the Board was pleased. However, we are mindful that the revised Remuneration Policy ('2017 Policy') received 59.9% support, and the associated amendments to the Performance Share Plan ('PSP') Rules received 60.7% approval. We consulted on the revised 2017 Policy in advance of the 2017 AGM, and were aware of the different views expressed by shareholders on various aspects of the 2017 Policy, in particular, the increase in PSP opportunity to 200% of salary for the Chief Executive Officer.

In setting the PSP opportunity the Remuneration Committee ('Committee') and the Board took into account that the overall level of 200% of salary remains in line with other FTSE250 companies. In addition the Committee took into consideration the impending acquisition of the US-based Peacock Foods which completed in December 2016, the largest acquisition in the Group's history. This business transformed our market and channel position in the US, and the US operations of the Group now generates c.40% of Group revenue. The Committee considered the size and scale of the combined business and believes that the PSP opportunity is appropriate and reflects the exceptional performance of our management team and the significant growth in the business. While in absolute terms there was no increase in the performance targets, invested capital expanded significantly during FY16 through the acquisition of The Sandwich Factory in July 2016 and substantial capital investment in new facilities, which made the same targets more challenging to achieve. In setting targets, the Committee considered multiple reference points including broker forecasts, internal plan and targets at peers, and believes its approach to target-setting to be appropriately robust.

Following the 2017 AGM, the Board agreed to review the implementation of the 2017 Policy for FY18 and consult with shareholders. We have undertaken a significant shareholder consultation process, led by the Chair of the Committee, to understand shareholders' perspectives on the proposed changes to the 2017 Policy and our remuneration structure moving forward. This consultation period has concluded and the changes will be disclosed in detail in our 2017 Annual Report.

The Board is committed to meaningful engagement with our shareholders.

P.G. Kennedy  
Chairman of the Board of Directors  
24 November 2017