

**GREGGS plc**  
**REMUNERATION COMMITTEE**  
**TERMS OF REFERENCE**

	<p><u>CONSTITUTION</u></p> <p>1 The Board hereby resolves to amend the terms of reference of the Remuneration Committee which will, with immediate effect, be constituted as follows:-</p> <p><u>MEMBERSHIP</u></p> <p>2 The Committee will consist of all of the Non-Executive Directors of the Company (all of whom will be determined by the Board to be independent having regard to the UK Corporate Governance Code governance published by the Financial Reporting Council (the “Code”) as shall from time to time be appointed by the Board.</p> <p>In appointing the members of the Committee, the Board will give due consideration to the Code.</p> <p>The Chairman of the Committee shall be such member of the Committee as shall from time to time be appointed by the Board.</p> <p>[The Chairman of the Board may also serve on the committee if he or she was considered independent on appointment as Chairman]</p> <p><u>MEETINGS AND ATTENDANCE</u></p> <p>3 The Committee will meet at least twice each year and at such other times as its Chairman may direct.</p> <p>Notice of any meeting of the Committee shall be given to all members. An agenda and any available supporting papers will be circulated to all members of the Committee prior to any meeting.</p> <p>Meetings may, particularly if required on short notice, be held by telephone or by any other method of communication approved by the Committee Chairman.</p> <p>The quorum will be two members.</p> <p>The Committee shall have the discretion to decide who, other than its members, shall attend its meetings. The Chairman of the Board, the Company’s Chief Executive Officer, the People Director, and/or other relevant executive and non-executive directors may be invited to attend relevant meetings (or parts thereof) of the Committee. However, no director shall be involved in any decision or be present at any discussions as to his or her own remuneration.</p> <p>The Company Secretary will be the Secretary of the Committee.</p>
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### AUTHORITY

4 The Committee is authorised by the Board to carry out any investigation relevant to its terms of reference and is required to consult the Chairman of the Board and the Chief Executive Officer about its proposals concerning remuneration.

The Committee is authorised to seek any information it requires from any Company employee or officer and to obtain expert advice from the Company's external auditors, professional advisers or otherwise, to take independent professional and expert advice and to request the attendance at meetings of the Committee of such employees or advisers as it sees fit, all at the expense of the Company.

### VOTING

5 Decisions of the Committee will be made by majority vote. In the event of an equality of votes the Chairman of the Committee will have a second or casting vote.

### DUTIES

6 The Committee will at all times have regard to the Listing Rules and to the recommendations of the Code. The duties of the Committee shall include:-

- a) Setting the remuneration policy taking into account all factors which it deems necessary including relevant legal and regulatory requirements, and the provisions and recommendations of the code and associated guidance.
- b) determining the individual remuneration packages (including, but not limited to pension rights and any compensation payments and share option entitlements) and terms and conditions of employment for each of the Executive Directors and the terms and conditions of appointment of the Chairman of the Board;
- c) determining the discretionary bonus scheme for the Executive Directors, reviewing the performance of the directors against any such scheme and deciding bonuses, if any, to be paid under any such scheme;
- d) in determining a) and b) above, seeking to ensure that such remuneration packages and discretionary bonus arrangements give the Executive Directors every encouragement to enhance the Company's performance and that the Executive Directors are fairly, but responsibly, rewarded for their individual contributions. The Committee shall also observe any guidelines set by the Board and have regard (with caution to avoid an upward ratchet of remuneration levels without corresponding increases in performance) to conditions of service and remuneration provided:

- (i) in other comparable organisations for comparable duties;
  - (ii) within the Company and its subsidiaries so that appropriate relations are maintained and that the Committee's decisions may, as far as possible, be consistent and fair, and be seen as such;
  - (iii) for persons (where relevant) who perform service in different geographic locations and the necessity for any local adjustments or allowances; and
  - (iv) (where relevant) worldwide for skills for which there is deemed to be an international market;
- e) determining what compensation, if any, should be paid to an Executive Director in the event of early termination of his service contract, particularly for unsatisfactory performance, and having regard to the duty on the individual to mitigate loss;
- f) preparing a draft of the annual report by the Committee to shareholders on remuneration policy as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the Code;
- g) placing remuneration policy before shareholders for approval in General Meeting at least every three years, and tabling the report on remuneration every year;
- h) seeking to ensure that the Company maintains the necessary level of contact with its principal shareholders about Executive Directors' remuneration;
- i) monitoring the framework for and/or broad policy in respect of the remuneration and terms of service of the Company's senior management (i.e. the first layer of management below Main Board level) as well as the levels of remuneration of the Company's senior management and making recommendations, if appropriate, to ensure consistency with the Company's remuneration objectives;
- j) administering long term incentive schemes including the granting of options (or, where such grant is a matter reserved to the Main Board, advising the Main Board thereon) under the Company's share option scheme and to fix any performance criteria for use in connection with such schemes. The Committee is expressly authorised to delegate the detail of allocating and granting options to executives other than Executive Directors within parameters specified by the Committee to the Share Options Committee established by the Board which may include (or be comprised entirely of) one or more of the Executive Directors of the Company;

- k) being exclusively responsible for establishing the selection criteria, selecting, appointing, and setting the terms of reference for any remuneration consultants who advise the committee, to include identifying such consultants in the Remuneration Report and stating whether they have any other connection with the company;
- l) undertaking such other tasks as may from time to time be referred to the Committee by the Board; and
- m) observing the provisions of S.172 Companies Act 2006.

#### REPORTING PROCEDURES

7 The Secretary of the Committee will circulate minutes of meetings of the Committee to all members of the Committee.

The Chairman of the Committee shall raise any appropriate matters arising from meetings of the Committee at Board Meetings.

#### ATTENDANCE AT AGM

8 The Chairman of the Committee should be available at the Annual General Meeting to answer any questions.

#### EXCLUDED MATTERS

9 The Committee will not be responsible for:

- a) supervising the performance of executives (nor permitted to do so) and will not be required to become involved in day-to-day operational management functions or decision making;
- b) any other matters which the Board shall advise the Committee is reserved to be determined by it.