

A.G. BARR p.l.c. (the “Company”)

REMUNERATION COMMITTEE – TERMS OF REFERENCE

1. Membership

- 1.1.** Members of the Remuneration Committee (the “**Committee**”) shall be appointed by the board of directors of the Company (the “**Board**”), on the recommendation of the Nomination Committee, in consultation with the Committee chairman. The Board shall appoint the Committee chairman. The chairman of the Board shall not be chairman of the Committee.
- 1.2.** The Committee shall comprise a chairman and at least two other members. All members of the Committee should be independent non-executive directors.
- 1.3.** Appointments to the Committee shall be for a period of up to three years, which may be extended by additional three-year periods.
- 1.4.** The Company secretary or their nominee shall be the secretary to the Committee.

2. Meetings

- 2.1.** The Committee shall meet at least two times a year and otherwise as required.
- 2.2.** No one other than members of the Committee is entitled to attend meetings of the Committee. Other individuals may be invited to attend meetings as and when appropriate.
- 2.3.** Meetings of the Committee may be called by the Secretary of the Committee at the request of any of its members.
- 2.4.** Unless otherwise agreed, notice of each meeting confirming the date, venue and time, together with an agenda of items and supporting papers, shall be provided to Committee members, and to other attendees as appropriate, at least three working days before the meeting.
- 2.5.** The quorum necessary for the transaction of business shall be two members. In the absence of the Committee chairman, the remaining members shall elect one of themselves to chair the meeting. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 2.6.** Members may participate in a meeting by means of a conference telephone, video conferencing facility or other appropriate communicating equipment.
- 2.7.** The Secretary shall minute the proceedings and resolutions of all meetings of the Committee and shall keep appropriate records. Minutes of Committee meetings shall be circulated, once agreed with the Committee chairman, to all members of the Committee. Provided there is

no conflict of interest, any other director may obtain copies of the minutes upon request to the Secretary.

3. Annual General Meeting

- 3.1.** The chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

4. Duties

The Committee shall:

- 4.1.** Determine and agree with the Board the policy for the remuneration of the Company's executive directors and determine the remuneration for the Company chairman, the executive directors and the Management Committee (including the Company Secretary), including base salaries, bonuses, incentive payments and share options or other share awards. The Committee shall consider the pension consequences and associated costs of basic salary increases for executive directors compared to workforce arrangements. The remuneration of non-executive directors shall be a matter for the Board. No director or manager shall be involved in any decisions as to their own remuneration;
- 4.2.** Review workforce remuneration and related policies and the alignment of incentives and rewards with culture and take these into account in determining the policy for executive director remuneration.. The objective of the policy shall be to ensure that levels of remuneration are sufficient to attract, retain and motivate executive directors of the Company of the quality required to promote the long term success of the Company;
- 4.3.** Review the ongoing appropriateness and relevance of the remuneration policy;
- 4.4.** Approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- 4.5.** Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to executive directors and the performance levels to be used;
- 4.6.** Determine the policy for and scope of pension arrangements, termination payments and compensation commitments for executive directors;
- 4.7.** Consider any proposed changes in pension remuneration, or pension contribution rates, compared to pension arrangements for the wider workforce;
- 4.8.** Review annually the remuneration trends, pay levels and employment conditions across the Company;

- 4.9.** Review any major changes in employee benefits structures throughout the Company;
- 4.10.** Agree the policy for authorising claims for expenses from the chief executive and chairman of the Board;
- 4.11.** Ensure that all relevant provisions regarding disclosure of remuneration including pensions are fulfilled, including those set out in the Directors' Remuneration Report Regulations 2002, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the UK Corporate Governance Code;
- 4.12.** Obtain reliable, up-to-date information regarding remuneration in other companies; and
- 4.13.** Be responsible for selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 4.14. Reporting responsibilities**
- 4.14.1. The Committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 4.14.2. The Committee shall make whatever recommendations to the Board it deems appropriate in respect of any matter which it has identified as requiring action or improvement.
- 4.14.3. The Committee shall compile an annual report on the Company's remuneration policy and practices. This report will form part of the Company's Annual Report and will be submitted to shareholders for approval at the Company's Annual General Meeting.
- 4.15. Other matters**
- 4.15.1. **The Committee shall:**
- i. have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
 - ii. be provided with appropriate and timely training, including an induction programme for new members and training on an ongoing basis for all members;
 - iii. give due consideration to applicable laws, regulations, rules and codes, including the UK Corporate Governance Code and the UK Listing Authority's Listing, Prospectus, Disclosure and Transparency Rules; and

- iv. at least once a year, review its own performance and terms of reference and recommend any necessary changes to the Board.

4.16. Authority

4.16.1. The Committee is authorised by the Board:

- i. to seek any information it requires from any employee of the Company in order to perform its duties; and
- ii. to obtain, at the Company's expense, outside legal or other professional advice reasonably required on any matter within its terms of reference.

Approved by the Remuneration Committee and the Board of Directors of the Company both on 16 January 2019