

ARYZTA AG
**Terms of Reference
of the
Remuneration Committee
of the Board of Directors**



Effective 8 December 2015

Constitution

1. The Committee has been established by resolution of the board of directors of the Company (the **Board**) and is to be known as the Remuneration Committee. Its terms of reference replace the terms of reference of any pre-existing nomination and/or remuneration committee.

Membership

2. The Committee shall comprise of a minimum of three and a maximum of four independent members of the Board each of whom shall be individually elected by the shareholders.
3. The Committee Chairman shall be appointed by the Board. In the absence of the Committee Chairman, the members attending shall elect one of them to be chairman for that meeting from amongst the independent non-executive directors. The quorum for meetings of the Committee shall be two members. **Independence** for the purposes of these terms of reference shall be determined by reference to the criteria set out in the Swiss Code of Best Practice for Corporate Governance.
4. Appointments to the Committee shall be for the period from each annual general meeting of the Company until the conclusion of the next annual general meeting.

Secretary

5. The Company Secretary or his or her nominee shall act as the secretary of the Committee.

Meetings

6. The Committee shall meet at such times as the Committee Chairman shall require.
7. 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.
8. The Chairman of the Board shall not participate at a meeting of the Committee (or during the relevant part) at which any part of his remuneration is being discussed or participate in any recommendation or decision concerning his remuneration.
9. The Committee shall have access to the services of the Company's secretariat function on all Committee matters, including assisting the Committee Chairman in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support.

Notice of Meetings

10. Meetings of the Committee shall be summoned by the secretary of the Committee at the request of the Committee Chairman or any of its members.
11. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than two working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

Reporting Responsibilities

12. The secretary shall minute the proceedings and the resolutions of all Committee meetings, including the names of those present and in attendance. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflict of interest and minute them accordingly. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.
13. The Committee Chairman shall attend the annual general meeting prepared to respond to any shareholder questions on the Committee's activities raised at that meeting.

Authority

14. The Committee is authorised by the Board to:
 - a. investigate and undertake any activity within its terms of reference; and
 - b. through the CEO or the Secretary seek any information it properly requires from any employee of the Company or of any subsidiary company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee.
15. If the Committee considers it necessary to do so, it is authorised to obtain appropriate external advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorised by the Board.

Duties

16. The duties of the Committee shall be:
 - a. to consider and determine, based on their performance and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board and the Chief Executive Officer, namely,
 - (i) base salary (the Committee shall also consider the pension consequences of basic salary increases);
 - (ii) bonuses and performance-related payments (including profit-sharing schemes);
 - (iii) discretionary payments;

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- (iv) pension contributions;
 - (v) benefits in kind; and
 - (vi) share options and their equivalents
 - (vii) remuneration claw-back policy
- b. to approve the remuneration of other members of the Executive Committee;
 - c. to review and recommend to the Board on an annual basis a proposal for approval by the Annual General Meeting of Shareholders of the total compensation of the Board and the Executive Management;
 - d. to set or amend the compensation packages of the members of the Executive Management;
 - e. to prepare and recommend to the Board the Compensation Report for approval;
 - f. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and considering any other connection that they may have with the Company;
 - g. in relation to the above, the Committee shall at all times give due regard to published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company;
 - h. to consider any other matters as may be requested by the Board; and
 - i. to make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.