

# Board of directors and divisional executives

## Directors

### 1. Ross Warburton MBE (50)

#### Chairman \*†//

Appointed to the board as deputy chairman in 2006, and became chairman in January 2007. He is chairman of the nomination committee. He is a director of Warburtons Ltd, non-executive chairman of Jordans Ryvita and President of the Food and Drink Federation. He was executive chairman of the Warburtons family bakery business from 1991 to 2001, during which time it grew into a highly successful national business. He has also held a number of non-executive roles and chairmanships, including chairman of Richmond Foods Plc and non-executive chairman of Marlow Foods Ltd. He has previous experience in investment and unit trust management.

### 2. Geoff Eaton (50)

#### Chief executive ‡//

Joined the board as chief executive in 2005. He is a chartered accountant, having qualified with Arthur Andersen, and was previously chief executive of ISIS Research from 2001 to 2004. Prior to that he spent 13 years with Tomkins plc where he held a number of senior executive roles including periods as an executive director at RHM in the UK, executive vice-president at Gates Corporation in the US and head of corporate development for the Tomkins Group.

### 3. Martin Beer (46)

#### Finance director //

Appointed to the board in 2002 as finance director. He is a chartered accountant, having qualified with Price Waterhouse. He has been with the group since 1990 in various financial roles, including finance director of Unigate Dairies for five years.

### 4. Belinda Gooding (48)

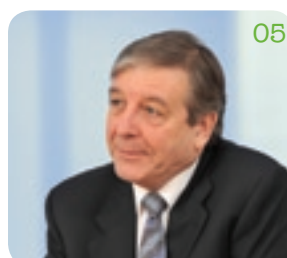
#### Non-executive director \*††

Joined the board in 2006. She is chief executive of 2 Save Energy plc, a non-executive director of Biloxi Southern Foods, Sir Hans Sloane Chocolates and Pet's Kitchen, and a trustee of Chelsea Physic Garden. She was formerly chief executive of Duchy Originals Ltd from 2000 to 2007. Prior to that she spent ten years in marketing roles with Mars (Masterfoods) and was group marketing director of Dairy Crest Group plc.

### 5. Dr Matthew Litobarski (60)

#### Non-executive director \*††

Appointed to the board in 2005. He is chairman of the remuneration committee. He was previously president, global supply chain, with Cadbury Schweppes plc, having spent 19 years with them in various senior management roles. He is an operating partner with Advent International. He has a doctorate in physical chemistry from Nottingham University.



### 6. John Warren (55)

#### Non-executive director \*††//

Joined the board in 2007. He is chairman of the audit committee and the pensions committee and senior non-executive director. He was formerly finance director of United Biscuits Plc and WH Smith Plc. He is a fellow of the Institute of Chartered Accountants in England and Wales and is a non-executive director of The Rank Group Plc, Bovis Homes Group PLC, Spectris plc and BPP Holdings plc.

### 8. Frans Rombouts (53)

#### Managing director – Northern Europe

Joined Uniq in 2005, bringing substantial experience in the international food business and other sectors. He was formerly President and CEO of the Columbus Steel Group and the Saillart Stone Group. Prior to this he held senior executive positions with Interbrew, McCain Foods and Campina and as President of the Belgian Post Group led the strategic modernisation of this state owned company.

### 9. Giampaolo Schiratti (49)

#### Managing director – France

Joined Uniq in 2006 following 18 years experience in the French convenience food industry, most recently as managing director of Bonduelle Group. From 1984–1992 he held various senior management roles within the Feruzzi/Montedison Group, following which he was CEO of Société Centrale d'Investissements (the agricultural raw materials group) from 1992–1997. In 1997 he was appointed CEO of Cirio, where he eventually oversaw its sale to Bonduelle Group whom he then joined.

## Divisional executives

### 7. Stephen Draisey (49)

#### Managing director – United Kingdom

Appointed in June 2008. He has a wealth of experience in the UK food industry having held a number of senior positions during a 17 year career with Geest/Bakkavor, most recently as managing director of its desserts, ready meals, soups, sauces, pasta and chilled bread division. Prior to that he spent time with Northern Foods plc and J Marr Seafoods Ltd.

\* Member of the remuneration committee

† Member of the audit committee

‡ Member of the nomination committee

// Member of the pension committee

# Report of the directors

The directors' report for the year to 31 December 2008 includes all pages of this document from page 3 to page 33.

## Principal activity

Uniq is a convenience food group operated and managed in three divisions: Northern Europe (Germany, the Netherlands and Poland); France and the UK. The divisions are primarily focused on providing prepared food solutions to customers in their areas of Europe.

## Business review, KPIs and risk review

A review of activities of the group and divisions, key performance indicators (KPIs), an outline of the principal risks and uncertainties which management believes are specific to the group and an indication of future developments are set out throughout the directors' report, but in particular in the chairman's statement on page 3, the market overview, strategy, legacies and funding information set out on pages 4 to 10, the performance review on pages 11 to 13, the financial review on pages 14 and 15 and in the principal risks on page 16.

## Dividends

No dividends were paid during 2008 and the directors have decided not to recommend the payment of a final dividend for the year.

## Acquisitions and disposals

No acquisitions or disposals took place during the year. On 5 March 2009 we announced agreement to sell the group's UK chilled fish business, Pinneys of Scotland, to the Foodvest group.

## Share capital and reserves

Details of the authorised and issued share capital and changes in reserves of the company are shown in notes 28 and 29 to the financial statements. The directors of Uniq plc have received limited authority to disapply shareholders' pre-emption rights in certain circumstances, to authorise the

company to buy back a proportion of the company's share capital and to allow the directors to allot shares. Further resolutions will be placed before the AGM to renew these powers. Details are set out in the notice of meeting.

## Annual general meeting

The company's annual general meeting will be held at 10.30 am on 29 April 2009 in the Lecture Theatre of Citrix Systems UK Ltd, Chalfont Park House, Chalfont Park, Gerrards Cross, Buckinghamshire SL9 0DZ. Details of the business to be considered at the meeting are contained in the notice of annual general meeting sent to shareholders. A free bus service will operate between Gerrards Cross station and Chalfont Park for the AGM.

## Substantial interests

As at 2 March 2009, the company has been notified by the following that they hold a disclosable beneficial interest in 3% or more of the issued ordinary share capital of the company:

	%
Steel Partners II LP	13.02
Schroder Investment Management Ltd	11.46
Duke Street Capital Structured Solutions Ltd	9.96
M & G Investment Management Ltd	8.65
JPMorgan Asset Management Ltd	5.20
Investec Asset Management	4.28
Henderson Global Investors	3.96

# Report of the directors continued

## Employees

The group is committed to a policy of equal opportunities in employment by which the group continues to ensure that all aspects of selection and retention are based on merit and suitability for the job without considerations of sex, marital status, nationality, colour, race, ethnicity, sexual orientation or any disability. The group aims to maintain a diverse workforce free from discrimination. Persons who have or develop a disability are, where possible, given practical assistance and training to seek to overcome their disability in the performance of their work.

## Directors

Details of the directors and their contracts are set out in their biographies on page 20 and in the corporate governance and remuneration reports. The directors' beneficial interests in the company's ordinary share capital as at 31 December 2008 are set out in table 5 on page 33 of the remuneration report.

## Charitable and political donations

The group made donations for charitable purposes during the year which amounted to £3,600 (year to 31 December 2007: £6,000). No donations were made to political parties.

## New product development

During the year the group was active in the improvement of production processes, existing products and the development of new products, to satisfy customer requirements and support the long-term profitable growth of its businesses.

## Payment policy

The group does not have a formal code that it follows with regard to payments to suppliers. Members of the group generally agree payment terms with their suppliers when they enter into binding contracts for the supply of goods and services. Suppliers are, in that way, made aware of these terms. Group companies seek to abide by these payment terms when they are satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. At 31 December 2008 the amount of trade creditors shown in the group balance sheet represented 72 days of average purchases.

## Significant contracts and change of control

The company is not party to any significant agreements which take effect, alter or terminate upon a change of control of the company. Details of how the various employee equity incentive plans would be affected by a change of control are set out in the remuneration report.

## Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, having instigated reasonable steps to check the same and sought appropriate reassurances from fellow directors, management and the company's auditors that it is the case, that there is no relevant audit information of which the company's auditors are unaware.

## Auditor

The auditor, KPMG Audit Plc, has expressed its willingness to continue in office and a resolution for its re-appointment as auditor of Uniq plc will be proposed at the annual general meeting in accordance with the provisions of Section 385 of the Companies Act 1985.

For the board

**A J McDonald**  
Company Secretary  
11 March 2009

## Corporate governance

### Compliance statement

The company has generally complied with the Combined Code as applicable to the company for the year to 31 December 2008. The company normally expects to comply with current best practice in relation to corporate governance and that its employees will do likewise. This report seeks to explain the position in detail including any exceptions.

### Board of directors

At the date of this report there are six directors, comprising the chairman, chief executive, finance director and three non-executive directors. All directors served throughout the year. All of the non-executive directors are considered 'independent' within the meaning of the Combined Code and the chairman was 'independent' on appointment. Belinda Gooding, John Warren and Matthew Litobarski have current terms of appointment which expire at the end of the annual general meetings in 2009, 2010 and 2011 respectively. Ross Warburton's term of appointment expires on 31 December 2009. The non-executive directors occupy, and/or have occupied, senior positions in business.

The articles provide that all directors must stand for election at the first AGM after they are appointed and all continuing directors must stand for re-election at least every three years. Belinda Gooding and Ross Warburton are standing for re-election at the AGM having last been re-elected in 2006.

The board is responsible for ensuring the proper management and control of the company. The board aims to enhance shareholder value by maintaining an entrepreneurial leadership of the group whilst ensuring that appropriate checks and balances are in place. The board has specific powers reserved to it including

the approval of: group strategy and annual budgets, half yearly and final results and interim management statements, acquisitions and disposals, major agreements, capital expenditure and unusual transactions. It also has responsibility for setting policy and monitoring from time to time such matters as: financial and risk control, health and safety policy, environmental issues, food safety and management succession and planning. The board has delegated to the chief executive and his executive team responsibility for execution of the agreed strategy and budget and the day-to-day management of the group's operations. The operational management is required to manage operations of the company within the management, financial and risk guidelines set down.

Board and committee members are given appropriate documentation in advance of each board or committee meeting. For regular board meetings these normally include a detailed monthly report on current and forecast trading with comparisons against budgets and prior years. For all meetings explanatory papers are sent out on matters where the board or committee will be required to give its approval, make a decision or give its response. In addition to frequent business presentations, reports are given to the board or its committees at appropriate intervals on such matters as pensions, insurance, environment, food safety and treasury.

The board has approved a procedure for directors to take independent professional advice, if necessary, at the company's expense. In addition, the directors have direct access to the advice and services of the company secretary who is charged by the board with ensuring that board procedures are

followed. Appointment or removal of the company secretary is a matter for the board as a whole.

On joining the board, directors are included in an induction programme involving meetings with management together with current information and background documents describing the company and its activities. Manuals, books and training are available to all directors on their duties as directors and individual members attend external courses on subjects they wish to improve. Site visits take place periodically. Papers are presented to board members on such subjects as accounting or regulatory changes where appropriate; specific presentations have been given covering various aspects affecting directors under the Companies Act 2006.

Normally, the board expects to meet about 12 times a year. Where there are urgent matters to consider, additional meetings, generally by telephone conference call, are held. Where directors are not able to attend meetings, opportunity is made for their views to be conveyed on matters under consideration.

The table on page 24 sets out the board and committee meeting attendance by members (the figures in brackets are the maximum which could have been attended in the year).

Throughout the period the company had a separate chairman and chief executive and their differing roles were acknowledged. The chairman's role was part-time and he was primarily responsible for the workings of the board and for ensuring that its strategic and supervisory role was achieved. The chief executive was responsible for the day-to-day running of the business, preparing the strategy and budgets for board review

## Corporate governance continued

and then carrying out the agreed strategy and implementing specific board decisions relating to the operation of the company.

The senior non-executive director is John Warren. The board carries out a review of its own effectiveness annually. This was done by the secretary preparing a list of headings under which each director was asked to consider performance and make comments. These were received by the chairman, collated and detailed in a paper setting out the points raised. Following a review of that paper by the board the points agreed were adopted.

### Board committees

There are audit, remuneration, pension and nomination committees of the board to which relevant matters are delegated. The current membership of the committees is set out on page 20. Membership of each committee is reviewed as necessary as a consequence of any changes in the board, and there were no changes during the year. The committees all have detailed terms of reference. The reports of the audit and remuneration committees, including summaries of their terms of reference, are set out below and in the separate remuneration report which follows.

The **pension committee** was created at the start of 2007 to review and advise the board on pension issues. It normally meets six times a year. It is chaired by John Warren and its other members are Ross Warburton, Geoff Eaton and Martin Beer.

The **nomination committee** is responsible for considering and recommending to the board persons who are appropriate for appointment as executive and non-executive directors. Appointment is the responsibility of the whole board following recommendation from the committee. The committee also reviews succession planning and senior management appointments below board level. The chairman is chairman of the committee and the chief executive and the independent non-executive directors are members. It meets as necessary and uses the services of outside personnel consultants to assist it when appropriate. From time to time a subset of the nomination committee will be selected for a specific purpose such as selection or reappointment of the chairman. In carrying out its duties the committee considers what appointments would be appropriate, decides what attributes or areas of specialisation the candidates should have and selects headhunters to find and select possible candidates.

Members of the committee then interview candidates before the committee puts forward its recommendation to the board.

The **remuneration committee** report is set out on pages 28 to 33. The remuneration committee was chaired by Matthew Litobarski throughout the year. Ross Warburton, John Warren and Belinda Gooding are the other members. It meets when necessary and uses the services of external remuneration consultants to assist it when appropriate. All members of the committee are independent non-executive directors.

The principal responsibilities of the remuneration committee are:

- Setting, reviewing and recommending to the board for approval the group's overall remuneration policy and strategy for senior managers' remuneration;
- Setting, reviewing and approving individual remuneration packages for executive directors and the chairman, including terms and conditions of employment and any changes to the packages;
- Reviewing the salary structure and terms, conditions and benefits of employment of other very senior executives in the group;
- Approving the launch and rules of any group share, share option or cash based long-term incentive scheme and the grant, award, allocation or issue of shares, share options or payments under such schemes; and
- The setting of bonus terms and the approval of bonus payments for directors and certain senior executives.

The **audit committee** is chaired by John Warren who is a chartered accountant and has extensive previous experience as a finance director of two large listed companies. All members of

### Directors' attendance at board and committee meetings

Director	Board	Audit committee	Remuneration committee	Nomination committee	Pensions committee
Ross Warburton	20 (20)	N/A	6 (6)	1 (1)	7 (7)
Geoff Eaton	20 (20)	N/A	N/A	1 (1)	7 (7)
Martin Beer	20 (20)	N/A	N/A	N/A	7 (7)
Belinda Gooding	18 (18)	4 (4)	6 (6)	1 (1)	N/A
Matthew Litobarski	17 (18)	4 (4)	6 (6)	0 (0)*	N/A
John Warren	18 (18)	4 (4)	6 (6)	1 (1)	7 (7)

Note: Figures in brackets indicate the maximum number of meetings which the individual is entitled to attend.

\* Directors do not attend nomination committee meetings at which their own re-appointments are discussed.

the committee are independent non-executive directors and between them they have wide experience of industry and commerce. The board believes that for the purposes of the Combined Code, John Warren has appropriate, recent and relevant financial experience.

During the period, the committee reviewed the scope and results of the work undertaken by the internal auditors. The group has appointed an internal compliance controller to monitor compliance with internal controls. The compliance controller reports to the committee at least twice a year.

The committee is generally attended by the chief executive, finance director, the group compliance controller and the external auditors, all at the invitation of the committee. The company secretary is secretary. The committee normally meets three times a year and in addition the committee and/or the chairman hold separate discussion with the external auditor without any members of the executive present. The committee operates within written terms of reference set down by the board.

The committee plays an important role in reviewing the group's financial controls and reporting. It manages the group's relationship with internal and external auditors. It also assists in the group risk management procedures and in ensuring that the group meets its regulatory requirements.

The principal activities of the audit committee are:

- To review the half yearly and annual financial statements prior to publication with executive management and the external auditor. It pays particular attention to the appropriateness of accounting policies used and areas

of management judgement. Compliance with material changes to accounting standards is kept under review. It draws to the attention of the board the main points arising from its review and any matters of concern which may arise.

- To make recommendations concerning the appointment or re-appointment of the company's external auditors and to consider the auditor's continuing suitability, including when necessary recommending to the board appropriate action to appoint new auditors. It ensures that key audit partners are rotated at appropriate intervals. It discusses with the auditors the scope of the audit before it commences, reviews the results and considers the formal reports of the auditors and reports the results of those reviews to the board. It reviews the auditor's independence, performance, the scope of the audit and recommends to the board appropriate remuneration for the auditors.
- To receive reports from the group compliance controller twice a year reviewing internal audits conducted and consider follow up reviews on progress in addressing issues arising from prior internal audits.
- To agree the programme of internal audit reviews to be carried out and must approve the appointment or removal of the compliance controller. The group compliance controller has the right to talk directly to the chairman of the audit committee at any time.
- To set down and monitor the company's use of the external auditors for non-audit work. The committee considers that it is sometimes appropriate to use the external auditors for non-audit work especially where the work is of a regulatory or compliance nature or where the auditor's experience is likely to give them an advantage over other

providers. All appointments of the external auditors are subject to audit committee guidelines and specific consent is required for commissions above £50,000. The committee monitors non-audit work carried out by the external auditors.

- To review the risk review procedure carried out by the executive with the aim of ensuring that, where possible and appropriate to do so in the context of the business, reasonable steps are taken by the group to mitigate such risks.
- To ensure that the group maintains appropriate internal control procedures and monitors their effectiveness. The committee has approved a 'whistleblowing' policy under which it is the ultimate point of reference for those raising concerns.

During the period under review the committee carried out the above functions.

### Auditor's independence

The board believes that its auditors are independent and asks the audit committee to monitor this position on a regular basis.

Details of all fees for non-audit work are set out in note 5 on page 52 of the financial statements. A material amount of the non-audit work was spent on reviewing the interim results and work connected with the obtaining of the group's banking facilities. The board considers it appropriate that this work should be carried out by the group's auditor and that it does not inhibit their independence.

Other committees are appointed by the board from time to time to consider specific matters delegated to them such as approval of the detailed terms

## Corporate governance continued

of acquisitions or disposals and capital expenditure projects.

### Relations with shareholders

The board ensures that there is an active programme of investor relations which was led by the chief executive and finance director during the period. The chairman and senior non-executives are also available for consultation with major shareholders when appropriate.

Major brokers' reports and forecasts are circulated to the board as they are received. Following the preliminary and half yearly announcement presentations the company's broker conducts an analysis of investor and analysts' reaction which is reported to the board. The chairman, chief executive and finance director would also report to the board on investor contacts and reaction when appropriate.

During the period the chief executive and finance director gave collective general presentations covering the results and other key announcements. The chairman and other directors are available as appropriate for subsequent meetings with institutional investors. The chairman and company secretary generally deal with questions from individual shareholders. All shareholders have the opportunity to put questions at the company's annual general meeting when the chairman gives a statement on the company's performance during the year, together with a statement on current trading conditions. The chairmen of the audit, nomination and remuneration committees normally attend the annual general meeting and the chairman advises shareholders on the proxy voting details. All shareholders are invited to attend the annual general meeting when the directors will be available to answer questions concerning the group and its activities.

The company maintains a website (www.uniq.com) which contains further and up-to-date information on the company and its recent changes and announcements.

### Independence of directors

The board considers all its non-executive directors and its chairman on appointment to be independent. In addition to meeting the criteria for independence below they are independent in character and judgement. The board's criteria for independence are:

- Has not been an employee of the group within the last five years;
- Has not or has not had, within the last three years, a material business relationship with the group;
- Save in exceptional circumstances, has received no remuneration other than a director's fee;
- Has no close family ties with any of the group's advisers, directors or senior employees;
- Does not have significant links with other executive directors through mutual involvement in other companies or bodies;
- Does not represent a significant shareholder;
- Has not served on the board for more than nine years.

### Directors' remuneration

The remuneration report on pages 28 to 33 details compliance with the Combined Code's requirements with regard to remuneration matters.

### Internal controls, risk management and audit

The board has overall responsibility for the group's risk management and internal control systems and for reviewing their effectiveness. The systems are designed to provide reasonable control over the activities of the company and the group

and to enable the board to comply with the directors' responsibilities statement on page 17. This process has remained in place throughout the financial period covered by this annual report and to the date of these financial statements. The process is reviewed from time to time and updated to ensure that it continues to meet the needs of the group's activities.

However, it is recognised that it is the nature of any business that risk is inherent in any enterprise and that business and commercial risks must be taken and that for a business to succeed, enterprise, initiative and motivation are key elements which must not be unduly stifled. It is not the intention of the company to seek to avoid all risks. Commercial judgements and other decisions will have to be made in the course of management of the business and will give rise to risk.

The board confirms that, in accordance with the requirements of the Combined Code, it has reviewed the effectiveness of the system of internal control. The key elements of the group's internal control systems and the review process are as follows:

- The group has an organisational structure with established lines of accountability as well as clearly defined levels of authority as to matters which are reserved to the board and the delegation of other matters to board committees or the group's executive management. Each part of the business is required to operate in accordance with established policies and procedures. An overall 'Operational Control Framework' document, which is regularly reviewed to ensure it covers changing business operations and processes, sets down guidelines or mandatory requirements on general and specific issues such as treasury and authorisation limits, accounting policies,

directors' dealings, capital expenditure procedures, expenses, ethical conduct and 'whistleblowing'.

- Comprehensive business planning and financial reporting procedures are in place, including the annual preparation of detailed operational budgets for the year ahead and projections for subsequent years. Each business area reports monthly on its performance against its agreed budget. The board receives monthly an update on such performance and generally reviews significant variances on a monthly or bi-monthly basis.
- Procedures have been established for planning, approving and monitoring major capital expenditure and major projects. The group has a centralised treasury function, which operates within defined limits and subject to regular reporting requirements and audit reviews.
- An embedded risk management process is in place, which seeks to identify the most significant risks facing each business and the group and reports on how those risks are being managed. This process requires the business divisions to produce risk registers identifying and evaluating significant risks which may affect their business and to consider what action can and should reasonably and cost effectively be taken to reduce them to an acceptable level. The process culminates in the production of a group risk register including a review of significant central risks. This register and the divisional action plans for addressing risk are reviewed and maintained on an ongoing basis. Progress is monitored generally half yearly by the board and audit committee.
- There is an internal audit process led by the compliance controller which is used to help monitor controls. This

programme of internal control reviews is set by the audit committee following review with the finance director. From time to time ad hoc assignments requested by senior executives or the audit committee are also undertaken by the compliance controller.

The external auditors, KPMG Audit Plc, audit the year end results. Their audit report is on page 34 of this annual report. They also conduct a review of the half year results.

### Going concern

The directors have prepared trading and cash flow forecasts for a period in excess of a year from the date of approval of these financial statements. The directors have assumed: trading relationships are maintained; sales growth in certain territories and planned cost savings. These show that after sensitivities and mitigating factors are taken into account the total banking facility is not exceeded, the covenants are not breached and there are no events of default. The directors expect that the group will be able to meet its liabilities as they fall due and therefore consider it appropriate to prepare the financial statements on a going concern basis (refer to note 1: Basis of preparation on page 39).

## Remuneration report

### Constitution

The current members of the remuneration committee are Matthew Litobarski (chairman), Belinda Gooding, Ross Warburton and John Warren. All of them served throughout the year. The board considers that all members are independent directors, the chairman having been independent on first appointment. The chief executive and finance director may be invited to attend meetings, but no party would attend when specific matters concerning the detail of their own personal remuneration are being dealt with. The company secretary acts as secretary to the remuneration committee and it met 6 times during the year to 31 December 2008.

The committee has written terms of reference which set down its role and responsibilities. Briefly, it has responsibility for setting the remuneration policy for the group and for deciding certain more detailed matters such as setting very senior managers' remuneration and grants under long-term incentive schemes.

The remuneration committee takes advice as and when required directly from external consultants and has appointed Towers Perrin as its consultants on remuneration matters. Towers Perrin performs no other services for the Uniq group.

### Remuneration policy

The company's ongoing policy for executive directors and senior executive management is to provide remuneration in an amount and manner appropriate to the recruitment, motivation and retention of high quality management, and encourage a culture linking reward to overall corporate and individual employees' performance.

The committee has decided that emphasis should be placed on the performance-related, variable elements of the senior management and executive directors' pay so that a substantial proportion of their potential total remuneration is linked to corporate and personal achievement and the short and long-term success of the group. This policy gives greater alignment between senior management and shareholders' interests.

Remuneration policy for non-executive directors is determined by the board (excluding the non-executive directors) within the limits set out in the articles of association. A basic fee is paid together with a responsibility fee for those chairing a committee or accepting other exceptional responsibilities. Fees are reviewed by the board from time to time. Non-executive directors do not participate in any incentive or pension plans.

### Directors' remuneration

The remuneration of executive directors comprises five elements: base salary, benefits-in-kind, pension, annual cash bonus and equity incentives.

### Base salaries

Base salaries are reviewed annually, having regard to relevant market practice supported by periodic external independent surveys. Details of the directors' remuneration for the year to 31 December 2008 are set out in table 1 on page 32.

### Benefits-in-kind

The benefits-in-kind provided to the executive directors are: private medical and travel cover for themselves and family and life insurance up to a maximum of four times' salary. Geoff Eaton had a car allowance of £15,000 p.a. and

Martin Beer had one of £14,000 p.a. Both Geoff Eaton and Martin Beer can claim a per mile charge to cover fuel and expenses of business use of their private cars. The non-executive directors receive no benefits-in-kind, although all directors are reimbursed for reasonable expenses incurred in the performance of their duties.

### Annual cash bonus

The company operates an annual cash bonus system for senior managers and executive directors. The payment and extent of annual cash bonuses to the executive directors is dependent upon the achievement of pre-agreed targets set by the remuneration committee. Each year the remuneration committee will review the system and may set different targets or performance conditions to seek to keep the conditions appropriate to the current goals and aims of the company and in alignment with shareholder interests and company targets.

In respect of performance in the year to 31 December 2008, Geoff Eaton and Martin Beer received no bonus.

For 2009 the remuneration committee has realigned the bonus plan to support delivery of the modified recovery plan, specifically the crystallisation of value in France and Northern Europe and the refocus on the profitability of the UK businesses. The maximum bonus for exceptional performance for this year could be: Geoff Eaton 150% and Martin Beer 120% of base salary.

### Equity incentives

In 2000 shareholders approved an executive share option scheme under which grants were made between 2000 and 2002. Grants are still outstanding under the scheme, but no new grants have been made since 2002.

Grants under the Uniq executive share option scheme were made subject to a performance condition that normally required the company's adjusted earnings per share to exceed the growth in the retail prices index by at least 6% over a three-year period for options granted in 2000 and by 9% over a three-year period for options granted since 2000. All executive options granted have now become exercisable. All options are exercisable not less than three nor more than ten years from date of grant and all grants were made at market value without a discount.

There is a scheme limit which must not take grants of new shares in Uniq plc under the scheme and any other scheme to more than 10% of issued capital over ten years.

Table 2 on page 32 shows details of the executive option holdings of Martin Beer. No other directors hold any executive share options. There have been no changes to these holdings between the financial year end and the date of these accounts. In 2000, shareholders also approved a long-term incentive plan and a sharesave option scheme. No grants have been made under either of these schemes.

At the annual general meeting in 2003 shareholders approved the introduction of the Uniq Performance Incentive Plan (PIP). Under the PIP the remuneration committee may grant to selected executives 'base' awards consisting of rights to acquire shares (called performance shares) and/or further rights (called matching shares) the latter conditional on the executive investing part of his or her annual bonus in the purchase of Uniq plc shares which must normally be held for three years.

The maximum amount of PIP award in any year of matching and performance awards granted to any individual is 100% of salary. Normally the employee must remain in employment for three years from the date of award for the shares to vest, although there are provisions for earlier pro rata vesting in the case of 'good' leavers. The scheme limit is that awards under the PIP and all other equity incentive schemes issuing newly issued shares in Uniq plc must not exceed 10% of the company's issued share capital in ten years.

The Remuneration Committee sets performance conditions for all grants under the PIP scheme. These vary from time to time to seek to ensure they remain relevant to the aims of the committee and achieve their incentivising purpose. The vesting of performance shares and matching shares for awards made between 2003 and 2006 will depend on the company's total shareholder return (TSR), measured against two comparator groups. For half of any award, the comparator group will be a peer group of fellow food producers and, for the other half, the FTSE small capital index.

If the company's TSR over the three-year performance period is at the median of each comparator group, 20% (10% for each group) will vest and if each comparator group performance is in the upper quartile 100% (50% for each group) of the award will vest, with pro rata vesting for each between those points. If the company's TSR is below the median of the relevant comparator group, none of that half of the award will vest.

For grants made in 2007 the TSR performance condition changed so that there was only one comparator group consisting of the European companies in the FTSE Food Producer's index

## Remuneration report continued

(excluding those in the FTSE 100 index). Vesting remained at the previously set levels, with 40% of the total award vesting for median performance and 100% vesting requiring upper quartile performance.

For grants made in 2008 the performance conditions and vesting levels are the same, except that the percentage of award vesting for median performance reduced from 40% to 35%.

In all cases the TSR performance is measured over a three-year period from the date of award, with TSRs for all companies in the comparator group or groups averaged over a one-month period before the beginning and the end of the performance period.

There are provisions for early vesting on a change of control without pro-rating, but the performance condition or conditions would still apply. The remuneration committee have very restricted powers of amendment of the rules of the scheme or to vary awards where circumstances require it. Full details of PIP awards to directors are set out in table 3 on page 32.

Note: The independent auditor's report set out on page 34 applies to the information contained in tables 1 to 5 on pages 32 and 33 in the following sections of the remuneration report, so far as it relates to its proper preparation in accordance with the UK Directors Remuneration Report Regulations 2002: directors' emoluments; pensions; and defined benefit disclosure.

### Pensions

Executive directors are entitled to be members of the group's main pension scheme. Those joining since March 2003 may join the DC section. Those joining before that date are in the DB section

and details are set out in table 4 on page 33. The company is proposing to cease accrual for future service for DB members effective from 1 October 2009 and has commenced consultation with the employees concerned, who would then be offered immediate entry to the DC section. Where it is not practical or advantageous to make pension provision, a non-pensionable cash supplement is paid in lieu of pension scheme membership.

Martin Beer is accruing a pension which would provide two-thirds of his final pensionable pay up to the HMRC earnings cap, payable from his normal retirement age of 62. HMRC ceased to define an earnings cap from 1 April 2006 however the company continues to apply a cap equivalent to the pre-April 1 2006 cap. At 1 April 2008 the cap was £117,600. It will rise to £123,600 on 1 April 2009. Martin contributed 6% of his salary up to the earnings cap to the HMRC-approved pension scheme during the year.

Up to 31 March 2006 Martin Beer also accrued pension in relation to his salary above the earnings cap through an unfunded HMRC-unapproved ("overcap") pension scheme. This overcap scheme was terminated and Martin took a transfer of his existing rights into a personal pension arrangement. Following this transfer the company has no further obligation to him in respect of pension on his salary above the HMRC earnings cap. From 1 April 2006 he has received a salary supplement of 28% of his salary above the earnings cap payable to his personal pension arrangement.

The principal terms of Martin Beer's pension accrual during the year were: pensions in payment increase in line with retail price inflation subject to a maximum of 5% per year. In the event of death, the

scheme also provides a pension of two-thirds of the member's pension for a spouse, and additional pensions for young children, to give a total maximum of up to 100% of the individual's pension. In relation to his pension accruing after 1 April 2006 the increase in pension in line with retail price inflation is subject to a maximum of 2.5% per year rather than 5% per year.

In calculating pension scheme transfer values, no allowance is made for discretionary benefits. A director in the approved pension scheme may take early retirement from age 50 with the company's consent but in such circumstances discount factors set by the scheme actuary would be applied, unless alternative agreement were reached.

Geoff Eaton has elected not to become a member of the group's pension scheme and is paid instead a non-pensionable salary supplement of 20% of his base salary per annum in lieu of pension benefits.

No other director is accruing any pension entitlement nor are they receiving a salary supplement in lieu.

### Directors' contracts

The remuneration committee's policy on directors' contracts is that executive directors should not have contracts with a rolling notice period exceeding 12 months. However, there may be circumstances where to attract the right candidate or in other special circumstances a longer initial term or a fixed term contract in excess of one year will be appropriate. It is the committee's policy that normally contracts should not specify any contractual termination payments unless commercially this needs to be given in order to secure the director's appointment.

The chief executive, Geoff Eaton, has an employment contract dated 7 July 2005 as amended on 22 March 2007 which can be terminated by the company giving one year's notice or the employee by nine months' notice. The finance director, Martin Beer, has an employment contract dated 8 May 2002, which can be terminated by the company giving one year's notice or the employee giving six months' notice. There are no express provisions in either contract relating to payments on early termination and they would only be entitled to compensation as provided by law, which would normally be subject to a duty to mitigate.

The chairman, Ross Warburton, currently has a three-year fixed contract of employment with the company which commenced on 1 January 2007 but is subject to one year's notice by either party. He receives £150,000 p.a. There are no express provisions regarding compensation on termination. He receives no pension or other benefits.

The non-executive directors have individual letters of appointment. Belinda Gooding's current appointment runs up to the AGM in 2009 and she is standing for re-election at the AGM for a further three-year term. John Warren's current appointment runs to the AGM in 2010 and Matthew Litobarski's to the AGM in 2011. All of them can be terminated at any time by one year's notice and may be renewed for a further term when they expire. These letters of appointment do not contain any provisions on termination payments.

With the approval of the board, executive directors may accept one external appointment as non-executive director of any other company and retain any related fees paid to them. None of the executive directors hold an external quoted company appointment at the current time.

Directors are entitled to be reimbursed for reasonable expenses necessarily incurred in the performance of their duties.

### Performance graph

The performance graph on page 33 shows the TSR performance of Uniq plc against the FTSE All Share Index over the period from 31 March 2004 to 31 December 2008. The remuneration committee has decided that the FTSE All Share Index is an appropriate index for this purpose. The market price of Uniq shares during the year to 31 December 2008 ranged from 187p to 2.4p. On 31 December 2007 it was 187p and on 31 December 2008 it was 4.15p. At 2 March 2009, the latest practicable date prior to publishing these results, the share price was 16.5p.

## Directors' report

# Remuneration report continued

### Directors' emoluments

Table 1

Director	Salary and fees £000	Bonus £000	Taxable benefits £000	Pension £000	Year to 31.12.08 Total £000	Year to 31.12.07 Total £000
Ross Warburton*	150	–	–	–	150	150
Martin Beer	244	–	16	86 <sup>#</sup>	346	345
Geoff Eaton	354	–	87 <sup>†</sup>	–	441	467
Belinda Gooding*	30	–	–	–	30	30
Matthew Litobarski*	38	–	–	–	38	37
John Warren*	37	–	–	–	37	28
Margaret Young*	–	–	–	–	–	14
<b>Totals</b>	<b>853</b>	<b>–</b>	<b>103</b>	<b>86</b>	<b>1,042</b>	<b>1,071</b>

Notes:

\* Non executive directors.

† Includes £70,818 payment in lieu of pension.

# Includes £35,372 paid to a self invested personal pension.

### Share options

Table 2

Executive directors	Date of grant	Exercise price (p)	No. of options at 01.01.08	Options lapsed	No. of options at 31.12.08	Normal exercise dates
Martin Beer	03.07.00	514.2	12,923	12,923	–	10.06.01-09.06.08
	03.07.00	312.6	12,923	–	12,923	23.06.02-22.06.09
	06.07.00	251.0	49,800	–	49,800	06.07.03-05.07.10
	12.06.01	210.0	50,000	–	50,000	12.06.04-11.06.11
	17.06.02	161.5	110,000	–	110,000	17.06.05-16.06.12
<b>Totals</b>			<b>235,646</b>	<b>12,923</b>	<b>222,723</b>	

No executive options were awarded to, or exercised by, directors during the year or in the prior year.

### Performance Incentive Plan

Table 3

Executive directors	Class of award	Date of grant	Market value at date of grant (p)	Shares held at 01.01.08	Shares awarded	Shares lapsed	Shares held at 31.12.08	Expiry or normal exercise dates
Martin Beer	Performance	14.06.05	155.0	40,645	–	40,645	–	14.06.08-13.06.15
	Performance	14.06.06	146.0	45,308	–	–	45,308	14.06.09-13.06.16
	Matching	02.04.07	191.75	74,252	–	–	74,252	02.04.10-01.04.17
	Performance	02.04.07	191.75	35,358	–	–	35,358	02.04.10-01.04.17
	Performance	30.04.08	102.75	–	186,861	–	186,861	30.04.11-29.04.18
Geoff Eaton	Matching	01.08.05	151.8	131,796	–	131,796	–	01.08.08-31.07.15
	Performance	01.08.05	151.8	217,462	–	217,462	–	01.08.08-31.07.15
	Matching	14.06.06	146.0	158,219	–	–	158,219	14.06.09-13.06.16
	Performance	14.06.06	146.0	67,808	–	–	67,808	14.06.09-13.06.16
	Matching	02.04.07	191.75	120,469	–	–	120,469	02.04.10-01.04.17
	Performance	02.04.07	191.75	51,630	–	–	51,630	02.04.10-01.04.17
<b>Totals</b>				<b>942,947</b>	<b>525,547</b>	<b>389,903</b>	<b>1,078,591</b>	

No PIPs were exercised by directors during the year or in the prior year.

## Defined benefit disclosure

Table 4

	Age at 31.12.08	Accrued benefit at 01.01.08 £	Change (in excess of inflation) £	Change due to inflation £	Accrued benefit 31.12.08 £
Martin Beer	46	38,723	1,987	1,936	42,646
	Transfer value at 01.01.08 £	Increase in transfer value net of director's contributions £	Director's contributions £	Transfer value at 31.12.08 £	Transfer value of increase in accrued benefit (in excess of inflation) £
Martin Beer	370,170	136,466	6,984	513,620	20,680

Notes:

1. The transfer values quoted above relate to benefits accrued under the Uniq plc pension scheme. The calculations do not take into account any underfunding in the Uniq plc pension scheme.
2. Martin Beer commenced contributions of 6% of salary up to the earnings cap to the approved pension scheme from 1 October 2005. Previously the pension scheme was non-contributory.
3. The transfer values stated above have been calculated in a manner consistent with Retirement Benefit Schemes – Transfer Values regulations.

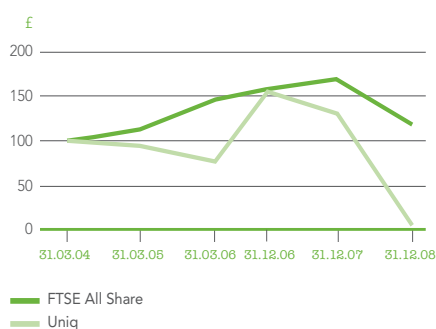
## Directors' shareholdings

Table 5

	Holding at 01.01.08 Ordinary shares fully paid	Holding at 31.12.08 Ordinary shares fully paid
Ross Warburton	75,000	75,000
Martin Beer	67,910	67,910
Geoff Eaton	183,760	251,303
Belinda Gooding	1,502	1,502
Matthew Litobarski	3,000	3,000
John Warren	15,000	15,000
Totals	346,172	413,715

There have been no changes in the directors' shareholdings between the year end and up to the date of this report.

## Total shareholder return



Approved on behalf of the board

**Matthew Litobarski**

Chairman of the remuneration committee

11 March 2009