



**Dairy Crest Group plc (the “Company”)
Executive Committee
Terms of Reference**

1. Authority

The Executive Committee is a committee of the Group Board in accordance with Article 99 of the Company's Articles of Association. Subject to the retention of its right collaterally to exercise delegated powers, authorities and discretions vested in or exercisable by it and other than those matters specifically reserved to it or its Remuneration, Audit, Nomination or Corporate Responsibility committees, the Group Board has delegated (with the power to sub-delegate) to the Executive Committee all those powers, authorities and discretions vested in or exercisable by it.

2. Purpose

The purpose of the Executive Committee is to assist the Group Board in the execution of its duties and in so doing, ensure the appropriate day-to-day effective operation of the Company and its subsidiaries (the “Group”) including but not limited to:

- (a) The development and implementation of the Group's strategy, operational plans, policies, procedures and budgets.
- (b) The monitoring of operating and financial performance.
- (c) The assessment and control of risk.
- (d) The prioritisation and allocation of resources.
- (e) The monitoring of competitive and regulatory issues in each area of the Group's operation.

3. Membership

- (a) The Executive Committee shall be made up of the Group's Chief Executive, the Group Finance Director, Group Commercial Director, Group Supply Chain Director, Group HR Director and Company Secretary & General Counsel, together with such other senior executives of the Group as the Chief Executive shall nominate from time to time.



- (b) Others may be invited by the Chief Executive (or in his absence the Group Finance Director) to attend all or part of any meeting of the Executive Committee.

4. Chair

The Chief Executive shall act as chair of the Executive Committee. In his absence, the Finance Director, or such other member as the Chief Executive shall nominate shall act as Chair.

5. Quorum

The quorum necessary for the transaction of business shall be 2 members who must be Executive Directors of the Company and one of whom must be either the Chief Executive or the Group Finance Director. A duly convened meeting of the Executive Committee at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions vested in, or exercisable by the Executive Committee. Alternatively, at the discretion of the Executive Committee some or all of the powers, authorities and discretions of the Executive Committee can be delegated to such person or persons as the Executive Committee thinks fit, subject always to the retention by the Executive Committee of its right to exercise the delegated powers, authorities and discretions collaterally with the person or persons to whom they are delegated.

6. Frequency of Meetings

The Executive Committee shall meet as and when required but in any event it shall aim to meet not less than monthly.

7. Conduct of Meetings

Except as outlined above, meetings of the Executive Committee shall be conducted within and subject always to the provisions of the Articles of Association of the Company governing the proceedings of directors and the Company's business generally.

8. Minutes of Meetings

The Company Secretary shall take formal minutes, including agreed action points. The Company Secretary shall circulate draft minutes, promptly following each meeting.



9. Duties

- (a) Devising and implementing (where necessary with Group Board approval) objectives and strategy for the Group in the development of its business, having regard to the interests of its shareholders, customers, employees and other stakeholders.
- (b) The successful fulfilment of objectives and execution of strategy.
- (c) Preparation of the Group's budgets and their presentation to the Group Board and, following their adoption, the achievement of the budgets.
- (d) Developing and reviewing business division objectives and budgets to ensure that they fall within the agreed Group targets.
- (e) Approving all strategic or material alliances and partnership agreements, subject where necessary to Group Board approval.
- (f) Examining key trade investments, divestments and major capital expenditure proposals and the recommending to the Group Board those which, in a Group context, are material either by nature or cost as defined within authority limits.
- (g) Identifying and executing new business opportunities outside the current core activities, including geographic diversification, where appropriate with the approval of the Group Board.
- (h) Reviewing the organisational model of the Group (including structure, systems, processes, people and culture) and implementing beneficial changes where identified and / or making recommendations for change and succession planning, where appropriate, to the Group's Nomination Committee and Group Board.
- (i) Optimising the allocation and adequacy of the Group's resources.
- (j) Ensuring the active liaison, co-ordination and co-operation between business divisions.
- (k) Considering and where appropriate implementing change programmes and initiatives to ensure they are achieved and deliver the benefits expected.
- (l) Ensuring that across the Group there is a visible depth of capable leadership.



- (m) Ensuring and enhancing the provision of adequate management development and succession; and, recommendation and implementation of appropriate remuneration structures across the Group, subject to any necessary approvals from the Group's Remuneration Committee.
- (n) Ensuring appropriate levels of authority are delegated to senior management throughout the Group.
- (o) Ensuring the management, control, co-ordination and monitoring within the Group of risk and internal controls via Company Secretariat, Group Finance, Internal Audit and the Strategy and Policy Leadership Team.
- (p) Safeguarding the integrity of management information and financial reporting systems.
- (q) Ensuring compliance with relevant legislation and regulations.
- (r) Approving Group policy and operational and control policy guidelines for business divisions based on the Group strategy.
- (s) Developing and implementing (where necessary with Group Board approval) group policies, including:
 - Codes of ethics and business practice;
 - Share dealing code;
 - Risk management policies;
 - Treasury policies;
 - Health and safety policy;
 - Communications policy (including procedures for the release of price sensitive information);
 - Investor relations policy;
- (t) Conducting appropriate internal and external benchmarking exercises to ensure the spread of best practice across the Group.

10. Reporting Responsibilities

Where appropriate or required under the Company's Articles of Association reports of matters discussed or decisions taken will form part of the reports provided by the relevant member to the Group Board.