

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE OF OPENFIELD GROUP LIMITED

Constitution

The board of directors of the society ("the Board") hereby resolves to establish a committee of the board to be known as "the Remuneration committee", ("the Committee").

Membership

The Committee shall be appointed by the Board and shall comprise a minimum of two who shall both be non-executive directors.

Only members of the Committee shall have the right to attend Committee meetings. However, other individuals such as the Chief Executive, other senior staff and external advisors may be invited to attend meetings of the Committee as and when deemed appropriate and necessary. The chairman of the Committee shall be appointed by the Board, and shall be an independent nonexecutive director.

Secretary

The Company Secretary shall act as secretary of the Committee.

Quorum

The quorum necessary for the transaction of business shall be two members.

Frequency of meetings

The Committee shall meet at least twice a year as required.

Notice of meetings

Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairman.

Unless otherwise agreed, notice of each meeting confirming the time and date together with an agenda of items to be discussed, shall be forwarded to each member no later than five working days before the meeting.

Minutes of meetings

The secretary shall minute the proceedings and resolutions of all meetings of the Committee. Draft minutes of the Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all Board members unless it would be inappropriate to do so in the opinion of the Committee chairman.

Annual General Meeting

The Committee chairman should attend the annual general meeting to answer any member questions on the Committee's activities.

Duties

The Committee shall:

- Determine and agree with the Board the framework or broad policy for the remuneration of the company's chairman, chief executive, and executive directors. The remuneration of the non-executive directors shall be matter for the chairman and chief executive and the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration
- The objective of such policy shall be to ensure that members of the executive management of the society are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the company
- review the ongoing appropriateness and relevance of the remuneration policy
- within the terms of the agreed policy and in consultation with the chairman and/or chief executive as appropriate, determine the total package of the chairman, each executive director, company secretary and other designated senior staff including bonuses, and incentive payments
- Obtain up-to-date information about remuneration in other companies/societies. Consultants may be appointed to commission, purchase or produce any necessary reports subject to any budgetary constraints.
- approve the design of, and determine targets for, any performance related pay schemes operated by the society and approve the total annual payments made under such schemes
- determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives
- ensure that contractual terms on termination, and any payments made, are fair to the individual, and the society, that failure is not rewarded and that the duty to mitigate loss is fully recognised
- oversee any major changes in employee benefits structures throughout the society
- agree the policy for authorising claims for expenses from the directors

Reporting responsibilities

The Committee chairman shall report formally to the Board after each meeting and make any recommendations to the board it deems appropriate on any area within its remit.

Other matters

The Committee shall:

- have access to sufficient resource to carry out its duties
- be provided with appropriate and timely training both in the form of an induction programme and on an ongoing basis
- be responsible for co-ordination of the internal and external auditors
- arrange for periodic review of its own performance, its constitution and terms of reference

Authority

The Committee is authorised by the Board to obtain, at the society's expense, outside legal or other professional advice on any matters within its terms of reference.