

Remuneration and Organisational Development Committee Terms of Reference

1. Membership

- 1.1 Members of the Committee shall be appointed by the Board. The Committee shall be made up of four Non-Executive Director members of which one is the Chair of the Board.
- 1.2 The Board shall appoint a Chair.
- 1.3 In the unexpected absence of the Chair the Committee shall appoint a Chair for that meeting.
- 1.4 The Chief Executive and the Head of People shall be in attendance to advise the Committee as required.
- 1.5 No director or manager shall be involved in any discussion or decisions as to their own remuneration.

2. Quorum

- 2.1 The quorum necessary for the transaction of business shall be two Non-Executive Directors.

3. Frequency of Meetings

- 3.1 The Committee shall normally meet once a year to consider the annual remuneration issues and at other times as required.

4. Minutes of Meetings

- 4.1 The Secretary of the Society or his/her nominee will be responsible for recording the minutes of meetings.

5. Duties

- 5.1 The Committee shall:
 - 5.1.1 Determine and agree the strategic policy for the remuneration of the Society's Management and Staff members as appropriate.

- 5.1.2 In determining such remuneration policy, ensure that the Society attracts and retains managers and staff of sufficient calibre to meet its business objectives and that staff members of the Society are motivated and fairly rewarded for their individual contributions to the Society's overall performance;
- 5.1.6 Review and advise the Board on Strategic HR and Organisational Development issues as maybe requested by the Executive or Board;
- 5.1.7 Give due regard to the provisions and recommendations in the Combined Code of Corporate Governance;
- 5.1.8 Be responsible for appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and to obtain reliable, up to date information about remuneration within financial services and the wider market place.

6. Annual General Meeting

- 6.1 The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any member questions on the Committee's activities.

7. Review of Performance

- 7.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and where appropriate approve changes.

Updated – 13th November 2009.