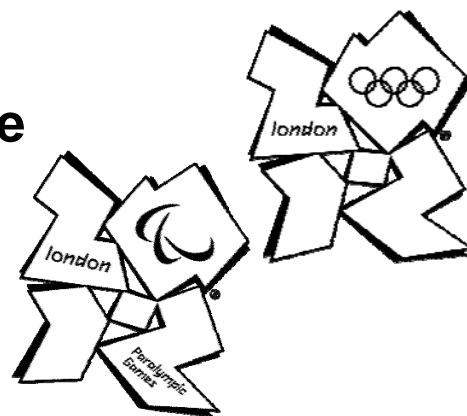


ODA Remuneration Committee

Standing Orders and Terms of Reference



CONSTITUTION AND MEMBERSHIP

1. The membership of the Committee shall be determined by the Board who shall appoint the Chairman of the Committee ("the Chairman"). The Committee shall have at least 4 Board members.
2. The Remuneration Committee will be provided with a secretarial function and expert advice and support by the Head of Human Resources.

MEETINGS

3. The Committee shall meet at least 2 times a year, at such times and places as the Board or Committee shall from time to time determine.
4. The Chairman may convene or request the Secretary to convene a meeting at any time.
5. The quorum for meetings shall be 3 Committee members. A duly convened meeting at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions for the time being vested in or exercisable by the Committee. At a meeting the Chairman shall preside. If the Chairman is absent, or if s/he declares an interest in matters under discussion, the members in attendance shall choose one of their number to preside. All questions shall be decided by a majority of votes of Committee members present at a meeting. This may be determined by oral expression or a show of hands. In the case of an equality of votes the Chairman of the meeting shall have a second or casting vote.
6. The provisions of paragraph 28 of Standing Order 1 shall apply to meetings and proceedings of the Remuneration Committee.
7. The Chief Executive and/or the Director of Finance and Corporate Services will attend meetings of the Committee at the Committee's request. The Chief Executive may be invited by the Committee to give an explanation of his/her performance objectives and achievement against those objectives but will not be present when the Committee discusses any matter concerning his/her own remuneration.

AUTHORITY

8. The Remuneration Committee is an advisory body with no executive powers. It is authorised by the Board to consider and make any decisions on matters regarding the Chief Executive's remuneration. The Committee will also consider and comment on any recommendations or proposals from the Chief Executive regarding pay, bonuses and other matters of remuneration and reward for the Directors of the ODA and any Heads of Function who directly report to the Chief Executive.
9. Where other matters regarding remuneration and reward of ODA employees would require or could benefit from advice and guidance from the Board, the Committee will consider such matters and offer any guidance as they see fit.
10. The Committee is authorised by the Board to obtain, at the ODA's expense, and on such terms as the Committee may think fit, outside legal or other independent professional advice and secure the attendance at its meetings of outsiders with relevant experience and expertise if it considers this necessary, but such persons shall not be members of the Committee.

TERMS OF REFERENCE

11. The Committee has four prime functions:
 - a. to assist the Board in discharging its duty for determining the remuneration, including salary and performance-related elements of the Chief Executive's package, in accordance with the Chief Executive's contract of employment and paragraph 7j of the Board's Standing Order 1;
 - b. to assist the Board, in accordance with paragraph 7b of the Board's Standing Order 1, in discharging its duty for ensuring high standards of corporate governance and financial control are observed at all times. This will include the consideration of recommendations and proposals made by the Chief Executive regarding pay, bonuses and any other matters regarding remuneration for the Directors and any Heads of Function who directly report to the Chief Executive;
 - c. to assist the Board in ensuring that the ODA meets the highest standards of propriety and accountability for the use of public funds, by advising the Board and the Chief Executive as requested on general matters regarding remuneration of ODA employees; and
 - d. to consider any matters relating to the ODA's pension arrangements which may require the attention of the Board and to make recommendations to the Board that assist the Board to discharge its duties. The ODA runs a Group Stakeholder Pension Plan, which is administered by Fidelity Life Assurance Limited. The ODA makes contributions to the plan by way of a salary sacrifice mechanism, but individual employees are responsible for their own pension funds, and the financial management of those funds. In line with good practice, the Remuneration Committee will maintain oversight of the ODA's Group Stakeholder Pension Plan. Each year, the Remuneration

Committee will be presented with an annual report on the ODA's stakeholder pension plan by Fidelity. This report will cover matters such as a valuation summary of the plan, demographic information about the membership, and service standard reporting. The Remuneration Committee will make decisions regarding any changes that may need to be made in respect of the default investment fund, any need to switch plan administrators (although this is unlikely to be necessary), and will approve the overall communications strategy on pensions matters for employees. The Remuneration Committee will be advised as necessary by the ODA's pension advisers, AON Consulting Limited. AON Consulting will advise on matters such as Fidelity's performance, investment monitoring and governance. Neither the Board nor the Remuneration Committee discharges any statutory duties in relation to the ODA's stakeholder pension plan. Neither the Board nor the Committee assumes or accepts any responsibility or liability for the investment performance of the stakeholder plan.

DUTIES

12. The Remuneration Committee shall have the following duties:
- a. To deal with any matters in scope under the Remuneration Committee's Terms of Reference;
 - b. to consider any other related matters where requested to do so by the Board;
 - c. to report to the Board on the discharge of the above duties.

INFORMATION REQUIREMENTS

13. The Remuneration Committee will be provided with any information that it requires to enable members to properly discharge their duties.

AMENDMENT

14. The above terms of reference may be altered and amended from time to time by express resolution of the Board of which notice shall have been given in the meeting notice at which they are proposed.