

FRC Non-Executive Board Member Terms of Appointment

The terms of appointment are subject to the Articles of Association of the FRC as amended from time to time and to the Companies Act 2006. The appointment will be for a period as agreed unless otherwise terminated by either party in accordance with the provisions of the Articles. The appointment may be renewed for a further term of up to three years.

The anticipated time commitment for non-executive Board members is around 20 days per year. This will include scheduled FRC Board and governance committee meetings each year and any special/strategy and emergency meetings as well as appropriate preparation time. Any circumstances which might affect a Members ability to devote time to the role should be discussed with the Chairman.

Board members are paid a fee of £25,000 per annum, paid monthly in arrears. This amount is inclusive of membership of the governance committees. Additional fees are paid if a Board Member agrees to be a member of the Conduct Committee or Codes & Standards Committees. The FRC reimburses all reasonable expenses incurred in performing the duties of office.

The FRC Board, supported by its three governance committees - the Audit, Nominations and Remuneration Committees – and by the Codes and Standards Committee and the Conduct Committee complies with the relevant principles and provisions of the UK Corporate Governance code, including evaluating its own performance and appointing its own membership except for the Chairman and deputy Chairman (appointed by the Secretary of State). It determines the FRC's philosophy and overall strategy and its management and culture as well as determining the nature and extent of the significant risks to be taken in achieving the FRC's strategic objectives.

Non-executive Directors of the FRC have the same general legal responsibilities to the FRC as any other Director and with the other FRC Directors will be expected to support the FRC in achieving its agreed objectives for the benefit of its stakeholder and in the public interest.

FRC Directors are subject to the obligations set out in the Articles and to any Code of Conduct adopted by the Board and as amended from time to time. In particular, Board members should discharge their responsibilities in the public interest and with integrity, objectivity and independence. Members must notify the FRC if they are subject of a disciplinary sanction by any professional or other body or tribunal if found guilty of an offence by any court, declared bankrupt, enter into an arrangement with creditors, or are disqualified from acting as a Director.

It is accepted and acknowledged that members may have business interests other than those of the FRC and have declared any conflicts that are apparent at present. In the event that a member becomes aware of any potential conflicts of interest, the member should refer to the obligations detailed in the Code of Conduct and disclose the potential conflict to the Chairman or Company Secretary as soon as they become apparent. If, during a term and a Board member considers accepting an appointment to any public company, other public interest entity or a high-profile position, the member should follow the process set out in the FRC's Code of Conduct. If, during the period of appointment the members' circumstances were to change in a way that suggested it no longer remained appropriate for the member to continue with these roles, the Chairman would wish to review the position with the member. The Chairman (and the Nominations Committee) will consider any additional outside commitments which may be offered to you and expects the member to notify him as soon as possible before accepting.

All information acquired during a Non-executive Directors appointment and which is not in the public domain is confidential to the FRC and should not be disclosed to third parties or used for any reason other than in the interest of the FRC, either during the appointment or following termination, without prior clearance from the Chairman. Members will be provided with an FRC email address which is the address that will be used by the FRC to communicate with the member. Members should not use any other email address in respect of the communication of information that is confidential to the FRC. As part of FRC's transition to paperless working, members are not provided with hard copies of Board meeting packs. Members must be able to view papers on an online portal, using your own tablet or other electronic device.

The Company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of a members' appointment. In the event that it proves necessary, the FRC has a procedure under which Directors may obtain independent professional advice at the FRC's expense.

Current FRC Non-Executive Director terms of office <http://frc.org.uk/about-the-frc/structure-of-the-frc/frc-board/frc-board-members>

Correct as at 30 January 2018