

## **Board Diversity Policy**

The FRC understands and values the benefits that diversity can bring to its Board. A diverse Board includes and make good use of differences in the skills, experience, background, race, gender and other characteristics of Directors. These skills and backgrounds collectively represented on the Board should reflect the diverse nature of the environment in which the FRC and its stakeholders operate and, improve its effectiveness through diversity of approach and thought.

The Board, supported by its Nominations Committee, annually reviews the composition of the Board and considers the balance of competencies to ensure alignment to the FRC's mission and strategic priorities; the environment in which it operates; the characteristics, perspectives, independence and diversity of Board members; how the Board works together; and other factors relevant to its effectiveness.

New appointments are made pursuant to the nomination of an Independent Assessor and based on an objective selection criteria highlighting the specific skills and experience needed to ensure a rounded Board and the diversity benefits each candidate can bring to the overall Board composition.

### **Objectives**

The Board will, following recommendations from its Nominations Committee, agree annually measurable objectives for achieving diversity on the Board and its Conduct and Codes & Standards Committees. At the date of adoption of this Policy, the Board's objective is to improve gender diversity over a three-year period by ensuring that at least one third of the Board and the Committees mentioned above will be comprised of women by the end of 2019 and that each of the Board and the Committees mentioned above has at least one person of colour by 2021.

The Board also places high emphasis on ensuring the development of diversity in the senior management roles within the FRC and supports and oversees the FRC's objective of ensuring that approximately half of senior roles continue to be held by female executives. This objective is monitored by the Board and built into its assessment of executive performance.

Whether searches for appointment to the Board, the Committees mentioned above, or to the FRC's senior executive are conducted by the FRC or by external search firms, they will identify and present qualified people of colour to be considered for the relevant vacancy.

### **Monitoring and Reporting**

The Nominations Committee will report annually, in the corporate governance section of the FRC's Annual Report, on the process used in relation to Board appointments. Such report will include a summary of this Policy, the measurable objectives set for implementing the Policy and progress made towards achieving those objectives.

Any nominations for appointment to the Board, the Conduct Committee and the Codes & Standards Committee will include reporting on compliance with this Policy or will explain any departures from the Policy.

The Nominations Committee will review the Policy, including its effectiveness, annually and recommend any revisions to the Board for approval.

This policy has the full support of the Chairman and the Board.

Adopted on 9 March 2017 and revised 5 July 2017.