



OneFamily  
16 – 17 West Street  
Brighton, BN1 2RL  
Onefamily.com

T: 01273 725272  
F: 01273 736958

Our Ref:

## **Private & Confidential**

Dear [name]

On the recommendation of the Nominations Committee, the Board of Family Assurance Friendly Society Limited ('the Society') offers you the position of non-executive director. I am writing to set out the terms of your appointment. It is agreed that this is a contract for services and is not a contract of employment.

### **Appointment**

Your appointment will be for an initial term of three years commencing on [date], unless otherwise terminated earlier by and at the discretion of either party upon three month's written notice and subject to satisfactory references, approval by the Prudential Regulation Authority and Financial Conduct Authority as an approved person, and election by the Society's members at the first Annual General Meeting (AGM) following the date of your appointment. The Society reserves the right to carry out a Disclosure Barring Service (DBS) check. Continuation of your contract for services is contingent on satisfactory performance and re-election at future AGMs of the Society. Non-executive directors are typically expected to serve two three-year terms, although the Board may invite you to serve for an additional period.

### **Role**

Non-executive directors have the same general legal responsibilities to the Society as any other director. The Board as a whole is collectively responsible for promoting the success of the Society and its subsidiary companies by directing and supervising the Society's affairs.

The role of non-executive director is classified as a notified NED under the Senior Insurance Management Regime (SIMR). As a notified NED the Society is required to inform the regulators of your appointment.

### **The duties of the Board are to:**

- provide entrepreneurial leadership of the Society within a framework of prudent and effective controls which enable risk to be assessed and managed;
- set the Society's strategic aims, ensure that the necessary financial and human resources are in place for the Society to meet its objectives, and review management performance; and

- set the Society's values and standards and ensure that its obligations to its members and others are understood and met.

In addition to these requirements of all directors, the role of the non-executive has the following key elements:

- **Strategy:** Non-executive directors should constructively challenge and contribute to the development of strategy;
- **Performance:** Non-executive directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- **Risk:** Non-executive directors should satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible; and
- **People:** Non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, senior management and in succession planning.

### **Time Commitment**

You will be expected to devote such time as is necessary for the proper performance of your duties. In addition to attendance at meetings listed below, this should include appropriate preparation and planning.

- scheduled board meetings and sub-committee meetings
- the AGM and any SGMs as required
- meetings with other non-executive directors and Board directors
- Update meetings and training
- Meetings as part of the board evaluation process.

### **Fees**

You will be paid a fee of £[amount] gross per annum which will be paid monthly in arrears, which will be subject to an annual review by the Board.

The Society will reimburse you for all reasonable and properly documented expenses you incur in performing the duties of your office.

### **Outside interests**

The Board of the Society has determined you to be independent according to the provision of the Combined Code.

You are required to disclose, on the attached form, any external commitments you have outside this role. You must inform the Company Secretary in advance of any changes to these commitments. In certain circumstances the agreement of the Board may have to be sought before accepting further commitments which either might give rise to a conflict of interest or a conflict of any of your duties to the Society, or which might impact on the time that you are able to devote to your role with the Society.

It is accepted and acknowledged that you have business interests other than those of the Society and have declared any conflicts that are apparent at present. In the event that you become aware of any further potential or actual conflicts of interest, these should be disclosed to the Company Secretary as soon as they become apparent and, again, the agreement of the Board may have to be sought.

## **Confidentiality**

All information acquired during your appointment is confidential to the Society and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from the Chairman.

## **Termination Clause**

The Society may terminate your appointment with immediate effect if you:

- Commit a material breach of your obligations
- Commit any serious or repeated breach or non-observance of your obligations to the Society (which include an obligation not to breach your duties to the Society, whether statutory, fiduciary or common-law)
- Are guilty of fraud or dishonesty or acted in a manner in which, in the opinion of the Society acting reasonably, brings or is likely to bring you or the Society into disrepute or is materially adverse to the interests of the Society
- Are convicted of any arrestable criminal offence (other than an offence under road traffic legislation in the UK or elsewhere for which a fine or non-custodial penalty is imposed)
- Are declared bankrupt or have made an arrangement with or for the benefit of your creditors
- Are disqualified from acting as a director.

On termination of your appointment you would be asked by the Society to resign from your office as director of the Society and any other group companies, if relevant.

## **Induction**

Immediately after the appointment, the Society will provide a comprehensive, formal and tailored induction. This will include the information pack. We will also arrange for site visits and meeting with senior and middle management and the Society's auditors.

## **Review process**

The performance of individual directors and the whole Board and its Sub-Committees is evaluated annually. If, in the interim, there are any matters that cause you concern about your role you should discuss them with the Chairman as soon as is appropriate or with the Senior Independent Director

## **Insurance**

The Society has directors' and officers' liability insurance and it is intended to maintain such cover for the full terms of your appointment. The current indemnity limit is £[amount]; a copy of the policy document is available from the Company Secretary.

## **Independent professional advice**

Occasions may arise when you consider that you need professional advice in the furtherance of your duties as a director. Circumstances may occur when it will be appropriate for you to seek advice from independent advisors at the Society's expense. A copy of the board resolution adopted in respect of independent professional advice can be provided.

The Society will reimburse all reasonable costs of expenditure incurred in accordance with the Society's Expenses Policy, a copy will be provided to you.

**Membership of the Society**

The Rules of the Society require you to be a member of the Society by holding an active product. If you do not already have a policy with the Society, please contact the Service Centre Team on 0870 2410843, who will be happy to provide you with information on the Society's products. Please confirm your membership details to the Secretary at your earliest convenience.

Yours sincerely,

Christine McComb  
**Chairman**