

FBC iNED Remuneration Study

An in-depth review and peer benchmarking of the compensation arrangements of firms' ACD independent directors and chairs.

Fund Board iNED Compensation Insights

The growing scope and accountabilities of the role of the Authorised Corporate Director (ACD) independent director or chair has led to an increasingly competitive market-place for skilled and experienced iNEDs.

With this comes complex compensation considerations, compounded by the fact that, until now, it has been difficult to get accurate and actionable data specific to this cohort of independent directors.

The FBC iNED Remuneration Study

The Study seeks to address this lack of visibility by providing asset management firms with up-to-date, verifiable data on the compensation arrangements of independent directors and chairs currently sitting on UK fund boards.

Launched in 2023, the Study allows governance professionals to directly benchmark their firm's iNED fee arrangements with those of their peers.

It aims to help governance teams and chairs make informed decisions at important times in the board's development, such as when appointing new iNEDs or when reviewing overall remuneration arrangements.

Offering insights into the fees paid to iNEDs for their work on ACD boards and more broadly within the firm, the Study explores wider topics such as tenure and time commitment.

It also examines firms' approaches to reviewing independent directors' compensation and the factors that influence changes in their fees.

The Study at a glance

Directly comparable data for more than 45 independent directors & chairs on more than 20 ACD boards in the UK.

Benchmarked results & recommendations for individual firms.

Data analysis not only of compensation but also factors such as **time commitment, tenure & firms' remuneration review arrangements.**

Opportunity to discuss results & implications with FBC advisers.

How the Study works

The FBC iNED Remuneration Study comprises a questionnaire which allows firms to input data for each individual iNED on their ACD board. It is designed to capture total remuneration and, where possible, how this is split according to the work and responsibilities of that iNED.

Upon agreement to participate, FBC asks each firm to provide the name and email address of a nominated respondent who will input the requested data.

The nominated respondent will be given access to FBC's secure portal. All data is stored securely, confidentially and in line with FBC's data privacy policy which is available at fundboards.org.

Data for iNED chairs is also captured within this questionnaire and this will be analysed against FBC's existing dataset for those in an independent SMF9 role on a UK fund board.

Once submitted, FBC aggregates and anonymises the data for analysis and provides the participating firm with a full report - highlighting the firm's individual benchmarked results - within two weeks of data submission.

Firms can also arrange a confidential call with an FBC senior adviser to talk through their results in more detail and discuss wider industry trends.

Included in the Study

- ◆ A detailed breakdown of **current fees** paid to both iNEDs and iNED chairs for their work on ACD boards.
- ◆ **The structure of ACD boards and firms' approaches** towards future independent director appointments to their boards.
- ◆ Details of ACD iNEDs' **tenure** and anticipated **time commitment**.
- ◆ **Extent of independence** – whether ACD iNEDs take on additional governance roles within the firm and if so, the nature of that work.
- ◆ The arrangements firms have in place to **review iNED compensation**.
- ◆ **Confidential follow-up discussion** with an FBC senior adviser.

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