

{your company name}

Company number : {your company number}

Company address: {your company address}

To: {NED Name}

{NED address}

Non-Executive Director Letter of Appointment

Dear {NED Name},

We are delighted to welcome you to the Board of {your company name} (“{your company name}”, the “**Company**”) as a non-executive director.

This letter (the “**Agreement**”) sets out the main terms of your appointment. By accepting this appointment, you agree that this letter is a contract for services and is not a contract of employment, and you confirm that you are not subject to any restrictions which prevent you from holding office as a director.

1 APPOINTMENT

1.1 Subject to the remaining provisions of this letter, your appointment will be for an initial term of **X** months commencing on {insert date} unless terminated earlier by either party giving to the other **X** weeks' prior written notice. Your primary role will be as set out in Schedule Two.

1.2 Your appointment is subject to the articles of association of the Company (the “**Articles**”). Nothing in this letter will be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company.

1.3 Continuation of your appointment is dependent on your satisfactory performance and any relevant statutory provisions relating to removal of a director. If you are not re-elected as a director, or you are retired from office under the Articles, your appointment will terminate automatically with immediate effect and without compensation.

1.4 Notwithstanding paragraphs 1.1 to 1.3, the Company may terminate your appointment with immediate effect if you have:

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(a) committed a material breach of your obligations under this letter;

(b) committed any serious or repeated breach or non-observance of your obligations to the Company (which include an obligation not to breach your statutory, fiduciary or common-law duties);

(c) been guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring you or the Company into disrepute or is materially adverse to the Company's interests;

(d) been convicted of an arrestable criminal offense other than a road traffic offense for

which a fine or non-custodial penalty is imposed;

(e) made any arrangement with or for the benefit of your creditors or are declared bankrupt or have a county court administration order made against you under the County Court Act 1984;

(f) been disqualified from acting as a director.

1.5 On termination of your appointment, you will, at the Company's request, resign from your office as director of the Company.

1.6 If matters arise which cause you concern about your role, you should discuss these matters with the chairperson or where you are the incumbent, an appropriate Board representative. If you have any concerns which cannot be resolved, and you choose to resign for that, or any other, reason, you should provide an appropriate written statement to the chairperson or where you are the incumbent, such other appropriate Board representative for circulation to the Board.

2 TIME COMMITMENT

2.1 You will be expected to devote **X** working day per month for the proper performance of your duties. Overall we anticipate that you attend all Board meetings, Board dinners, meetings with shareholders, meetings forming part of the Board evaluation process and updating and training meetings. In addition, you will be required to consider all relevant papers before each meeting. Unless urgent and unavoidable circumstances prevent you from doing so, it is expected that you will attend the meetings outlined in this paragraph.

2.2 The nature of the role makes it impossible to be specific about the maximum time commitment. You may be required to devote additional time to the Company in respect of preparation time and matters which may arise. At certain times it may be necessary to convene additional Board, committee or shareholder meetings.

2.3 The overall time commitment stated in paragraph 2.1 may increase if you become a committee member or chair or if you are given additional responsibilities. Details of the expected increase in time commitment will be covered in any relevant communication confirming the additional responsibility together with an overview of the role.

2.4 By accepting this appointment, you confirm that, taking into account all of your other commitments, you are able to allocate sufficient time to the Company to discharge your responsibilities effectively.

3 ROLE AND DUTIES

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3.1 The Board as a whole is collectively responsible for the success of the Company. The Board's role is to:

(a) provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;

(b) set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives, and review management performance; and

(c) set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met;

3.2 As a non-executive director you will have the same general legal responsibilities to the Company as any other director. You are expected to perform your duties (whether statutory, fiduciary or common law) faithfully, diligently and to a standard commensurate with the functions of your role and your knowledge, skills and experience.

3.3 You will exercise your powers in your role as a non-executive director having regard to relevant obligations under prevailing law and regulation, including the Companies Act 2006, the UK Corporate Governance Code and associated guidance, the UK Listing Authority's Listing, Prospectus, and Disclosure and Transparency Rules.

3.4 You will have particular regard to the general duties of directors in Part 10 of the Companies Act 2006, including the duty to promote the success of the Company under which all directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director, you must have regard (among other matters) to:

(a) the likely consequences of any decision in the long term;

(b) the interests of the Company's employees;

(c) the need to foster the Company's business relationships with suppliers, customers and others;

(d) the impact of the Company's operations on the community and the environment;

(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly as between the members of the Company.

3.5 You will have particular regard to the Financial Reporting Council's UK Corporate Governance Code and associated Guidance on Board Effectiveness in respect of the role of the Board and the role of the non-executive director.

3.6 In your role as a non-executive director, you will also be required to perform the specific duties set out in Schedule Two and to act in accordance with the following:

(a) constructively challenge and help develop proposals on strategy;

(b) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

(c) satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

(d) be 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;

(e) uphold high standards of integrity and probity and support the chairperson and

executive directors in instilling the appropriate culture, values and behaviors in the boardroom and beyond;

(f) insist on receiving high-quality information sufficiently in advance of Board meetings; (g) take into account the views of shareholders and other stakeholders where appropriate; (h) make sufficient time available to discharge your responsibilities effectively; (i) exercise relevant powers under, and abide by, the Articles;

(j) disclose the nature and extent of any direct or indirect interest you may have in any matter being considered at a Board or committee meeting and, except as permitted under the Articles you will not vote on any resolution of the Board, or of one of its committees, on any matter where you have any direct or indirect interest;

(k) not do anything that would cause you to be disqualified from acting as a director; and

(l) immediately inform the Board if you are unable to continue performing in this role or in dedicating to the role the amount of time required by the Company.

3.7 Unless the Board specifically authorises you to do so, you will not enter into any legal or other commitment or contract on behalf of the Company.

3.8 You will be entitled to request all relevant information about the Company's affairs as is reasonably necessary to enable you to discharge your responsibilities as a non-executive director.

4 EXPENSES

4.1 NONE

4.2 You should submit details of all expenses incurred to the Company.

4.3 On termination of your appointment, you will only be entitled to reimbursement in the normal way of any expenses properly incurred before that date.

5 EQUITY

You will be granted an option to acquire shares in the Company in accordance with Schedule One.

6 INDEPENDENT PROFESSIONAL ADVICE

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In some circumstances you may consider that you need professional advice in the furtherance of your duties as a director and it may be appropriate for you to seek advice from independent advisers at the Company's expense. The Company may, at its discretion, reimburse the reasonable cost of expenditure incurred by you.

7 OUTSIDE INTERESTS

7.1 You have already disclosed to the Board all significant commitments you have outside your role in the Company. You must inform the chairperson or where you are the incumbent, such other appropriate Board representative, of any changes to these commitments. In certain circumstances you may have to seek the Board's agreement before accepting further commitments which either might give rise to a conflict of interest or a conflict with any of your duties to the Company.

7.2 It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. If you become aware of any further potential or actual conflicts of interest, these should be disclosed to the Board as soon as you become aware of them.

8 CONFIDENTIALITY

8.1 You acknowledge that all information acquired during your appointment is confidential to the Company and should not be released, communicated or disclosed to third parties or used for any reason other than in the interests of the Company, either during your appointment or following termination (by whatever means), without prior clearance from the chairperson. This restriction will cease to apply to any confidential information which may (other than by reason of your breach) become available to the public generally.

8.2 You acknowledge the need to hold and retain Company information (in whatever format you may receive it) under appropriately secure conditions.

8.3 Nothing in this paragraph 8 will prevent you from disclosing information which you are entitled to disclose under the Public Interest Disclosure Act 1998, provided that the disclosure is made in accordance with the provisions of that Act and you have complied with the Company's policy from time to time in force regarding such disclosures.

9 INSIDE INFORMATION AND DEALING IN THE COMPANY'S SHARES

Your attention is drawn to the requirements under both law and regulation as to the disclosure of inside information, in particular to the Disclosure and Transparency Rules of the UK Listing Authority and section 52 of the Criminal Justice Act 1993 on insider dealing. You should avoid making any statements that might risk a breach of these requirements. If in doubt, please contact the chairperson or CEO.

10 REVIEW PROCESS

The performance of individual directors and the whole Board and its committees is evaluated periodically. If there are any matters which cause you concern about your role you should discuss them with the chairperson as soon as you can.

11 INDEMNITY

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The Company will indemnify you against certain liabilities that may be incurred as a result of your office to the extent permitted by section 234 of the Companies Act 2006.

12 CHANGE TO PERSONAL DETAILS

You will advise the CEO promptly of any change in your address or other personal contact details.

13 RETURN OF PROPERTY

On termination of your appointment with the Company however arising, or at any time at the Board's request, you will immediately return to the Company all documents, records, papers or other property belonging to the Company which may be in your possession or under your control, and which relate in any way to the Company's business affairs and you will not retain any copies thereof.

14 MORAL RIGHTS

You hereby irrevocably waive any moral rights in all works prepared by you in the provision of your services to the Company to which you are now or may at any future time be entitled under Chapter IV of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction, including (but without limitation) the right to be identified, the right of integrity and the right against false attribution, and agree not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such works or other materials, infringes your moral rights.

15 POST-TERMINATION RESTRICTION

By countersignature of this letter you agree that, in order to protect the confidential information, trade secrets and business connections of the Company to which you have access as a result of your appointment, you will not (without the previous consent in writing of the Company), during your appointment with the Company and for the period of 24 months immediately after the termination of your appointment, whether as principal or agent and whether alone or jointly with any other person, or as a director, manager, partner, shareholder, employee or consultant of, carry on or be engaged, concerned or interested in any business which is (or intends to be) in competition with any business being carried on by the Company.

16 DATA PROTECTION

16.1 You consent to **{your company name}** holding and processing "special category personal data" as defined in the United Kingdom General Data Protection Regulation, the Data Protection Act 2018 and all other mandatory laws and regulations of the United Kingdom which are applicable to the parties' processing of personal data under this Agreement relating to you for legal, personnel, administrative and management purposes.

16.2 You consent to the Company making such information available to those who provide products or services to the Company such as advisers and payroll administrators, regulatory authorities, governmental or quasi-governmental organisations and potential purchasers of the Company.

16.3 You also consent to the transfer of such information to the Company's business contacts outside the European Economic Area in order to further its business interests even where the country or territory in question does not maintain adequate data protection standards.

17 THIRD PARTY RIGHT

No one other than you and the Company will have any rights to enforce the terms of this letter.

18 VARIATION

No variation of this letter will be effective unless it is in writing and signed by you and the Company or respective authorised representatives.

19 GOVERNING LAW AND JURISDICTION

Your appointment with the Company and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by and construed in accordance with the laws of England and Wales and you and the Company irrevocably agree that the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this appointment or its subject matter or formation, including non-contractual disputes or claims.

7
SCHEDULE ONE
EQUITY

You will be granted an option, pursuant to the rules of an option scheme if and when put in place by the Company and provided that you qualify for an option under that scheme, to acquire **X** shares in the Company of **£X** nominal value, at an exercise price of **£X** per share, as adjusted to take into account any

subdivision or consolidation of shares.

Your option will be subject to the rules contained in a separate option grant agreement and the rules of the option scheme to be implemented by the Company.

Unless the option grant agreement provides otherwise, the option will vest from the date of this Agreement under a vesting schedule as follows:

the option will vest in equal tranches every month over a period of **X** year or until your service to the Company terminates,

with a **X** months cliff before the first tranche vests,

such that at the end of the **X** year vesting period the entire option will have vested.

If the vesting start date precedes the date of the option grant agreement, vesting terms contained in that agreement may indicate that a proportion of the option will be already vested on the date of the grant as if the option had started to vest from the vesting start date.

Each vested portion of the option may be exercised from the day it is vested until the earlier

of: (i) your becoming a Bad Leaver, as defined below; and

(ii) the expiry of **X** years of the date it is fully vested.

After this time, the option will lapse.

You will be a "**Bad Leaver**" if your service as a Director is terminated as a result of gross negligence, wilful or gross misconduct, or if this Agreement is terminated without notice in accordance with its terms. The option will lapse immediately upon your becoming a Bad Leaver.

This option may be exercised by giving an exercise notice to any director of the company. Such notice must be in writing (which includes email), signed by you and accompanied by proof of payment to the Company of the aggregate exercise price for all shares in respect to which the option is to be exercised. It must also specify the date on which it is given and contain a statement to the effect that you are exercising the option.

8
SCHEDULE TWO
ROLE

DUTIES

Please indicate your acceptance of these terms and conditions by signing below.

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for and on behalf of **{your company name}**

I accept the terms of my role as a Non-Executive Director set out in this

letter.

