

[ON HEADED NOTEPAPER OF COMPANY]

[NAME]  
[ADDRESS LINE 1]  
[ADDRESS LINE 2]  
[POSTCODE]

201[ ]

Dear [NAME],

## LETTER OF APPOINTMENT

Following the recommendation of the nomination committee, the board of directors (the “**Board**”) of [NAME OF COMPANY] (the “**Company**”) [has appointed you as non-executive director OR is pleased to hear that you have accepted our offer to join the Board as a non-executive director].

This letter sets out the main terms of your appointment. It is agreed between us that this is a contract for services and is not a contract of employment.

By accepting this appointment, 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 shall continue [for a period of xx unless] [when and until] terminated earlier by either party giving to the other [three month's] prior written notice.
- 1.2. Your appointment is subject to the articles of association and Shareholder's Agreement of the Company, as amended from time to time (the “**Articles**”). Nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company. Continuation of your appointment is contingent on your continued satisfactory performance [and re-election by the shareholders as required by the Articles. If the shareholders do not [confirm your appointment or] re-elect you as a director in accordance with the Articles your appointment shall terminate automatically and with immediate effect.]
- 1.3. Notwithstanding paragraph 1.1 and paragraph 1.2, the Company may terminate your appointment with immediate effect if you have:

1.3.1.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); or

1.3.2.been guilty of any fraud or dishonesty or acted in any manner which, in the opinion of the Company, brings or is likely to bring you or the Company into disrepute or is materially adverse to the interests of the Company; or

1.3.3.been declared bankrupt or have made an arrangement with or for the benefit of your creditors, or if you have a county court administration order made against you under the County Court Act 1984; or

1.3.4.been disqualified from acting as a director.

1.4. On termination of the appointment, you shall only be entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred prior to that date.

## **2. TIME COMMITMENT**

2.1. Overall we anticipate that you will spend [NUMBER] days a month on work for the Company. This will include attendance at [monthly] board meetings, [the AGM,] [any EGMs] and [at least one] site visit a year. In addition, you will be required to consider all relevant papers prior to each meeting. [THIS MAY NEED TO BE AMENDED IF THE NON-EXECUTIVE WILL SERVE ON ANY COMMITTEES, AS IN PARAGRAPH 3.3.5].

2.2. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations of your role. You should obtain the agreement of the chairman before accepting additional commitments that might affect the time you are able to devote to your role as a non-executive director of the Company.

## **3. ROLE AND DUTIES**

3.1. As a non-executive director you shall have the same general legal responsibilities to the Company as any other director. The Board as a whole is collectively responsible for the success of the Company. [The Board's role is to:

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

3.1.2.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

- 3.1.3.set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.]
- 3.2. 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:
- 3.2.1.the likely consequences of any decision in the long term;
  - 3.2.2.the interests of the Company's employees;
  - 3.2.3.the need to foster the Company's business relationships with suppliers, customers and others;
  - 3.2.4.the impact of the Company's operations on the community and the environment;
  - 3.2.5.the desirability of the Company maintaining a reputation for high standards of business conduct; and
  - 3.2.6.the need to act fairly as between the members of the Company.
- 3.3. In your role as a non-executive director, you shall also be required to:
- 3.3.1.constructively challenge and contribute to the development of strategy;
  - 3.3.2.scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
  - 3.3.3.satisfy yourself that financial information is accurate and that financial controls and systems of risk management are robust and defensible;
  - 3.3.4.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;
  - 3.3.5.[serve on the [audit OR nomination OR remuneration] [committee OR committees] of the Board and attend all committee meetings;]
  - 3.3.6.at all times comply with the Articles, Shareholder's Agreement and constitution of the Company;

3.3.7.abide by your statutory, fiduciary or common-law duties as a director of the Company;

3.3.8.diligently perform your duties and use your best endeavours to promote, protect, develop and extend the business of the Company; and

3.3.9.immediately report your own wrongdoing or the wrongdoing or proposed wrongdoing of any employee or other director of the Company of which you become aware to [POSITION].

3.4. You shall be entitled to request all relevant information about the Company's affairs as is reasonably necessary in order to enable you to discharge your duties.

#### **4. FEES**

[You shall be paid an annual fee of £[AMOUNT], which shall be paid in equal instalments monthly in arrears after deduction of any taxes and other amounts that are required by law,] [plus [NUMBER] ordinary shares of the Company [a year] [vesting] [options to , both of] which shall be subject to an annual review by the Board. The Company shall reimburse you for all reasonable and properly documented expenses, [including travel expenses] that you incur in performing the duties of your office.

Or

[You shall receive [NUMBER] ordinary shares of the Company [a year] [vesting] [options to , both of] which shall be subject to an annual review by the Board. The Company shall reimburse you for all reasonable and properly documented expenses, [including travel expenses] that you incur in performing the duties of your office.

#### **5. OUTSIDE INTERESTS**

5.1. 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 potential conflicts of interest, these should be disclosed to the chairman and company secretary as soon as you become aware of them.

#### **6. CONFIDENTIALITY**

6.1. All information acquired during your appointment is confidential to the Company and should not be 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 chairman.

- 6.2. Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of inside information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the chairman or company secretary.
- 6.3. Nothing in this paragraph 6 shall 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].

## **7. DATA PROTECTION**

- 7.1. By signing this letter you consent to the Company holding and processing information about you for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data (as defined in the Data Protection Act 1998) including, as appropriate:

7.1.1. information about your physical or mental health or condition in order to monitor sick leave and take decisions as to your fitness for work; or

7.1.2. your racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; or

7.1.3. information relating to any criminal proceedings in which you have been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties; or

- 7.2. [ANY OTHER SENSITIVE DATA TO BE PROCESSED, E.G. TRADE UNION MEMBERSHIP, POLITICAL OPINIONS, RELIGIOUS OR PHILOSOPHICAL BELIEFS OR SEXUAL LIFE].

- 7.3. You consent to the Company making such information available to any of its group companies, those who provide products or services to the Company (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organisations and potential purchasers of the Company or the business in which you work.

- 7.4. 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.

## **8. THIRD PARTY RIGHTS**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this letter. No person other than you and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than you and the Company.

Seeds Summit

Please indicate your acceptance of these terms by signing and returning to the attached copy of this letter.

Yours sincerely

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For and on behalf of

[COMPANY]

I agree to the above terms of appointment as a non-executive director.

Signed on ..... 201[ ]

By.....

Signed .....

Seeds Summit