

Following your election to the Board of Directors (the Board) of the Company, we are pleased to welcome you as a non-executive director.

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

1) APPOINTMENT

- a) Subject to the remaining provisions of this agreement, your appointment is for a term of three years unless terminated earlier by either party giving one month's prior written notice, or in accordance with the Articles of Association. This term commenced on [date].
- b) Your appointment is subject to the Company's Articles of Association (the "Articles") as amended from time to time. Nothing in this letter should be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company. You are required to retire and, if you wish, seek re-election by rotation in accordance with the Articles of the Company. Continuation of your appointment is contingent on your continued satisfactory performance and re-election by the Members as required by the Articles. If Members do not re-elect you as a director in accordance with the Articles, your appointment shall terminate automatically and with immediate effect.
- c) The Company may terminate your appointment with immediate effect if you have:
 - i) Committed a material breach of your obligations under this agreement; or
 - ii) committed any serious or repeated breach or non-observance of your obligations to the Company (including an obligation not to breach your fiduciary duties); or
 - iii) 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
 - iv) 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
 - v) been disqualified or subsequently are disqualified, from acting as a director.
- d) On termination of your appointment, you shall, at the Company's request, resign from your office as director of the Company.
- e) Upon termination of the appointment, you shall only be entitled to accrued fees as of the date of termination, together with reimbursement of any expenses properly incurred prior to that date.

2) TIME COMMITMENT

- a) We anticipate that you will spend a minimum of eight days a year on work for the Company. This will include attendance at board meetings, the AGM, and one annual board strategy day per year. In addition, you will be required to review all relevant papers before each meeting.
- b) The Board meets in person at locations all over the UK and often in the offices of our Members, you should therefore expect to travel to and from each meeting. On some occasions it may be necessary to stay overnight, LONAP will reimburse all necessary travel and subsistence expenses.
- c) By accepting this appointment, you confirm that you can allocate sufficient time to meet the expectations of the role and that you have sought and received approval from your employer (if any).

3) ROLE AND DUTIES

- a) As a non-executive director, you will have the same general legal responsibilities to the Company as any other director and will be required to make decisions in the best interests of the Company. The Board as a whole is collectively responsible for the success of the Company. The Board's role is to:
 - i) provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
 - ii) 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
 - iii) set the Company's values and standards and ensure that its obligations to its Members and others are understood and met.
- b) You shall 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 a director 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 will also be required to:
 - i) constructively challenge and contribute to the development of strategy;
 - ii) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
 - iii) ensure that financial information is accurate and that financial controls and systems of risk management are robust and defensible;
 - iv) determine the appropriate level of remuneration for executive directors and play a key role in appointing and, where necessary, removing executive directors and in

succession planning;

- v) comply at all times with the Articles;
 - vi) abide by your fiduciary duties as a director of the Company;
 - vii) diligently perform your duties and use your best endeavours to promote, protect, develop and extend the business of the Company; and
 - viii) immediately report your own wrongdoing or the wrongdoing or proposed wrongdoing of any other employee or director of the Company of which you become aware to the Managing Director and the Board.
- c) You are entitled to request all relevant information about the Company's affairs as is reasonably necessary to enable you to discharge your duties.
- d) If you are appointed chairman:
- i) chair the Board and General Meetings of the Company, including setting the agenda of such meetings;
 - ii) promote the highest standards of integrity, probity and corporate governance throughout the Company, particularly at Board level;
 - iii) ensure that the Board receives accurate, timely and clear information;
 - iv) ensure effective communication with members of the Company;
 - v) facilitate the effective contribution of non-executive directors and ensure constructive relations between executive and non-executive directors;
 - vi) ensure that the performance of the Board, its committees and individual directors is evaluated at least once a year; and
 - vii) ensure a clear structure for, and the effective running of, Board committees.
- e) Unless the Board specifically authorises you to do so, you shall not enter into any legal or other commitment or contract on behalf of the Company.

4) FEES

You shall be paid a fee as set out by the Managing Director as part of any budget approved by the Board. The annualised fee shall be paid monthly in arrears.

5) INDEPENDENT LEGAL ADVICE

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. You must declare to the Board your intention to take such

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advice before doing so, together with a budget amount to cover the likely cost. The Company shall approve and reimburse the full cost of expenditure in accordance with any policy it has on such matters from time to time.

6) OUTSIDE INTERESTS

It is accepted and acknowledged that you have business interests other than those of the Company. You shall have declared any conflicts of interest during your election to the Board. If you become aware of any potential conflicts of interest, these should be disclosed to the Board as soon as you become aware of them. The Chairman shall decide how best to handle such information.

7) CONFIDENTIALITY

- a) 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 Board.
- b) Your attention is 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 Board.

8) REVIEW PROCESS

The performance of individual directors, the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role, you should discuss them with the Managing Director and Chair jointly as soon as you can.

9) INSURANCE

The Company has directors' and officers' liability insurance and it intends to maintain such cover for the full term of your appointment. A copy of the policy document is available from the Managing Director.

10) CHANGES TO PERSONAL DETAILS

You shall advise the Managing Director promptly of any change in your address or other personal contact details.

11) DATA PROTECTION

By signing this letter, you consent to the Company holding and processing information about you for legal, personnel, administrative and management purposes. This will include data required under the Company's Policy on Background Checks for Directors.

12) THIRD PARTY RIGHTS

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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.

13) RELATED DOCUMENTS

You agree to abide by the LONAP Governance Guidelines, the Company's documented processes and the LONAP Staff handbook as approved and published by the Chairman of the Board and the Managing Director as of the date of this letter and as further amended from time to time.

14) ENTIRE AGREEMENT

- a) This agreement and any document referred to in it constitutes the entire terms and conditions of your appointment and supersedes and extinguishes all previous and contemporaneous agreements, promises, assurances, warranties, representations and understandings between you and the Company, whether written or oral, relating to its subject matter.
- b) You agree that you shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this letter and you shall not have any claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this letter.

15) VARIATION

No variation of this agreement shall be effective unless it is in writing and signed by you and the Company (or respective authorised representatives).

16) GOVERNING LAW AND JURISDICTION

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

Please indicate your acceptance of these terms by signing below:

Print Name:

Signature:

Date:

For and on behalf of LONAP Limited
R Irving, Director

Signature:

Date: