



Mr R Birkett

16 June 2016

Dear Rod,

I am pleased to confirm the decision of the Nomination Committee of LMS Capital plc ("the Company") to appoint you as a non-executive director of the Company, with effect from 16 June 2016.

**1. Appointment**

- 1.1 Your appointment is for a period of three years from 16 June 2016 until 16 June 2019 or until the date of the next Annual General Meeting ("AGM") at which you will need to be re-elected in accordance with the Company's articles of association, whichever comes earlier. Continuation of your appointment is contingent on satisfactory performance.
- 1.2 The office of non-executive director will be held in accordance with the Company's articles of association as varied from time to time. Nothing in this letter will be taken to exclude or vary the Company's articles of association as they apply to you as a director of the Company.

**2. Your role**

- 2.1 Non-executive directors 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:
- (a) provides business leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;

- (b) sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews management performance; and
- (c) sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

All directors must take decisions objectively in the interests of the Company. As a director you also owe a fiduciary duty to the Company which includes an obligation not to do anything that might bring the Company into disrepute.

2.2 In addition to the requirements of all directors, your role as a non-executive director has the following key elements:

- (a) to challenge constructively and help develop proposals on strategy;
- (b) to scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (c) to be satisfied on the integrity of financial information and that financial controls and systems of risk management are robust and defensible; and
- (d) to be responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, executive directors and in succession planning.

### **3. Compliance**

3.1 You will comply with, and seek to ensure that the Company complies with, any code of conduct relating to directors adopted by the Company from time to time or other legal or regulatory requirements in any relevant jurisdiction which apply to the Company.

3.2 As a non-executive director you are also expected to familiarise yourself with the Companies Act 2006, in particular the duties set out in ss 171 – 177 and at all times conduct yourself in accordance with those duties as they come into effect from time to time.

**4. Outside interests**

You confirm that you or your family have business interests other than those of the Company and you have declared any conflicts of interest that are apparent at present. In the event that you become aware of any potential conflicts of interest with your role as non-executive director, these should be notified to the Board as soon as they become apparent.

**5. Committees**

You will also be required to continue as a member of the Board's Nomination committee; the terms of reference for this committee have been sent to you previously.

**6. Time commitment**

- 6.1 You will not normally be required to provide your services as non-executive director for more than 25 days per annum. This will include your attendance which is required at the Annual General Meeting and other general meetings of the Company, Board meetings, strategy meetings, meetings of any Board committees of which you are a member, and any meetings of the non-executive directors (with or without the chairman of the Board). In addition, you will be expected to devote appropriate preparation time ahead of each meeting. You may exceptionally be required to provide your services for more days if the circumstances so require.
- 6.2 You have advised the Company of your other significant commitments and provided a broad indication of the time involved. You will continue to keep the Board advised of any changes to your existing significant commitments and you must seek consent from the chairman before accepting any additional commitment which might impact on the time you are able to devote to your role as a non-executive director of the Company.
- 6.3 Subject to the above, you will be available to provide advice to the chairman and to the Company when called upon to do so.
- 6.4 You must communicate to the chairman and company secretary any actual or potential conflict of interest arising out of your position as a non-executive director, together with any information or knowledge acquired or gained by you in any manner whatsoever whilst you continue in that office which may be of value or which may be to the detriment of the Company or any of its subsidiary undertakings as soon as they become apparent.

**7. Fees**

7.1 The Company will pay you a director's fee of £40,000 per annum in respect of your role as a non-executive director and member of the Board's nomination committee. This sum will be paid less any statutory deductions and payment will be by equal monthly instalments in arrears. All fees will cease to accrue with effect from the date on which your appointment terminates.

7.2 The Company will reimburse you for all reasonable and properly documented expenses you incur in performing your duties. If you are in any doubt as to whether or not an expense is reasonable, you should discuss it with the company secretary prior to incurring it

**8. Confidential Information**

8.1 During your appointment you will have access to confidential information regarding the business and financial affairs of the Company and any of its subsidiaries, undertakings or affiliates. You must not, either during your appointment or afterwards, disclose to anyone or otherwise make use of this confidential information, except in the proper performance of your duties or as may be required by law or by any competent regulatory body. This does not apply, however, to any information already in the public domain.

8.2 Your attention is drawn, in particular, to the disclosure of inside information as regulated by law and any other relevant rules, regulations and codes of best practice (including the Company's disclosure policy) relating to disclosure. You must not make any statements that might risk breaching the relevant legal or other regulatory requirements without prior clearance from the Board.

**9. Independent Professional Advice**

You are entitled, after consultation with the company secretary, to obtain at the Company's reasonable expense independent professional advice which you consider necessary for the performance of your duties. A brief summary of the subject matter on which you intend to take advice, together with the name(s) of the proposed adviser(s), should be given to the company secretary. Thereafter the advice, when obtained, should be made available to the Board. You must comply with the Board's procedure for obtaining Independent professional advice (as varied from time to time) and the reimbursement of such expenses is dependent upon such compliance.

**10. Liability Insurance**

The Company will purchase appropriate directors' and officers' liability insurance for your benefit and will maintain the cover in force for so long as you are a non-executive director of the Company.

**11. Termination of Appointment**

11.1 Your appointment may be terminated by you or by the Company at any time upon one month's written notice. Your appointment and any subsequent re-appointment as a director is at all times subject to and in accordance with the Company's articles of association and subject to any necessary shareholder ratification. If your appointment is terminated by resolution of the shareholders in general meeting, or if your failure to be re-appointed results from a decision of the shareholders in general meeting, you will not be entitled to receive any compensation or other payment in respect thereof.

11.2 Your signature on the enclosed copy of this letter constitutes your acceptance of the terms of this letter.

11.3 Your appointment will terminate automatically (without compensation) and you will no longer receive fees (as referred to in paragraph 7.1) on and from the date of your ceasing to be a director.

**12. Governing Law**

This letter agreement is governed by English law. You and the Company agree to submit to the jurisdiction of the English courts as regards any claim or matter arising in connection with this letter agreement.

Please sign and return the enclosed copy of this letter confirming that you agree to these terms of your appointment.

Yours sincerely  
for and on behalf of  
LMS Capital plc



Antony Sweet  
Company Secretary



ROD BIRKETT

