

PRIVATE AND CONFIDENTIAL

Andrew Torrance



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Dear Andrew

Letter of appointment

Following the recommendation of the Nomination & Governance Committee, the Board of Directors (**Board**) of Novae Group plc (**Company**) has appointed you as an independent non-executive director.

This letter sets out the main terms of your appointment. If you are unhappy with any of the terms, or need any more information, please let me know.

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 is for an initial term commencing on 1 March 2016 until the conclusion of the Company's annual general meeting (**AGM**) occurring approximately three years from that date unless terminated earlier by either party giving to the other three month's prior written notice.

1.2 Your appointment is subject to the Company's articles of association, as amended from time to time (**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. Your continued appointment as non-executive director is subject to election by the Company's shareholders at the AGM scheduled to be held in May 2016 and re-election at any subsequent AGM at which either the Articles of the Company require, or the Board resolves, that you stand for re-election.

If the shareholders do not confirm your appointment or re-elect you as a director, or you are retired from office under the Articles, your appointment shall terminate automatically, with immediate effect and without compensation.

The Board has elected to apply Provision B.7.1 of the FRC's UK Corporate Governance Code, whereby all directors will be subject to annual election at the 2016 AGM and expects to do so in subsequent years.

- 1.3 Continuation of your appointment is also contingent on satisfactory performance, re-election by the shareholders and any relevant statutory provisions relating to the removal of a director.
- 1.4 Non-executive directors are typically expected to serve two three-year terms but may be invited by the Board to serve for an additional period. Any term renewal is subject to Board review and AGM re-election. Notwithstanding any mutual expectation, there is no right to re-nomination by the Board, either annually or after any three-year period.
- 1.5 You shall be required to serve on one or more Board committees. You will be provided with the relevant terms of reference on your appointment to such a committee. You also may be asked to serve as a non-executive director on the board of any of the Company's subsidiaries or joint ventures, or as senior independent director. Any such appointment will be covered in a separate communication.
- 1.6 Notwithstanding paragraph 1.1 to paragraph 1.5, the Company may terminate your appointment with immediate effect if you have:
 - (a) acted beyond your powers;
 - (b) committed a material breach of your obligations under this letter;
 - (c) made or are found to have made any serious misrepresentations to the Company;
 - (d) 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);
 - (e) been guilty of any fraud or dishonesty (or give the Board reasonable grounds for believing that you have committed any material act of 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;
 - (f) been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
 - (g) 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;
 - (h) been disqualified from acting as a director;

- (i) been deemed no longer fit and proper to perform your function by any regulatory body with competent authority, or been the subject of a material regulatory investigation or enforcement action;
- (j) become incapable, in the opinion of the Company (acting reasonably) of properly performing your duties under this agreement;
- (k) been in breach of the Model Code, as defined in the Listing Rules published by the Financial Conduct Authority, or any other share dealing code adopted by the Company; or
- (l) not complied with the Company's anti-corruption and bribery policy and procedures.

1.7 On termination of your appointment, you shall, at the Company's request, resign from your office as director of the Company and any offices you hold in any Group Company (and all other appointments or offices which you hold as a nominee or representative of the Company or any Group Company).

1.8 If matters arise which cause you concern about your role, you should discuss these matters with the Chairman or Senior Independent Director. 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 Chairman or the Senior Independent Director for circulation to the Board.

2. TIME COMMITMENT

2.1 You will be expected to devote such time as is necessary for the proper performance of your duties. Overall we anticipate that you will spend a minimum of 30 days a year on work for the Company after the induction phase referred to in paragraph 9. This is based on preparation for and attendance at:

- Scheduled Board and Committee meetings
- Board dinners
- Annual Board strategy day
- AGM
- Meetings with shareholders
- Meetings of the Non-Executive Directors
- Meetings forming part of the Board evaluation process
- Updating and training meetings

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 ad hoc matters which may arise and particularly when the Company is undergoing a period of increased activity. 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 will increase if you become a committee member or chair, or if you are given additional responsibilities, such as being appointed the senior independent director, or non-executive director on the boards of any of the Company's subsidiaries. Details of the expected increase in time commitment will be covered in any relevant communication confirming the additional responsibility.
- 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. 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 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 shall 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, efficiently and to a standard commensurate with the functions of your role and your knowledge, skills and experience.
- 3.3 You shall 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, the Insolvency Act 1986, the Criminal Justice Act 2000 (concerning insider dealings), and the Financial Services and Market Act 2000 (concerning market abuse and financial promotions) together with any other relevant legislation.
- 3.4 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 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 shall 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 shall also be required to:

- (a) comply with all reasonable directions of the Board;
- (b) if requested assist an executive director of the Board in a management audit of any Group Company;
- (c) constructively challenge and help develop proposals on strategy;
- (d) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (e) satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- (f) 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;
- (g) devote time to developing and refreshing your knowledge and skills;
- (h) uphold high standards of integrity and probity and support the Chairman and executive directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
- (i) insist on receiving high-quality information sufficiently in advance of Board meetings;
- (j) take into account the views of shareholders and other stakeholders where appropriate;
- (k) make sufficient time available to discharge your responsibilities effectively;
- (l) exercise relevant powers under, and abide by, the Articles;

- (m) 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;
 - (n) 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 the CEO or Company Secretary;
 - (o) exercise your powers as a director in accordance with the Company's policies and procedures; and
 - (p) not do anything that would cause you to be disqualified from acting as a director.
- 3.7 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.
- 3.8 You shall 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. FEES AND EXPENSES

- 4.1 The annual fee rate as at the date of this letter is £50,000 gross. This fee covers all duties, including service on any board committee with the exception of committee chairmanships and certain additional responsibilities, such as taking on the role of Senior Independent Director. In your case, you shall be appointed as a member of the Audit Committee and the Risk Committee, for which no additional fees shall be paid. All fees will be paid in equal instalments monthly in arrears through PAYE and are subject to income tax and other statutory deductions.
- 4.2 Fees will be subject to an annual review by the Board.
- 4.3 Your office as non-executive director is not pensionable.
- 4.4 The Company shall reimburse you for all reasonable and properly documented expenses that you incur in performing the duties of your office. The procedure and other guidance in respect of expense claims is available from the Company Secretary.
- 4.5 On termination of your appointment, you shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred before that date.
- 4.6 There are no provisions in respect of holiday pay or sick pay, disciplinary or grievance procedure relating to your directorship.

5. INDEPENDENT PROFESSIONAL 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. The Company shall reimburse the reasonable cost of expenditure incurred by you provided that such costs are reasonable and have been approved by the Chairman before the advice is sought.

6. OUTSIDE INTERESTS

- 6.1 You have already disclosed to the Board the significant commitments you have outside your role in the Company. You must inform the Chairman in advance 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, or which might impact on the time that you are able to devote to your role at the Company. In particular, you agree that you shall during your appointment consult with the Chairman prior to accepting any directorships of publicly quoted companies, or any major external appointments. The agreement of the Chairman should be sought before accepting additional commitments that might conflict with your role as a non-executive director of the Company
- 6.2 For the avoidance of doubt, you must not accept an appointment with, or make an investment in, any business or company which is a competitor of the Company without the prior written consent of the Chairman. You confirm that you are not employed by or in receipt of fees from any competitor. A competitor of the Company includes but is not limited to any Lloyd's Integrated Vehicle, Lloyd's Managing Agent, Corporate Member at Lloyd's, London Market Insurance company or London Market Broker, or any parent or subsidiary of any of the same.
- 6.3 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 Chairman and Company Secretary as soon as you become aware of them and again you may have to seek the agreement of the Board.
- 6.4 The Board has determined that you are independent according to the provisions of the UK Corporate Governance Code.

7. CONFIDENTIALITY

- 7.1 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 Chairman. This restriction shall cease to apply to any confidential information which may (other than by reason of your breach) become available to the public generally.

- 7.2 You acknowledge the need to hold and retain Company information (in whatever format you may receive it) under appropriately secure conditions.
- 7.3 Nothing in this paragraph 7 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 whistleblowing policy which is available from the Company Secretary.
- 7.4 Should you be involved alone or jointly with others in the creation of any intellectual property in the course of your duties with the Company or any Group Company it is agreed and acknowledged that all rights in it shall be the sole property of the Company and that you agree to do such things and execute such documents as may be reasonably necessary to vest full title in such intellectual property and any accruing rights in the Company.

8. INSIDE INFORMATION AND DEALING IN THE COMPANY'S SHARES

- 8.1 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 Chairman or Company Secretary.
- 8.2 During your period of appointment you are required to comply with the provisions of the Model Code (as annexed to the Listing Rules of the UK Listing Authority) in relation to dealing in the Company's publicly traded or quoted securities, and any such other code as the Company may adopt from time to time which sets out the terms for dealings by directors in the Company's publicly traded or quoted securities. A copy of the current share dealing code adopted by the Company is attached.

9. INDUCTION

After the commencement of your appointment, the Company will provide a comprehensive, formal and tailored induction. We will arrange for site visits and meetings with senior and middle management and the Company's auditors. We will also give the major shareholders the opportunity to meet you. You will be expected to make yourself available during your first year of appointment for not less than a further 10 days (in addition to the time commitment outlined paragraph 2.1) for the

purposes of the induction. The Company Secretary will contact you with further details.

10. TRAINING

On an ongoing basis, and further to the annual evaluation process, the Company will arrange for you to develop and refresh your skills and knowledge in areas which are mutually identified as being likely to be required, or of benefit to you, in carrying out your duties effectively. You should try to make yourself available for any relevant training sessions which may be organised for the Board.

11. REVIEW PROCESS

The performance of individual directors and 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 Chairman as soon as you can.

12. INSURANCE AND INDEMNITY

12.1 To the extent permitted by the Companies Act 2006 and the Articles, the Company will indemnify you against all costs, charges, losses and liabilities (together Liabilities) which you incur in the course of or arising from the performance of your duties as a director whether such Liabilities arise from criminal, civil or regulatory proceedings.

12.2 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 Company Secretary and a summary is included in your induction pack.

13. CHANGES TO PERSONAL DETAILS

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

14. RETURN OF PROPERTY

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

15. POST-TERMINATION RESTRICTION

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

16. REASONABLENESS OF RESTRICTION

You recognise that during your appointment you will have access to and come into contact with trade secrets and confidential information belonging to the Company of to the Group Companies. You therefore agree that the restrictions contained or referred to in paragraphs 6, 7 and 15 are reasonable and necessary to protect the legitimate business interests of the Company and the Group Companies both during and after the cessation of appointment.

17. DATA PROTECTION

17.1 By signing this letter you consent to the Company holding and processing data 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) relating to you including, as appropriate:

- (a) information about your physical or mental health or condition in order to monitor sick leave and take decisions as to your fitness to perform your duties; or
- (b) your racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; or
- (c) 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.

17.2 You consent to the Company making such information available to any of its Group Companies, those who provide products or services to the Company or any Group 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.

- 17.3 You also consent to the transfer of such information to the Company's or any Group Company's business contacts outside the European Economic Area in order to further their business interests even where the country or territory in question does not maintain adequate data protection standards.
- 17.4 You shall comply with the Company's data protection policy, a copy of which is available from the Company Secretary.
- 17.5 The Company may change its data protection policy at any time and will notify you in writing of any changes.

18. THIRD PARTY RIGHTS

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

19. RELATIONSHIP OF THE PARTIES

You warrant that nothing in this letter shall create the relationship of employer and employee between the Company and you. You agree to indemnify the Company for any loss arising as a result of a breach of this warranty.

20. INSPECTION AND DISPLAY OF THIS AGREEMENT

- 20.1 In line with provision B.3.2 of the UK Corporate Governance Code and the Companies Act 2006, the Company will make this agreement available for inspection at the Company's registered office during normal business hours and at the AGM (for 15 minutes prior to the meeting and during the meeting).

21. ENTIRE AGREEMENT

- 21.1 This letter and any document referred to in it constitutes the entire terms and conditions of your appointment and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between you and the Company, whether written or oral, relating to its subject matter.
- 21.2 You agree that you shall have no remedies in respect of any 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.

22. VARIATION

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

23. ASSIGNMENT

The benefit of each agreement and your obligation in respect of paragraphs 6,7 and 15 may be assigned to and enforced by all successors and assigns for the time being of the Company, and such agreements and obligations shall operate and remain binding notwithstanding the termination of this agreement.

24. SEVERABILITY

The various provisions and sub-provisions of this agreement are severable and if any provision or sub-provision is held to be unenforceable by any court of competent jurisdiction then such enforceability shall not affect the enforceability of the remaining provisions or sub-provisions in this agreement.

25. NOTICES

25.1 Notices to be given under this agreement shall be in writing and shall either be delivered personally or sent by first class registered post to (in the case of the Company) its registered office or (in your case) your address as set out in this agreement or to such address as you specify in writing to the Company. Notices shall be deemed duly served:

- (a) In the case of a notice delivered personally, at the time of delivery; and
- (b) In the case of a notice sent by post, two clear business days after the date of despatch.

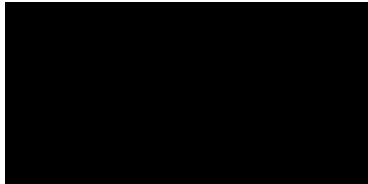
25.2 Alternatively, the Company may give notices to you by e-mail. It is your responsibility to ensure that the Company has an up-to-date record of your e-mail address. Any notice given under this paragraph 25.2 shall be deemed to be duly served at the time of delivery.

26. 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) 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 that arises out of or in connection with this appointment or its subject matter or formation (including non-contractual disputes or claims).

Please indicate your acceptance of these terms by signing and returning the attached copy of this letter to Julie McLeod, Deputy Company Secretary.

Yours sincerely

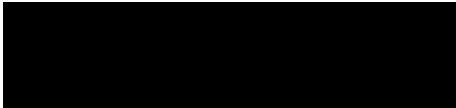


For and on behalf of Novae Group plc

John Hastings-Bass
Chairman

I confirm and agree to the terms of my appointment as a non-executive director of Novae Group plc as set out in this letter.

Signed on 29 Feb 2016 by Andrew Torrance



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