

**STRICTLY PRIVATE & CONFIDENTIAL**

\_\_\_\_\_ 2014

[Name]  
[Address]

**Dear**

**APPOINTMENT AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF SAGA PLC (“THE COMPANY”)**

I am delighted to confirm the terms of your appointment as an independent non-executive director of the Company with effect on and from the date of admission of the ordinary share capital of the Company to the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange’s main market for listed securities (“the **Commencement Date**”).

**1. Appointment**

1.1 The Company hereby appoints you to the office of independent non-executive director of the Company (and such other Group Companies as you and the Company may agree from time to time) and you hereby accept such appointment, subject to:

1.1.1 the provisions of the Articles of Association of the Company for the time being in force;

1.1.2 any necessary resolutions of shareholders; and

1.1.3 the terms and conditions set out in this letter.

1.2 [You will chair [●] Committee until further notice.] You may [also] be requested by the Board to serve as a member or chairman of other committees of the Board. You will be supplied with a copy of the terms of reference for each committee on which you serve.

1.3 Independent non-executive directors are typically expected to serve two three years terms, though they may be invited for an additional period. Your appointment will be for an initial term of three years unless terminated earlier:

1.3.1 by either party giving to the other not less than three months’ written notice (provided always that, as indicated in paragraph 2.3, you shall not be entitled to any further fee and/or damages after the date of termination in the event that the Company terminates your appointment before the expiry of such notice);

1.3.2 at any time by the Company in accordance with the Company’s Articles of Association or the Companies Act 2006 for the time being in force or otherwise by law; or

1.3.3 in accordance with paragraphs 1.4 or 6 below.

1.4 Consistent with the UK Corporate Governance Code, continuation of your appointment is conditional on satisfactory performance and re-election at AGMs.

1.5 During any notice period the Company shall be entitled to require you to perform any duties under this letter or attend any meetings, whether of the Board or otherwise, or not to perform any of your duties or attend any meetings, whether of the Board or otherwise. If the Board exercises its power to require you not to perform any duties or attend any meetings during your notice period, it may require you forthwith to resign your directorship of the Company and of any other Group Company. The Company Secretary is irrevocably authorised to sign a letter of resignation on your behalf if you fail to do so.

## 2. **Fee**

2.1 You will be entitled to receive a director's fee at the rate of £60,000 per annum [together with an additional fee of [●] per annum for [●]], subject to deduction of tax and/or National Insurance or other social security contributions as required by law. The fee[s] will be payable in 12 equal instalments in arrears and subject to periodic review by the Board. For the avoidance of doubt, [this][these] fee[s] shall cover your work for the Company and your membership of any committee or sub-committee of the Board and no further fees shall be payable to you by the Company or by any other Group Company unless approved by the Board.

2.2 As a non-executive director you will not participate in any share, bonus or pension schemes or other benefit in kind arrangements operated by the Company or any Group Company.

2.3 On the termination of your appointment you shall only be entitled to accrued fees as at the date of termination together with the reimbursement of any expenses properly incurred prior to that date. You shall not be entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of your appointment.

2.4 Any obligation of the Company or any other Group Company under this letter and any other arrangement relating to the remuneration from which you benefit or enter into after becoming a director of the Company shall be subject to and conditional on the approval by the Company's shareholders in a general meeting of a policy on directors' remuneration in accordance with the relevant legislation. If that approval is not obtained, you will not be entitled to compensation or damages in respect of any loss or damage suffered as a result.

## 3. **Expenses**

Subject always to the Group's expenses policies from time to time, you will be fully reimbursed for all out of pocket expenses which you may properly, reasonably and necessarily incur in the course of your duties on production of receipts or other supporting documentation satisfactory to the Company (in accordance with the Company's normal procedures).

## 4. **Insurance and indemnity arrangements**

4.1 The Company currently has directors' and officers' liability insurance and intends to maintain appropriate cover for the full term of your appointment pursuant to this letter.

4.2 The Company will grant a deed of indemnity (being a qualifying third party indemnity for the purposes of the Companies Act 2006) in your favour immediately following commencement of the appointment.

4.3 You are required to inform the Company Secretary promptly of any changes to the information which you have provided to the Company, including personal details, other directorships and related party information set forth in your Director and Officer Questionnaire (which is to be updated and completed annually), in order that the Company may fulfil its statutory and regulatory duties.

## 5. **Independent legal advice**

5.1 In the course of carrying out your duties to the Company you may from time to time require professional advice and guidance. You will at all times have open access to the services of the Company Secretary. Your ability to seek external advice at the Company's expense with regard to issues arising from your directorship is governed by the Company's Authorisation and Approval Policy which forms an appendix to the Company's Corporate Governance Manual.

## 6. **Termination**

- 6.1 Notwithstanding the foregoing, your appointment will terminate automatically without any entitlement to compensation upon:
- 6.1.1 your vacating office pursuant to the Articles of Association of the Company or otherwise by law;
  - 6.1.2 your being removed from office as a director by any resolution duly proposed and resolved by the members of the Company.
- 6.2 Notwithstanding the foregoing, the Company may also terminate your appointment immediately on written notice and without any entitlement to compensation if you:
- 6.2.1 commit a serious or fundamental breach of any of your obligations under this letter; or
  - 6.2.2 fail or refuse after a written warning to carry out the duties reasonably and properly required of you under this letter; or
  - 6.2.3 are guilty of any fraud or dishonesty or acted in any manner which, in the opinion of the Board, brings or is likely to bring you or the Company into disrepute or is materially adverse to the interests of the Company; or
  - 6.2.4 are declared bankrupt or make 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
  - 6.2.5 are disqualified from acting as a director under any legislation; or
  - 6.2.6 are guilty of a serious breach of the rules and regulations of such regulatory body, the Company's Corporate Governance Manual as amended from time to time or of any other compliance manual or code of conduct of the Company or any company in the Group which applies to you from time to time; or
  - 6.2.7 engage in any conduct which has or may have the effect of materially prejudicing the reputation of the Company or any other Group Company, including, but not limited to, any breach of any of the Company's anti-corruption and bribery policies and related procedures and codes of conduct.

## 7. **Consequences of termination**

- 7.1 On termination of your appointment for any reason, whether lawful or unlawful, or otherwise as provided for by this letter:
- 7.1.1 the Board may require you to resign your directorship of the Company or any Group Company forthwith. If the appropriate resignation shall not be signed and delivered by you within 7 days after such request you agree that the Board may appoint any other director of the Company to sign such notice of resignation for you and on your behalf and in your name for such purpose; and
  - 7.1.2 you will return all property of the Company or of the Group in your possession, custody or control by virtue of your position as a non-executive director, immediately on the expiry or termination of your appointment for whatever reason.

## 8. **Time commitment**

- 8.1 Whilst the time commitment anticipated in this role is 25 days per annum, you will be expected to devote such time as is necessary for the proper performance of your duties as a non-executive director. This will include, but will not be limited to, your attendance at Board meetings, any sub-

committee meetings that you are asked to participate in, the Company's AGM, any special general meetings of the Company, and at least one annual Board away day a year and one site visit a year of the Company. It is anticipated that a number of regular scheduled Board and Committee meetings will be held each year plus *ad hoc* meetings or Board or committee informational calls as required. The exact dates of the meetings or calls will inevitably need to be flexible but you will receive reasonable notice and full details of all Board and committee meetings in advance. In addition, you will be expected to fully commit adequate preparation time ahead of each meeting. Personal attendance will be required at Board meetings and committee meetings, unless otherwise agreed with the Chairman.

- 8.2 By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.
- 8.3 You are requested to consult the Chairman before accepting additional commitments of any kind if there is any possibility that such commitments might impact on the time you are able to devote to your role as a non-executive director of the Company. In the event of other board or similar appointments, depending on their nature they may need to be ratified or pre-approved by the Board, particularly if such an appointment involves any potential conflict of interest or duty with your position within the Group.
- 8.4 It is important that the directors of the Company keep up to date and continue to develop themselves in relation to a wide range of issues relevant to their role. You will therefore be expected to undertake continuing training and development through participation in relevant courses, seminars, workshops etc. the Company will provide you with every encouragement and will meet your reasonable expenditure. You will also be expected to discuss your training needs from time to time with the Company Secretary and others as appropriate.

## 9. **Non-executive directors' role**

- 9.1 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 promoting the success of the Company by directing and supervising the Company's affairs. The Board:
- 9.1.1 provides leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
  - 9.1.2 works with management to define the Company's strategic aims and to ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
  - 9.1.3 reviews management performance; and
  - 9.1.4 sets the Company's values and standards and ensures that its obligations to its customers, employees, shareholders and others are understood and met.
- 9.2 We also expect you to:-
- 9.2.1 question intelligently, debate constructively, challenge rigorously and decide dispassionately;
  - 9.2.2 listen sensitively to the views of others, inside and outside the Board;
  - 9.2.3 gain the trust and respect of other Board members;
  - 9.2.4 promote high standards of corporate governance; and
  - 9.2.5 not at any time make any untrue or misleading statement relating to the Company.

## 10. **Induction and review process**

- 10.1 Following the Commencement Date, the Company will provide a comprehensive, formal and tailored induction. The Company will also arrange for site visits and meetings with senior and middle

management and the Company's auditors. The Company will also arrange for you to meet major investors in the first twelve months of the appointment.

- 10.2 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 is practicable.

## 11. **Independence**

You are considered to be an independent non-executive director within the meaning of the UK Corporate Governance Code and will be identified as such in the prospectus, any annual report and other documentation. If circumstances change, and you believe that your independence may be in doubt, you should discuss this with the Chairman as soon as practicable.

## 12. **Obligations during appointment**

- 12.1 During the continuance of your appointment you shall:

12.1.1 have particular regard to the key elements of the non-executive director's role, that is:

- **Strategy** – to constructively challenge and help develop proposals on strategy;
- **Performance** - to scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance, particularly in respect of the return on, and protection of, capital;
- **Risk** – to satisfy yourself on the integrity and accuracy of financial information and that financial controls and systems of risk management are robust and defensible;
- **Regulatory and legislative framework** - review and advise the Board on the Company's compliance with relevant legislation and best practice (existing and anticipated);
- **People** – to advise, as required, on appropriate levels of remuneration of executive directors, and have a prime role in appointing, and where necessary removing, executive directors and in succession planning.

12.1.2 abide by your statutory fiduciary and common law duties as a director of the Company;

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

12.1.4 immediately report to the Chairman your own wrongdoing or the wrongdoing or anticipated wrongdoing of any employee to the Board or other director of the Company or of any other Group Company of which you become aware;

12.1.5 comply with the Bribery Act 2010 and any anti-corruption and bribery policy and any related procedures issued by the Company from time to time;

12.1.6 promptly declare to the Chairman, so far as you are aware, the nature of any interest whether direct or indirect, in any contract or proposed contract entered into by any member of the Group and fully disclose all other circumstances in respect of which there is, or there might be, a conflict of interest between you and the Company, or you and any Group Company;

12.1.7 not at any time make any untrue or misleading statement relating to the Company or to any other Group Company;

12.1.8 comply where relevant with any rule of law or regulation of any competent authority or of the Company, that apply to the Company and/or to any other Group Company from time to time (including, but not limited to (i) any relevant regulations as may be issued by the FCA and UK Listing Authority as amended and/or replaced from time to time, including the Model Code for Securities Transactions by Directors of Listed Companies and the Listing Rules, (ii) any relevant regulations issued by the London Stock Exchange plc as amended and/or replaced from time to time and (iii) any regulations or rules made by the Board.

- 12.1.9 comply with all reasonable requests, instructions and regulations made or given by the Board (or by any duly authorised committee thereof) and give to the Board such explanations, information and assistance as the Board may reasonably require;
- 12.1.10 observe the rules and provisions of The City Code on Take-Overs and Mergers and the Listing Rules to the extent they may be applicable;
- 12.1.11 use your best endeavours to promote and extend the interests and reputation of the Company;
- 12.1.12 in the event that you have concerns which cannot be resolved about the way in which the Company is being run or about a course of action being proposed by the Board, raise these concerns at a meeting of the Board and request that they are recorded in the minutes of the relevant Board meeting; and
- 12.1.13 at all times comply with the Articles of Association of the Company.

### 13. **Directors' duties**

- 13.1 All Directors have a duty to take decisions objectively in the interests of the Company, complying with Directors' statutory general and other duties as set out in the Companies Act 2006. More particularly, notwithstanding notifications or approvals of outside appointments, all Directors have a specific duty to ensure that any conflicts of interest that they have are addressed in an appropriate manner and 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:
  - 13.1.1 the likely consequences of any decision in the long term;
  - 13.1.2 the interests of the Company's employees;
  - 13.1.3 the need to foster the Company's business relationships with suppliers, customers and others;
  - 13.1.4 the impact of the Company's operations on the community and the environment;
  - 13.1.5 the desirability of the Company maintaining a reputation for high standards of business conduct; and
  - 13.1.6 the need to act fairly as between the members of the Company.
- 13.2 You must also comply with any conflict of interest policy adopted by the Board from time to time whether in the Company's Corporate Governance Manual or otherwise.

### 14. **Outside interests**

- 14.1 While you hold office in the Company, save with the written consent of the Board or by way of shareholdings for investment purposes not exceeding 5% of the share capital of the relevant company (provided such company does not compete with the Company or any Group Company), you agree not to become a director of any company, business entity or organisation, or to own or be interested (directly or indirectly) in any shares in any company, which competes with the Company or any Group Company.

### 15. **Regulatory requirements**

You will of course be subject to, and expected to familiarise yourself with, all codes of conduct and regulatory rules that apply to the Company and to any other Group Company from time to time (including, but not limited to (i) any relevant regulations as may be issued by the FCA and UK Listing Authority as amended and/or replaced from time to time, including its Model Code for Securities Transactions by Directors of Listed Companies and the Listing Rules, (ii) any relevant regulation issued by the London Stock Exchange plc as amended and/or replaced from time to time and (iii) any regulations or rules made by the Board.

16. **Confidential information**

16.1 Notwithstanding any other fiduciary obligations you may have to the Company you will of course be expected to treat as secret and confidential and not at any time (either during or after the termination of your appointment) for any reason disclose or permit to be disclosed, to any person or otherwise make use of, or permit use to be made of any Confidential Information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) relating to the Company's and/or another Group Company's business, affairs, finances or products received by you during the course of your appointment save that this obligation shall not extend to matters which are or shall be in the public domain otherwise than due to your default. For the purposes of this letter, Confidential Information shall include, but is not limited to:-

16.1.1 any trade secrets, trading details, know-how relating to the business, details of suppliers and their terms of business, details of customers and their requirements, the prices charged to and the terms of business with customers, marketing plans and sales forecasts, underwriting policies, financial information, results and forecasts (save to the extent that they are published in audited accounts), any proposals relating to any acquisition or disposal of the whole or part of any Group Company or business or to the proposed expansion or contraction of activities, details of employees and officers and of the remuneration and other benefits paid to them or other information of a confidential nature relating to any Group Company (including, without limitation, details of activities, businesses, forward planning programmes or finances of any such company);

16.1.2 any other information specifically designated by any company in the Group as confidential or which you are told or ought reasonably to know is confidential or which has been given to the Company and/or another Group Company in confidence by customers, suppliers or other persons; and

16.1.3 any information in relation to which any Group Company owes a duty of confidentiality to any third party.

16.2 Nothing in this paragraph 16 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.

16.3 Your attention is also drawn to the requirements under both legislation and regulations as to the disclosure of price sensitive information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Company Secretary.

17. **Authority**

As a non-executive director of the Company, you should note that you do not have authority to commit the Company in any way without the express authorisation of the Board, nor to make any public statement either during or after termination save with the prior written consent of the Board.

18. **Data protection**

18.1 You hereby 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:

18.1.1 information about your physical or mental health or condition in order to monitor absence by reason of sickness and take decisions as to your fitness for work; or

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

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

- 18.2 You consent to the Company making such information available to any Group Company, 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. You also consent to the transfer of such information outside the European Economic Area in order to further its business interests.
19. **Miscellaneous**
- 19.1 Nothing in this letter shall be taken to exclude or vary the terms of the Company's Articles of Association as they apply to you as a director of the Company.
- 19.2 These terms of appointment are, to the extent relevant, governed by the laws of England and Wales. The parties submit to the exclusive jurisdiction of the English courts.
- 19.3 Save in respect of any rights conferred by this letter on any Group Company, the Contracts (Rights of Third Parties) Act 1999 shall not apply to this letter. No person other than you and the Company (and any other Group 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.
- 19.4 This letter may be executed in any number of counterparts, each of which, when executed, shall be an original, and all the counterparts together shall constitute one and the same instrument.
- 19.5 This letter cancels and is in substitution for all previous letters of engagement, agreements and arrangements (whether oral or in writing) relating to the subject-matter hereof between you and the Company all of which shall be deemed to have been terminated by mutual consent with effect from the Commencement Date and without giving rise to any entitlement to compensation or other payments. This letter constitutes the entire terms and conditions of the appointment and no waiver or modification thereof shall be valid unless in writing, signed by the parties hereto and only to the extent therein set forth.
- 19.6 Notice given to a party under this letter shall be in writing in the English language and, save in relation to notice by email, signed by or on behalf of the party giving it. It shall be delivered by hand or sent to the party at the address (including email address) given in this letter or as otherwise notified in writing to the other party. Any such notice shall be deemed to have been received;
- 19.6.1 if delivered by hand, at the time the notice is left at the address or given to the addressee;
- 19.6.2 in the case of pre-paid first class UK post or other next working day delivery service, at midday on the second business day after posting or at the time recorded by the delivery service;
- 19.6.3 in the case of fax, at the time of successful transmission; or
- 19.6.4 in the case of email, at the time of transmission (unless the sender receives an automated response which indicates that the notice in question was not received by the intended recipient, in which case such notice shall not be deemed to have been received).
- 19.7 For the purposes of this letter:
- 19.7.1 **"Board"** means the Board of Directors of the Company;
- 19.7.2 **"FCA"** means the Financial Conduct Authority or any relevant successor regulatory body; and
- 19.7.3 **"Group Company"** or **"Group"** means the Company, any holding company of the Company or any subsidiary or subsidiary undertaking of the Company or any such holding company within the meanings ascribed to those terms by sections 1159 and 1162 of the Companies Act 2006, but shall not include Acromas Bidco Limited or any parent undertaking of Acromas Bidco Limited or AA Limited or any subsidiary undertaking of AA Limited.

**SIGNED** by )  
a Director duly authorised )  
for and on behalf of )  
**SAGA PLC** )

**EXECUTED AS A DEED** and )  
**DELIVERED** by [●] )

.....

in the presence of:- )

..... Witness Signature

..... Full Name

..... Address

.....

.....

..... Occupation