[Director Name]

[Address]

[DATE]

Dear [NAME],

**RE: APPOINTMENT TO THE BOARD OF DIRECTORS OF …………….. LIMITED**

The Board of the Company is pleased to formalise your [appointment/continuing position] as a Director of the Company’s Board of Directors (“Board”).

Your position as a non-executive director on the Board will continue on the terms set out below (“Agreement”) and the parties hereto agree as follows:

It is agreed that, on acceptance of this offer, this letter will constitute a contract for services and not a contract of employment.

1. **Appointment** 
   1. Subject to the remaining provisions of this letter, your appointment is for an initial term of 3 (three) years commencing on [DATE] unless terminated earlier by either party giving to the other party three months’ written notice.
   2. Your appointment is subject to the Articles of Association of the Company and the applicable company law. Nothing in this letter shall be taken to exclude or vary the terms of the Articles of Association as they apply to you as a non-executive Director of the Company. Your continued appointment as a non-executive Director is subject to election by the Company’s shareholders at the Annual General Meeting (AGM) and to re-election at any subsequent AGM at which either the Articles of Association of the Company require, or the Board resolves, that you stand for re-election.
   3. The Board has adopted best practices in corporate governance whereby no more than one third of the directors for the time being will be subject to retirement by rotation at each AGM. Save for the first Annual General meeting where it shall be decided by lot who should retire, in the following AGM the directors to retire shall be the longest serving on the Board. Retiring directors shall however be eligible for re-election by the Shareholders. If the shareholders do not re-elect you as a Director, or you are retired from office under the Articles of Association, your appointment shall terminate automatically, with immediate effect and without compensation.
   4. Continuation of your contract of appointment is also contingent on satisfactory performance and any relevant statutory provisions relating to the removal of a Director.
   5. Non-executive Directors are typically expected to serve 3 (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 3 (three) year period.
   6. You will be required to serve on one or more committees of the Board. You will be provided with the relevant terms of reference on your appointment to such a committee. You also will be asked to serve as a non-executive Director on the Board of any of the Company’s subsidiaries or joint ventures. Any such appointment will be covered in a separate communication.
   7. Notwithstanding paragraphs 1.1–1.6, we may terminate your appointment with immediate effect if you:
      * 1. commit a material breach of your obligations under this letter; or
        2. commit any serious or repeated breach or non-observance of your obligations to the Company (which include an obligation not to breach your duties to the Company, whether statutory, fiduciary or common-law); or
        3. are guilty of any fraud or dishonesty or acted in a manner which, in the opinion of the Company acting reasonably, brings or is likely to bring you or the Company into disrepute or is materially adverse to the interests of the Company; or
        4. are convicted of any cognisable criminal offence (other than an offence under road traffic legislation in the Kenya or elsewhere for which a fine or non-custodial penalty is imposed]; or
        5. are declared bankrupt or have made an arrangement with or for the benefit of your creditors; or
        6. are disqualified from acting as a Director.
   8. On termination of your appointment, you shall at the request of the Company resign from your office as a director of the Company and all other offices held by you by the virtue of your directorship to the Company.
2. **Time Commitment** 
   1. You will be expected to devote such time as is necessary for the proper performance of your duties and you should be prepared to spend at least 20-25 days per year on company business after the induction phase. This is based on preparation for and attendance at:
      * 1. scheduled Board meetings
        2. the annual Board strategy get-aways
        3. the AGM
        4. site visits
        5. meetings of the non-executive Directors
        6. meetings with shareholders
        7. updating meetings/training
        8. meetings as part of the Board evaluation process
   2. The nature of the role makes it impossible to be specific about the maximum time commitment, and there is always the possibility of additional time commitment in respect of preparation time and ad hoc matters which may arise from time to time, 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.
   3. The average time commitment stated in 2.1 will increase should you become a committee member or chair, or if you are given additional responsibilities, such as being appointed 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.
   4. By accepting this appointment you undertake that, taking into account all other commitments you may have, you are able to, and will, devote sufficient time to your duties as a non-executive Director.
3. **Duties** 
   1. You will be expected to perform your duties, whether statutory, fiduciary or common-law, faithfully, efficiently and diligently to a standard commensurate with both the functions of your role and your knowledge, skills and experience.
   2. You will 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 2015 and best corporate governance practices.
   3. You will have particular regard to the general duties of directors as set out section 143 of the Companies Act 2015, including the duty to promote the success of the company:
      1. “A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to ­
         1. the likely consequences of any decision in the long term;
         2. the interests of the company’s employees;
         3. the need to foster the company’s business relationships with suppliers, customers and others;
         4. the impact of the company’s operations on the community and the environment; and
         5. the desirability of the company maintaining a reputation for high standards of business conduct, and the need to act fairly as between members of the company.”
   4. In your role as non-executive Director you will also be required to:
      * 1. constructively challenge and help develop proposals on strategy;
        2. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
        3. satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
        4. determine appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing executive directors, and in succession planning;
        5. devote time to developing and refreshing your knowledge and skills;
        6. uphold high standards of integrity and probity and support me and the other directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
        7. insist on receiving high-quality information sufficiently in advance of Board meetings; and take into account the views of shareholders and other stakeholders where appropriate.
   5. You will be required to exercise relevant powers under, and abide by, the Company’s Articles of Association.
   6. You will be required to exercise your powers as a director in accordance with the Company’s policies and procedures and internal control framework.
   7. You will disclose any direct or indirect interest which you may have in any matter being considered at a Board meeting or committee meeting and, save as permitted under the Articles of Association, 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.
   8. You will immediately report to the Board your own wrongdoing or the wrongdoing or proposed wrongdoing of any employee or Director of which you become aware.
   9. Unless specifically authorised to do so by the Board, you will not enter into any legal or other commitment or contract on behalf of the Company.
4. **Remuneration and Expenses**
   1. The annual fee rate as at the date of this letter is Kshs. ………………… (gross) per annum, paid quarterly in arrears. This fee covers all duties, including service on any Board committee or Company subsidiary, with the exception of committee chairmanships.
   2. In addition, you shall be compensated with a sitting allowance of Kshs. ………………… for each meeting attended.
   3. All fees will be paid through PAYE and are subject to income tax and other statutory deductions.
   4. Fees will be subject to an annual review by the Board.
   5. The Company will reimburse you for all reasonable and properly documented expenses you incur in performing the duties of your office.
   6. On termination of the 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 prior to that date.
5. **Independent and Outside Interests**
   1. You are expected to exercise independence of thought and mind at all time during you tenure as a non-executive Director of the Company.
   2. 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. In the event that you become aware of any further potential or actual conflicts of interest, these should be disclosed to the Board and the Company sScretary as soon as they become apparent and, again, the agreement of the Board may have to be sought.
6. **Confidentiality** 
   1. You acknowledge that all information acquired during your appointment is confidential to the Company and should not be released, communicated, nor disclosed either during your appointment or following termination (by whatever means), to third parties without my prior clearance.
   2. 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.
   3. You acknowledge the need to hold and retain company information (in whatever format you may receive it) under appropriately secure conditions.
7. **Induction**
   * 1. Immediately after appointment, the Company will provide a comprehensive, formal and tailored induction. You will be expected to make yourself available during your first year of appointment for the purposes of the induction. The company secretary will be in touch with further details.
8. **Board Evaluation** 
   * 1. The performance of individual Directors and the whole Board and its committees is evaluated annually.
9. **Training** 
   * 1. On an ongoing basis, and further to the annual evaluation process, we will make arrangements for you to develop and refresh your skills and knowledge in areas which we mutually identify as being likely to be required, or of benefit to you, in carrying out your duties effectively. You should endeavour to make yourself available for any relevant training sessions which may be organised for the Board.
10. **Insurance and Indemnity** 
    1. The Company will provide you with Director’s liability insurance and maintain the said cover for the full term of your appointment.
    2. You will also be granted a deed of indemnity by the Company.
11. **Independent Professional Advice** 
    * 1. Circumstances may occur when it will be appropriate for you to seek advice from independent advisers at the Company’s expense. A copy of the Board’s agreed procedure under which directors may obtain independent advice will be provided by the company secretary. The Company will reimburse the reasonable cost of expenditure incurred by you in accordance with its policy.
12. **Change of Personal Details** 
    * 1. You shall advise the Company Secretary promptly of any change in address or other personal contact details.
13. **Return of Property**
    * 1. Upon termination of your appointment with the Company (for whatever cause), you may be required by the Company to deliver to it any/or all documents, records, papers or other company property which may be in your possession or under your control, and which relate in any way to the business affairs of the Company and in particular those deemed to be confidential at the sole discretion of the Company, and you shall not retain any copies thereof.
14. **Non-Compete Clause** 
    * 1. By countersignature of this letter and in consideration for the fees payable to you under the terms of this letter, you now agree that you will not (without the previous consent in writing of the Company), for the period of 3 years immediately after the termination of your office, whether as principal or agent and whether alone or jointly with, or as a director, manager, partner, shareholder, employee or consultant of, any other person, carry on or be engaged, concerned or interested in any business which is similar to or competes with any business being carried on by the Company.
15. **Data Protection** 
    * 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 including, as and when appropriate:
         1. 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;
         2. information about you that may be relevant to ensuring equality of opportunity and treatment in line with the Company’s equal opportunities policy and in compliance with equal opportunities legislation; and
         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.
16. **Governing Law**
    1. Your engagement with the Company is governed by and shall be construed in accordance with the laws of Kenya and your engagement shall be subject to the jurisdiction of the courts of Kenya.
    2. This letter constitutes the entire terms and conditions of your appointment and no waiver or modification thereof shall be valid unless in writing and signed by the parties hereto.

If you are willing to accept these terms of appointment, please confirm your acceptance by signing and returning to me the enclosed copy of this letter.

Yours Sincerely,

**For: …………………… Limited**

**……………………..**

**Chairman of the Board of Directors**

**ACCEPTANCE**

I. …………………………………………………………. confirm and agree to the terms of my appointment as a non-executive Director of ………………………. Limited as set out in this letter.

Name Signature