

Our Ref: AK/hd

Private & Confidential

[NAME]
C/o OneFamily
16 – 17 West Street
Brighton
East Sussex
BN1 2RL

[DATE]

Contract for Services

Dear [NAME]

On the recommendation of the Nominations Sub-Committee, the Board of Family Assurance Friendly Society Limited ('the Society') is pleased to offer you the position of non-executive director (NED) [and Chair of the Risk Sub Committee]. I am writing to set out the terms of your appointment. It is agreed that this is a contract for services and is not a contract of employment.

Appointment

Your appointment will be for an initial term of three years commencing on [DATE], unless otherwise terminated earlier by and at the discretion of either party upon three month's written notice, subject to satisfactory references [and election by the Society's members at the first Annual General Meeting (AGM) following the date of your appointment]. The Society reserves the right to carry out a Disclosure Barring Service (DBS) check. Continuation of your contract for services is contingent on satisfactory performance and re-election at future AGMs of the Society. Non-executive directors are typically expected to serve two three-year terms, although the Board may invite you to serve for an additional period.

Role

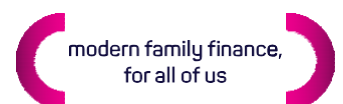
Non-executive directors have the same general legal responsibilities to the Society as any other director. The Board as a whole is collectively responsible for promoting the success of the Society and its subsidiary companies by directing and supervising the Society's affairs.

The role of non-executive director is classified as a certification role under the Senior Manager Certification Regime (SMCR). As a certification role the Society is required to inform the regulators of your appointment.

The duties of the Committee are to:

- provide entrepreneurial leadership of the Society within a framework of prudent and effective controls which enable risk to be assessed and managed;
- set the Society's strategic aims, ensure that the necessary financial and human resources are in place for the Society to meet its objectives, and review management performance; and

OneFamily
16-17 West Street, Brighton BN1 2RL
T: 01273 725272 | F: 01273 736958 | www.onefamily.com



- set the Society's values and standards and ensure that its obligations to its members and others are understood and met.

In addition to these requirements of all directors, the role of the non-executive has the following key elements:

- **Strategy:** Non-executive directors should constructively challenge and contribute to the development of strategy;
- **Performance:** Non-executive directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- **Risk:** Non-executive directors should satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible; and
- **People:** Non-executive directors are 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.

Time Commitment

You will be expected to devote such time as is necessary for the proper performance of your duties. In addition to attendance at meetings listed below, this should include appropriate preparation and planning.

- scheduled board meetings and sub-committee meetings
- the AGM and any SGMs as required
- meetings with other Non-Executive Directors and Board Directors
- Update meetings and training
- Meetings as part of the board evaluation process.

Fees

You will be paid a fee of £XXXX gross per annum for the role of non-executive director, which will be paid monthly in arrears, which will be subject to an annual review by the Board.

The Society will reimburse you for all reasonable and properly documented expenses you incur in performing the duties of your office.

Outside interests

The Society complies with the Association of Financial Mutuals (AFM) Code as well as the relevant principles of the UK Corporate Governance Code. The board of the Society has determined you to be independent according to Provision 10 of the UK Corporate Governance Code.

You are required to disclose, on the attached form, any external commitments you have outside this role. You must inform the Company Secretary in advance of any changes to these commitments. In certain circumstances the agreement of the board may have to be sought before accepting further commitments which either might give rise to a conflict of interest or a conflict of any of your duties to the Society, or which might impact on the time that you are able to devote to your role with the Society.

It is accepted and acknowledged that you have business interests other than those of the Society 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 Company Secretary as soon as they become apparent and, again, the agreement of the Board may have to be sought.

Confidentiality

All information acquired during your appointment is confidential to the Society and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior

clearance from the Chairman.

Termination Clause

The Society may terminate your appointment with immediate effect if you:

- Commit a material breach of your obligations
- Commit any serious or repeated breach or non-observance of your obligations to the Society (which include an obligation not to breach your duties to the Society, whether statutory, fiduciary or common-law)
- Are guilty of fraud or dishonesty or acted in a manner in which, in the opinion of the Society acting reasonably, brings or is likely to bring you or the Society into disrepute or is materially adverse to the interests of the Society
- Are convicted of any arrestable criminal offence (other than an offence under road traffic legislation in the UK or elsewhere for which a fine or non-custodial penalty is imposed)
- Are declared bankrupt or have made an arrangement with or for the benefit of your creditors
- Are disqualified from acting as a director.

On termination of your appointment you would be asked by the Society to resign from your office as director of the Society and any other group companies, if relevant.

Induction

Immediately after the appointment, the Society will provide a comprehensive, formal and tailored induction. This will include a full information pack. We will also arrange for site visits and meeting with senior management and the Society's auditors.

Review process

The performance of individual directors and the whole Board and its Sub-Committees is evaluated annually. If, in the interim, there are any matters that cause you concern about your role you should discuss them with the Chairman as soon as is appropriate or with the Senior Independent Director

Insurance

The Society has directors' and officers' liability insurance and it is intended to maintain such cover for the full terms of your appointment. The current indemnity limit is £20 million; a copy of the policy documents is available from the Head of Enterprise Risk.

Independent professional advice

Occasions may arise when you consider that you need professional advice in the furtherance of your duties as a director. Circumstances may occur when it will be appropriate for you to seek advice from independent advisors at the Society's expense. A copy of the board resolution adopted in respect of independent professional advice can be provided.

The Society will reimburse all reasonable costs of expenditure incurred in accordance with the Society's Expenses Policy, a copy will be provided to you.

Senior Managers & Certification Regime (SMCR):

The role of Non-Executive Director is defined as a certification role for the Society. The role requires formal notification to the regulators, although you are able to assume your full responsibilities immediately. This applies to one or more of the regulated legal entities in the Society, as set out in your job description. By accepting this appointment and by signing this letter you agree to the following additional obligations:

- Comply with regulatory requirements, including your obligation to remain fit and proper to perform your role and meet the individual conduct rules;

- Notify the Society in writing, without delay, of any material fact that could bring into question your ability to continue to meet the regulatory requirements that apply to your role;
- Provide such information and complete such documentation at the request of the Society or the Regulators at any time in connection with your notification as a Certification Function Holder and your ongoing assessment as being fit and proper to perform your responsibilities;
- The Society undertaking any checks necessary to confirm you remain fit and proper to perform your role and verify any information provided by you;
- The Society obtaining references from any previous employer, including those regulated by the PRA, FCA or equivalent;
- The Society providing reference to firms that make a valid request in line with regulatory requirements.

Membership of the Society


The Rules of the Society require you to be a member of the Society by holding an active product. Relevant products include:

- Investment ISA - our minimum investment is £25 a month by direct debit or a lump sum starting from £250. Plainly this has to be within the annual ISA limit, currently £20,000, set by the Government,
- Beagle Street term and critical illness cover – costs are variable dependent on length, amount and personal circumstances and are subject to underwriting
- Over 50's Life Cover – minimum £10 premiums a month (must be aged between 50 and 80 at time of opening).
- Lifetime ISA – minimum £25 contribution per month or a lump sum starting from £250 (must be aged 40 or under at the time of opening).

If you do not already have a product listed above with the Society, please contact the Service Centre Team on 0344 8 920 920, who will be happy to provide you with more information on the Society's products to assist your decision. Please confirm your membership details to the Secretary at your earliest convenience.

Please sign and return a copy of this letter, to confirm acceptance of this offer.

Yours sincerely



Signed:.....

Date:.....

Steve Colsell
Chair

Disclosure of External Commitments

I hereby disclose the following external commitments outside of the Society:

Organisation	Role	Date Appointed

Name:

Signature:

Date: