



**PRIVATE AND CONFIDENTIAL**

Hedley Clark



26<sup>th</sup> October 2020

Dear Hedley

**Letter of appointment**

Following recent discussions, the board of directors (the "**Board**") of Primorus Investments plc (the "**Company**") is pleased to appoint you as a 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 shall be for an initial term of three years commencing on the date of this letter unless terminated earlier by either party giving to the other not less than three months' prior written notice.
- 1.2 Your appointment is subject to the Company's articles of association, as amended from time to time (the "**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. The Articles require one-third of the Directors to retire by rotation and seek re-election at each AGM, with each Director being subject to re-election at intervals of not more than three years.
- 1.3 Continuation of your appointment is contingent on your continued satisfactory performance and re-election by the shareholders of the Company and any relevant statutory provisions relating to removal of a director. If the shareholders do not 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.
- 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. Despite any mutual expectation, there is no right to re-nomination by the Board, either annually or after any three-year period.

- 1.5 You may 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 from time to time (if applicable). Any such appointment will be covered in a separate communication.
- 1.6 Despite paragraphs 1.1 through 1.5 (inclusive), the Company may terminate your appointment with immediate effect if you have:
- (a) committed a material breach of your obligations under this letter;
  - (b) committed any serious or repeated breach or non-observance of your obligations to the Company (which includes an obligation not to breach your statutory, fiduciary or common-law duties);
  - (c) been guilty of any 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;
  - (d) been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
  - (e) 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;
  - (f) been disqualified from acting as a director; or
  - (g) not complied with any anti-corruption and bribery policy and procedures of the Company implemented from time to time.
- 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 of the Company's group companies (if applicable).
- 1.8 If matters arise which cause you concern about your role, you should discuss these matters with the chairman. 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 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 one day a month on work for the Company. This will include preparation for and attendance at Board meetings (which are anticipated to number at least four per calendar year), the AGM, meetings with shareholders (if required), meetings with managers of the Company's portfolio companies, meetings with key stakeholders, meetings forming part of the Board evaluation process and updating and training meetings. You will be required to consider all relevant papers before each meeting.

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. 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, and shall, 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) promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society;
  - (b) establish the Company's purpose, values and strategy and satisfy itself that these and its culture are aligned;
  - (c) act with integrity, lead by example and promote the desired culture;
  - (d) ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them;
  - (e) establish a framework of prudent and effective controls, which enable risk to be assessed and managed;
  - (f) ensure effective engagement with, and encourage participation from shareholders and stakeholders; and
  - (g) ensure that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success.
- 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 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 "CA 2006"), the AIM Rules for Companies, Prospectus Regulation Rules (if applicable),

and the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (the "**DTR**") and the Market Abuse Regulation (596/2014/EU) ("**MAR**").

3.4 You shall have particular regard to the general duties of directors in Part 10 of the CA 2006, including the duty to promote the success of the Company under which a director must act in the way he or she considers, 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 In your role as a non-executive director, you shall also be required to:

- (a) provide constructive challenge, strategic guidance, offer specialist advice and hold management to account;
- (b) scrutinise and hold to account the performance of management and individual executive directors against agreed performance objectives;
- (c) 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;
- (d) satisfy yourself on the integrity of financial and narrative statements and the Company's risk management and internal control systems;
- (e) take opportunities such as attendance at general and other meetings, to understand shareholder concerns and to meet with key customers and members of the workforce from all levels of the organisation to have an understanding of the business and its relationships with significant stakeholders;
- (f) consider ways of reaching out to increase your visibility with the workforce and gain insights into the culture and concerns at different levels of the business;
- (g) devote time to developing and refreshing your knowledge and skills;
- (h) uphold the highest standards of integrity and support the chairman in instilling the appropriate values, behaviours and culture in the boardroom and beyond;

- (i) insist on receiving high-quality information sufficiently in advance of Board meetings and seek clarification or amplification if you consider the information provided is inadequate or lacks clarity;
  - (j) take into account the views of shareholders, workforce 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 chairman;
  - (o) exercise your powers as a director in accordance with the Company's policies and procedures and internal control framework (as constituted from time to time); and
  - (p) not do anything that would cause you to be disqualified from acting as a director.
- 3.6 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.
- 3.7 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 You shall be paid an annual fee of £24,000 gross (current at the date of this letter), which shall be paid in equal instalments monthly in arrear through PAYE after deduction of any taxes and other amounts that are required by law, which shall be subject to an periodic review by the Board. This fee covers all duties, including service on any Board committee or Company subsidiary (is applicable), with the exception of chairing committees and certain additional responsibilities.
- 4.2 The Company shall reimburse you for all reasonable and properly documented expenses that you incur in performing the duties of your office.
- 4.3 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.

#### **5. Independent professional advice**

In some circumstances you may consider that you need professional advice in the furtherance of your duties as a director of the Company and it may be appropriate for you to seek advice from independent advisers at the Company's expense. The Board shall agree and maintain a

procedure from time to time under which directors may obtain such independent advice. The Company shall reimburse the reasonable cost of expenditure incurred by you in accordance with such policy.

## **6. Outside interests and independence**

- 6.1 You have already disclosed to the Board the 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.
- 6.2 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. 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.

## **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.

## **8. Inside information and dealing in the Company's shares**

- 8.1 Your attention is drawn to the requirements under both law and regulation on the disclosure of inside information, in particular to MAR, the DTR 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 chairperson or company secretary.
- 8.2 During your period of appointment you are required to comply with the provisions of Article 19 of MAR, the Company's share dealing code in relation to dealing in the Company's shares 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 shares.

## **9. Training**

On an ongoing basis, and further to the annual evaluation process, the Company will arrange for you to develop and refresh your skills, knowledge and familiarity with the Company 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 you or the Board.

**10. Review process**

The performance of individual directors, the chairman, 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.

**11. Insurance and indemnity**

11.1 The Company has directors' and officers' liability insurance and it intends to maintain such cover for the full term of your appointment. The indemnity limit is £2,000,000 (current at the date of this letter).

11.2 The Company shall grant you a deed of indemnity against certain liabilities that may be incurred as a result of your office to the extent permitted by section 234 of the CA 2006.

**12. Changes to personal details**

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

**13. Return of property**

On termination of your appointment with the Company, howsoever 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 company in the Company's group (if applicable) 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 (if applicable) business affairs and you shall not retain any copies thereof.

**14. Moral rights**

You hereby irrevocably waive any moral rights in all works prepared by you, in the provision of your services to the Company, to which you are now or may at any future time be entitled under Chapter IV of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction, including (but without limitation) the right to be identified, the right of integrity and the right against false attribution, and agree not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such works or other materials, infringes your moral rights.

**15. Data protection**

15.1 The Company will collect and process information relating to you in accordance with the privacy notice maintained by the Company from time to time, a copy of which you may request at any time.

15.2 When handling personal data in connection with your appointment by the Company on the terms of this letter, you shall comply with the Company's data protection policy as constituted from time to time.

**16. Third party rights**

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

**17. Entire agreement**

17.1 This letter 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.

17.2 You agree that you shall have no remedies in respect of any statement, 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.

**18. 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).

**19. Governing law and jurisdiction**

Your appointment with the Company and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation 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 (including non-contractual disputes or claims) that arises out of or in connection with this appointment or its subject matter or formation.

Please indicate your acceptance of these terms by signing and returning the attached copy of this letter to Executive Director Alastair Clayton.

Yours sincerely

A black rectangular box redacting the signature of the Executive Director.

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**Executive Director**  
For and on behalf of  
**Primorus Investments plc**



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

Signed on 26<sup>th</sup> October 2020 by Hedley Clark

A solid black rectangular box used to redact the signature of Hedley Clark.

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*Signature*