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25Mar1997

DATED 25th MARCH 1997

SERVICE CONTRACT

between

SIMON THOMAS

and

LOK'N STORE LIMITED

**BROUGH SKERRETT
THE CITY LAW PARTNERSHIP
ONE DYERS BUILDINGS
LONDON EC1N 2SX
TEL: 0171 814 9195
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THIS DEED is made the 25th day of March, 1997

BETWEEN:-

- (1) **LOK'n STORE LIMITED**, (No. 2902717) having its registered office at Fairfield House, Fairfield Avenue, Staines, Middlesex TW18 4AQ (hereinafter called "**the Company**")
- (2) **SIMON THOMAS** residing at Ashcroft, Best Beach, Wadhurst, East Sussex, TN5 6LH (hereinafter called "**the Executive**")

WHEREAS:-

1. The Company carries on the business of operating self-storage centres.
2. The Executive is employed as Executive Chairman of the Company on the terms and conditions hereinafter set forth.

NOW THIS DEED WITNESSES as follows:-

1. **Definitions and Interpretation**

In this Deed unless the context otherwise requires the following expressions shall have the following meanings:

"the Appointment" the employment of the Executive by the Company under the terms of this Deed.

"Associated Company" any company which for the time being is the holding company (as defined by Section 736 of the Companies Act 1985) of the Company and any subsidiary of such holding company, any

company of which the equity share capital (as defined in Section 744 of the Companies Act 1985) is owned as to 50% or less but more than 25% by such holding company or by any of its subsidiaries, or by the Company or any of its subsidiaries as the case may be, and including a subsidiary of an Associated Company.

"the Board"

the board of directors of the Company present at a meeting of the directors or of a committee of the directors duly convened and held.

"the Commencement Date"

the 1st day of April 1997,
notwithstanding the date(s) hereof.

"Confidential Information"

all information which may be imparted in confidence or be of a confidential nature relating to the business or prospective business, plans or internal affairs of the Company or any Group Company and in particular all commercial, financial or technical information relating to the business of the Company or any Group Company or to any customer or supplier, officer or employee of the Company or any Group Company or to any member or person interested in the share capital of the Company or any Group Company.

"the Group"

the Company and its Subsidiaries and Associated Companies from time to time.

"Group Company"

any Subsidiary or Associated Company of the Group.

"the Index"

the all items index of retail prices published by the Central

Statistical Office (or by any other Government Department upon which duties in connection with such index shall have devolved) and/or any other index of retail prices which shall from time to time replace the all items index of retail prices as the authoritative index for official purposes;

"Intellectual Property Materials"

inventions, discoveries, processes, copyright works, designs, plans, drawings, computer programs and codes, and all other forms of data or records, procedures or systems in respect of which, in any case, Intellectual Property Rights (as hereinafter defined) subsist (or are capable of subsisting subject to the making of the appropriate application or registration) and any later modification or development and all other similar or analogous items;

"Intellectual Property Rights"

all and any intellectual property rights subsisting in any part of the world, whether registered or unregistered, and all or any applications for such rights, including without limitation, patents, inventions, trade marks, service marks, know-how, designs, copyrights (including rights in computer software), topography rights and other rights in semi-conductor chips and moral rights (as defined in the Copyright Designs and Patents Act 1988)

"Pension Scheme"

the Company's contributory pension scheme.

"Subsidiary"

any Company which for the time being is a subsidiary (as defined by Section 736 of the Companies Act 1985) of the Company.

- 1.2 The Clause headings and the Index in this Agreement are for convenience of reference only and shall not affect the construction or interpretation hereof.

- 1.3 References in this Agreement to any statute or statutory provision shall include such provision and any statute or statutory provision which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.
- 1.4 References in this Agreement to persons shall include references to firms, corporations or unincorporated associations.

2. **Appointment**

- 2.1 The Company shall employ the Executive and the Executive shall serve the Company as full time Executive Chairman or in such other appointment as the Company may from time to time direct (such other appointment not to be of lower status than the Executive's original appointment under this Deed) for the period specified in Clause 3.
- 2.2 The Company may at any time require the Executive to serve any other Group Company or Companies and to carry out for such Group Company or Companies such duties and responsibilities as may be assigned by the Board, but otherwise on the same terms and conditions as to salary and otherwise as herein provided.
- 2.3 The Company may from time to time appoint any other person or persons to act jointly with the Executive in the Appointment.
- 2.4 The Executive warrants that by virtue of entering into this Deed he will not be in breach of any express or implied term of any contract with or of any other obligation to any third party binding upon him.

3. **Duration**

The Appointment shall commence on the Commencement Date and shall continue (subject to the provisions for termination in Clause 14) until terminated (i) by the Company giving to the Executive not less than one year's prior written notice of termination (ii) by the Executive giving to the Company not less than six months' prior written notice of termination or (iii) on the Executive reaching his 60th birthday.

4. **Duties of the Executive**

- 4.1 The Executive shall undertake such duties and responsibilities in relation to the Company or any Group Company as the Board may from time to time delegate to him at the address of the Company as stated in this Deed and at such place or places in the United Kingdom or elsewhere as the Company shall reasonably specify, and shall carry out all lawful and reasonable resolutions of the Board from time to time Provided that the Executive shall not be required to work outside the United Kingdom for a period longer than one month.
- 4.2 The Executive shall promote the trade and business of the Company and the Group to the best of his ability, knowledge and power and shall not willingly or knowingly do or permit to be done anything to the prejudice of the Company or the Group or any trade or business carried on by the Company or any Group Company.
- 4.3 The Executive shall at all times keep the Board or a person duly authorised by the Board promptly and fully informed (in writing if so requested) of his conduct of the business or affairs of the Company or any Group Company.
- 4.4 The Executive shall devote such of his time, attention and skill as is necessary to fulfil the duties of his office and shall faithfully, diligently, efficiently and competently perform all such duties.

- 4.5 Notwithstanding the foregoing the Company shall be under no obligation, for a period of 12 months, or at any time after notice of termination of the Appointment shall have been given by either party, to vest in or assign to the Executive any powers or duties or to provide any work for the Executive, and the Company may at any time suspend the Executive from the performance of his duties or exclude him from any premises of the Company and need not give any reason for so-doing, but his salary will not cease to be payable by reason only of such suspension or exclusion of the Executive (unless and until his employment under this Deed shall be determined under any provision hereof).
- 4.6 The obligations and duties to the Company accepted by the Executive in terms of this Deed shall also be owed by him to any Group Company for which he performs services and/or carries out duties and/or to which he is seconded in terms hereof during the course of the Appointment.
- 4.7 Without prejudice to the provisions of this Agreement the Executive shall observe and comply with any and all the disciplinary rules and procedures issued or decided upon from time to time by the Board.

5. **Remuneration and Options**

- 5.1 As remuneration for his services hereunder, the Executive shall be paid a fixed salary of **SEVENTY FIVE THOUSAND POUNDS** (£75,000) per annum, payable monthly in arrears on or about the last day of each month. Such fixed salary shall be deemed to accrue from day to day, and shall be inclusive of any fees payable to the Executive as a director of the Company and/or any Group Company. All sums from time to time received by the Executive by way of remuneration or fees in connection with or arising from his appointment as a director of a company shall, unless otherwise agreed in writing by the Company, be accounted for and paid over by the Executive to the Company.
- 5.2 Such fixed salary shall be subject to annual review by the Company and may be increased

(but not decreased) by such amount as the Board in its discretion may think fit.

- 5.3 In addition to the fixed salary above specified, the Executive may be entitled to an annual bonus of such amount as the Board in its sole discretion may determine.
- 5.4 Such bonus shall not be deemed to accrue until the end of the financial year by reference to which it is to be calculated, and if the Appointment is terminated for any reason whatever before the end of such financial year, no part of such bonus shall be payable to the Executive.
- 5.5.1 In further consideration for the services provided or to be provided by the Executive hereunder, the Company hereby grants to the Executive an Option to acquire up to a further 486,000 Ordinary Shares of 0.01p each in the Share Capital of the Company at a subscription price of 38p per share ("the Option").
- 5.5.2 Upon the exercise of the Option and payment of the subscription price the Company shall become bound to issue the Option Shares within fourteen days of the date stated in the Option Notice or if no date is stated therein on such date within fourteen days after the date of the Option Notice as the Company shall determine. The Option may be exercised in one or more parts.
- 5.5.3 The Option may be exercised by the Executive giving not less than fourteen days notice in writing to the Company (i) at any time between the fifth and tenth anniversary of the Commencement Date PROVIDED THAT either the Company has achieved an annual turnover of £5,000,000 or the average middle market quotation of an Ordinary Share as derived from OFEX or any investment exchange on which they are traded on each of the three dealing days immediately preceding the date of the Option Notice exceeds £1.50; or (ii) within four weeks of any person or group of persons acting in concert acquiring, directly or indirectly, control of 50 per cent or more of the issued Ordinary Share Capital of the Company.

6. **Pension and Insurance Benefits**

- 6.1 With effect from the Commencement Date the Executive shall be entitled to join the Company's Pension Scheme and death in service scheme on a non-contributory basis.
- 6.2 The Executive shall be entitled to participate at the Company's expense in any permanent health insurance scheme established by the Company and for himself, his spouse and dependent children (if any) in any private medical expenses insurance scheme established by the Company subject always to the rules of the schemes.
- 6.3 The Executive shall submit to such medical examinations as may be reasonably required by the Board and/or the insurers under the policy referred to in Clause 6.2 from time to time, such medical examinations to be carried out by a registered medical practitioner nominated by the Board. The Executive hereby irrevocably authorises and gives his consent, for the purposes of Section 3 of the Access to Medical Reports Act 1988, to such medical practitioner to disclose to the Board and/or the insurers under the policy referred to in Clause 6.2 the results of such examinations and such other relevant medical information as the Board may reasonably require and to discuss any matter arising from such examinations with an authorised representative of the Board. Copies of any reports made and information provided to the Board and/or such insurers in terms of this Clause 6.3 shall be made available to the Executive. The fees and expenses incurred in the provision of such medical examinations and obtaining of such medical information shall be borne by the Company.
- 6.4 If in the opinion of the Board (acting reasonably) the cost to the Company of maintaining (in respect of the Executive or, in the case of the private medical expenses insurance scheme, the Executive, his spouse and his dependent children (if any)) the permanent health insurance scheme and/or the private medical expenses insurance scheme becomes unreasonably expensive, the Company shall be entitled to reduce the level of the benefit provided under the permanent health insurance scheme or private medical expenses

insurance scheme (as the case may be) provided that the cost to the Company is not less than the cost in relation to the permanent health insurance scheme or private medical expenses insurance scheme (as the case may be) in force at that date (or as soon as practicable thereafter) increased in line with the total increases in the Index from that date. The Company shall give the Executive reasonable notice of its decision to reduce the benefits provided under the permanent health insurance scheme and/or the private medical expenses insurance scheme pursuant to this Clause.

- 6.5 If it is not possible for the Executive to participate in the Company's permanent health insurance scheme or for the Executive, his spouse and dependent children (if any) to participate in the Company's private medical expenses insurance scheme due to the Executive or family member, pursuant to the medical examinations referred to in Clause 6.3, or for any other reason being declared uninsurable by the insurers then the Company shall be under no obligation to provide such insurance benefits to the Executive and for the avoidance of doubt shall not be deemed for this reason to be in breach of this Clause 6.

7. **Company Car**

The Executive shall not be entitled to a Company car.

8. **Expenses**

- 8.1 The Company shall reimburse the Executive on a monthly basis the full amount of all travel, accommodation and other expenses reasonably and properly incurred by the Executive on the business of the Board and the Group, subject to production of such receipts or other vouchers as the Board may reasonably require.
- 8.2 If the Company issues (or has issued) the Executive with a company sponsored credit or charge card, such card shall be used solely for expenses reimbursable under Clause 8.1.

The Company reserves the right, as its sole discretion, to withdraw the use of any such credit or charge card at any time and the Executive shall promptly return any such credit or charge card to the Company when so requested and in any event forthwith upon termination of the Appointment howsoever arising.

9. **Holidays**

9.1 In addition to public holidays, the Executive shall be entitled to such holiday as the Board in its discretion determines from time to time subject to a minimum of 30 days in each holiday year.

9.2 Such holiday entitlement shall accrue uniformly at the rate of one twelfth of such annual entitlement per complete month worked after the Commencement Date, but unless otherwise agreed by the Board, holiday entitlement accrued but not taken by the end of each holiday year may not be carried forward, nor shall the Executive be entitled to payment in lieu. On termination of the Appointment for whatever reason, the Executive shall be entitled to pay in lieu of outstanding holiday entitlement. The basis for payment shall be 1/253 of the Executive's annual salary for each day's entitlement.

9.3 For the purpose of calculating holiday entitlement hereunder, the Company and Group's "holiday year" runs from 1st January to 31st December.

10. **Illness**

10.1 If the Executive is prevented by illness (including mental disorder) or injury from performing his duties and responsibilities hereunder, he shall if so requested by the Board furnish the Board with medical evidence reasonably satisfactory to the Board.

10.2 In the event of such illness or injury, the Executive shall (subject to providing the appropriate certificate(s) as specified above) be entitled to the following payments:-

10.2.1 during any continuous period of ninety working days or the first ninety days in aggregate in any period of twelve consecutive calendar months - the full amount of his fixed salary (but not bonus); and

10.2.2 during any continuous period of one hundred and eighty days or the next ninety days in aggregate in any period of twelve consecutive calendar months - 50% of such fixed salary (but not bonus)

PROVIDED THAT such remuneration shall be inclusive of any statutory sick pay to which the Executive is entitled to and that any social security sickness benefit or other benefits recoverable by the Executive (whether or not recovered) may be deducted therefrom.

10.3 If such illness or injury continues beyond any continuous period in excess of one hundred and eighty days or one hundred and eighty days in aggregate in any period of twelve consecutive calendar months, any further payment beyond that specified in sub-clause 10.2 above shall be at the Board's sole discretion. **PROVIDED THAT:-**

10.3.1 in the event of his incapacity disappearing or diminishing before termination of his employment hereunder the Executive shall resume either his full duties hereunder on the same terms and conditions as those pertaining at the date of his incapacity or alternatively such restricted duties as the Company may reasonably decide with payment of not less than two thirds of said salary; and

10.3.2 until termination of the Executive's employment hereunder the Company shall notwithstanding the Executive's incapacity continue to maintain the life insurance, pension and other benefits in force at the date of said incapacity and paid for by the Company.

10.4 At any time during the period of the Appointment, the Executive shall at the request and

expense of the Company permit himself to be examined by a registered medical practitioner to be selected by the Company and shall authorise such medical practitioner to disclose to and discuss with the Company's medical adviser the results of such examination and any matters which arise from it in order that the Company's medical adviser can notify the Company of any matters which, in their opinion, might hinder or prevent the Executive (if during a period of incapacity) from returning to work for any period or (in other circumstances) from properly performing any duties of the Appointment at any time.

10.5 The above provisions do not affect the Company's right of termination under Clause 14.

11. **Restrictions during employment**

11.1 Save as permitted under Clause 11.2 the Executive shall not during the Appointment hold any political office or any appointment or office with any public body, board, local authority or government department or carry on or be concerned, engaged or interested directly or indirectly (whether as principal, shareholder, partner, consultant, employee, director, sub-contractor, officer, agent or otherwise) in any trade or business, in particular any client business, other than that of the Company except for the exclusive benefit of the Company or as a customer of the client on normal arms-length terms, in which case all debts due to such client should be discharged promptly on such credit terms as may have been agreed and shall not engage in any other activity which the Company reasonably considers may impair his ability to perform his duties under this Deed **PROVIDED THAT** this provision shall not prevent the Executive from holding or being otherwise interested in not more than three per cent. of the equity share capital or loan capital of any company which is quoted on a recognised Stock Exchange (as defined in the Financial Services Act 1986) or dealt in on the Unlisted Securities Market or the Alternative Investment Market.

11.2 The Executive shall disclose to the Board any interest of his own (or of any person connected with the Executive as defined in Section 346 of the Companies Act 1985):-

- 11.2.1 in any trade, business or occupation whatsoever which is in any way similar to any of those in which the Company or any Group Company is involved; and
- 11.2.2 in any trade or business carried on by any supplier or customer of the Company or any Group Company whether or not such trade, business or occupation may be conducted for profit or gain.
- 11.3 The Executive may carry on or be concerned, engaged or interested in any other trade or business if he shall have:-
 - 11.3.1 made full disclosure in accordance with Clause 11.2.
 - 11.3.2 provided, on the basis of the utmost good faith, full particulars of its nature and of the likely demands it will make on his time and abilities; and
 - 11.3.3 obtained the prior written consent of the Board, which consent may be given subject to such terms or conditions as it may decide (each of which shall be considered to be a term of this Deed): the Company shall have the right to reconsider such consent or such terms if it reasonably considers that it is in the interests of the Company to do so.
- 11.4 The restrictions set out in this Clause 11 are without prejudice to any other fiduciary duties owed to the Company whether express or implied.

12. **Intellectual Property**

- 12.1 In view of the fact that the business of the Company and of the Group Companies consists in part in the development and exploitation of inventions, techniques, products and methods and that it is the Executive's responsibility inter alia to further the interests of the Company and the Group in respect thereof, the Executive hereby irrevocably

agrees, subject to Clause 12.3 that all Intellectual Property Materials made, created, discovered, conceived, written, designed or originated by the Executive, whether alone or in conjunction with any other person, at any time whether before or after the Commencement Date but after he became an employee of the Company or any Group Company whether capable of being patented or registered or not, and whether or not made, created or discovered, conceived, written, designed or originated in the course of his employment, in connection with or in any way affecting or relating to the business of the Company or any Group Company or in any way, directly or indirectly, capable of being used or adapted for use therein or in connection therewith, shall be disclosed forthwith to the Company (together, where relevant, with all information and data in his possession as to the exact mode of working, producing and using the same) and such Intellectual Property Materials, and all Intellectual Property Rights relating thereto, upon their creation, discovery, conception, drafting, design or origination shall belong to and vest in the Company (or such other Group Company as the Company may nominate for the purpose) absolutely and beneficially together with, where necessary, all rights to apply for the Intellectual Property Rights.

12.2 The Executive shall, if and when required to do so by the Company (whether before or after the termination of the Appointment), at the Company's expense do all things and execute all documents necessary to vest all such Intellectual Property Rights absolutely in the Company or its nominees or any other Group Company as absolute legal and beneficial owner (without payments to the Executive for them) and to secure, preserve and enforce all appropriate forms of protection therefore in any part of the world, and for this purpose shall, at the Company's expense, take or defend any proceedings to procure or defend any application, registration or protection. For the purpose of this Clause 12.2 and the Executive hereby irrevocably authorises the Company to appoint some person in his name and on his behalf to execute all instruments or documents and do all acts or things as aforesaid as the Executive's attorney.

12.3 Nothing in this Clause 12 shall prejudice the rights of the Executive as contained in

Sections 40 to 43 of the Patents Act 1977 and any other applicable legislation.

13. **Confidentiality**

13.1 Save as specifically authorised by the Company, or as required in the performance of his duties hereunder, the Executive shall at all times (both during and after the termination of the Appointment) maintain absolute confidentiality in respect of all Confidential Information and shall not disclose any of same (and if disclosure is authorised by the Company, shall make disclosure only under the terms of such authorisation) to any other person, firm, company, body or authority, or use or attempt to use any such information in any manner which may injure or cause loss or may be calculated to injure or cause loss directly or indirectly to the Company or the Group.

13.2 The obligations of confidence referred to in this Clause 13 shall not apply to any Confidential Information which is published or is otherwise in the public domain prior to the receipt of such Confidential Information by the Executive or which is or becomes publicly available on a non-confidential basis through no fault of the Executive.

14. **Termination**

14.1 Automatic termination

This Agreement shall automatically terminate on the Executive reaching his 60th birthday.

14.2 Suspension

In order to investigate a complaint against the Executive of misconduct the Company is entitled to suspend the Executive on full pay for so long as may be necessary to carry out a proper investigation and hold a disciplinary hearing.

14.3 Immediate Dismissal

The Appointment may be terminated at any time by the Company giving written notice

of immediate termination to the Executive in any of the following events:-

- 14.3.1 if the Executive is prevented by illness or injury from performing his duties hereunder for a continuous period in excess of one hundred and eighty days or for more than an aggregate of one hundred and eighty days in any period of twelve consecutive calendar months; or
- 14.3.2 if the Executive is guilty of any act of serious misconduct or wilful neglect or other conduct calculated or likely prejudicially to affect the interests of the Company or any Group Company; or
- 14.3.3 if the Executive is guilty of any conduct which in the reasonable opinion of the Board brings him, or the Company or any Group Company into serious disrepute; or
- 14.3.4 if the Executive commits any material breach of the terms of this Deed which cannot be remedied or, if it can be remedied, remains unremedied on the expiry of seven days after the Executive has received written notice from the Company specifying the breach and the action required to remedy the same; or
- 14.3.5 if the Executive is, in the reasonable opinion of the Board, incompetent in the performance of his duties; or
- 14.3.6 if the Executive becomes bankrupt or is sequestrated or makes any arrangement or composition with his creditors generally; or
- 14.3.7 if the Executive becomes of unsound mind or becomes a patient within the meaning of the Mental Health (Scotland) Act 1986 or the Mental Health Act 1983; or

14.3.8 if the Executive is convicted of any criminal offence, whether committed during or outside normal business hours, other than a motoring or other offence which in the reasonable opinion of the Board does not affect the Executive's position under the Appointment; or

14.3.9 if the Executive commits any act of dishonesty whether relating to the Company, any of its employees or otherwise; or

14.3.10 if the Executive is disqualified from holding office as a Director pursuant to an order under the Company Directors Disqualification Act 1986, by reason of any provision of the Insolvency Act 1986 or pursuant to any of the Regulatory Rules.

14.4 Dismissal on short notice

The Company may terminate this Agreement by not less than one month's prior notice if the Executive has been offered but has refused to agree to the transfer of the Appointment by way of novation to a person, firm or company which has acquired or agreed to acquire the whole or substantially the whole of any undertaking (as defined in the Transfer of Undertakings (Protection of Employment) Regulations 1981) in which he is employed to any extent.

14.5 Acting on termination

On termination of the Appointment, the Executive shall:-

14.5.1 deliver up to the Company all Intellectual Property Materials, books, documents, papers, data (in whatever medium the same be stored or recorded) and other materials and property relating to the business of the Company or the Group which may then be in his possession or under his control;

14.5.2 on request of the Company resign (waiving all claims for compensation of any nature in respect thereof) from office as a director and secretary of the Company and any Group Company of which he is then a director or secretary (but such resignation shall be without prejudice to any claim to which the Executive may be entitled under the Employment Rights Act 1996 as amended) and in the event of failing to do so, the Company shall be entitled (and is hereby irrevocably authorised by the Executive) in the name of and on behalf of the Executive to execute any documents and do any other thing necessary to effect such resignation and the intimation or registration thereof; and

14.5.3 transfer as the Company may direct any share(s) held by him in accordance with the articles of association of the Company from time to time and in the event of failing to do so, the Company shall be entitled (and is hereby irrevocably authorised by the Executive) in the name of and on behalf of the Executive to execute or authorise any person to execute any documents or to do any things necessary to effect such transfer.

14.6 The Executive shall not after termination of the Appointment represent himself as being employed by or in any way connected with the Company or any Group Company.

14.7 Compensation

14.7.1 In the event of the Company terminating the Executive's employment hereunder other than pursuant to Clauses 3, 14.1, 14.3 or 14.4 above such that the Company is or may be in breach of this Agreement, the parties hereto agree that the Executive's remedy for such breach shall be in damages only and further agree that the Executive shall be entitled to recover from the Company liquidated damages in satisfaction thereof in such sum as shall be equivalent to the gross annual remuneration (including any bonus which the Executive would otherwise have received) payable to the Executive immediately prior to the termination of the

Executive's employment hereunder, after deduction, if applicable, of any amount to which the Executive may be entitled by virtue of the provisions of the Employment Rights Act 1996, as amended, where such termination is by reason of redundancy, and such sum, after deduction if applicable, shall be accepted by the Executive in full and final settlement of all claims accruing to him and arising against the Company by virtue of such termination (excluding always any pension or other similar benefits to which he may be entitled).

14.7.2 The parties acknowledge and agree that the provisions of Clause 14.7.1 above shall operate and apply as a genuine pre-estimate of the loss suffered by the Executive as a result of such termination and that notwithstanding any general rule or principle of law as to mitigation of loss or otherwise.

15. **Restrictions after employment**

15.1 Since the Executive has obtained and is likely to obtain knowledge of Confidential Information and the trust and confidence of customers, suppliers and other contacts of the Group in the course of his employment with the Company and/or any other Group Company the Executive hereby agrees that in addition to the restrictions contained in Clause 13 of this Deed he will be bound by the following restrictions namely:-

15.1.1 the Executive shall not for a period of six months from the date of termination of the Appointment, directly or indirectly carry on or be engaged or concerned or interested (whether as principal, shareholder, partner, consultant, employee, director, sub-contractor, officer, agent or otherwise), in any trade or business carried on within a radius of three miles of any premises from which the Company carries on business which is or is in any way calculated or likely to be competitive with or similar to any trade or business carried on by the Company at any time

during the period of twelve months preceding such date of termination; and the provisions of this sub-paragraph shall apply also to any trade or business of any Group Company which the Executive has served during the Appointment;

15.1.2 the Executive shall not for a period of six months from the date of termination of the Appointment, directly or indirectly by any means whatsoever, and whether for himself or for or on behalf of any third party, canvass or solicit orders or instructions for goods or services of the same kind or nature as, or competitive or calculated or likely to be competitive with, those with which the Company (or any Group Company which the Executive has served during the Appointment) was concerned to a material extent at any time during the twelve months preceding such date of termination, from any person, firm, company, body or authority who or which was a customer, supplier, agent or distributor of the Company (or any Group Company which the Executive has served during the Appointment) or with whom or which the Company (or any Group Company which the Executive has served during the Appointment) has otherwise done business during such period of twelve months; or

15.1.3 the Executive shall not for a period of six months from the date of termination of the Appointment, induce or endeavour to induce any person with whom the Company (or any Group Company which the Executive has served during the Appointment) has done business at any time within twelve months prior to the date of such termination, to remove their business from the Company (or any such Group Company).

15.2 Since the Executive has obtained and is likely to obtain in the course of his employment with the Company and/or any Group Company the confidence of and influence over the employees of the Company and the Group and, in particular, both the knowledge of and confidence of and influence over those employees of particular importance to the Company and/or the Group due to their key skills and responsible positions, and in

recognition that the Company and the other Group Companies have an interest in preserving their connection with such key employees the Executive hereby agrees that he shall not for a period of six months from the date of termination of the Appointment, directly or indirectly by any means whatsoever, and whether for himself or on behalf of any third party, solicit or endeavour to entice away, offer employment to, employ or cause to be employed any person who at any time during the twelve months prior to such termination is or was a director or senior employee of managerial status of the Company (or any Group Company which the Executive has served during the Appointment).

- 15.3 If any of the foregoing undertakings is held for any reason not to be valid or enforceable as going beyond what is reasonable for the protection of the interests of the Company or the Group, but would be valid if part of the wording were deleted or its extent reduced or modified, then such undertakings shall apply with such modifications or variations as may be necessary to make them enforceable, and any such modification or variation shall not thereby affect the validity of any of the other undertakings.
- 15.4 The Executive acknowledges and agrees that he has been advised to take independent professional advice in relation to the provisions of this Clause 15, and that such provisions are fair and reasonable.
- 15.5 For the purposes of the restrictions set out in this Clause 15 the expression "Company" shall include any former owner or transferor of a business acquired by the Company by which the Executive shall have been employed under a contract of employment in respect of which his service is included for the purposes of calculating continuous employment with the Company.

16. **Other Agreements**

This Deed sets out the whole terms and conditions applicable to the Appointment and the Executive's employment by the Company. All prior contracts and agreements (whether reduced

to writing or not) in relation to the Executive's employment by the Company or any Group Company are hereby entirely superseded.

17. **Statutory Intimation**

For the purposes of the Employment Rights Act 1996 as amended, the terms of employment applying as at the Commencement Date are as specified in the Schedule annexed.

18. **Notices**

18.1 Any notice or other document required or permitted to be given or served under this Deed, may be given or served personally or by leaving the same or sending the same by first class post or other faster postal service or facsimile transmission at or to the registered office of the Company, or the address of the Executive as stated in this Deed, or such other address as the Executive may hereafter intimate in writing to the Company for the giving of notice.

18.2 Any such notice or document shall be deemed to have been served:-

18.2.1 if delivered, at the time of delivery; or

18.2.2 if posted, at the expiry of 48 hours after posting.

18.3 In proving such service it shall be sufficient to prove that delivery was made or that the envelope containing such notice or document was properly addressed and posted.

19. **General**

19.1 Any reference to any provision of any Act of Parliament or subordinate legislation pursuant thereto shall be deemed to be a reference to such Act of Parliament or

subordinate legislation as amended, modified or re-enacted (whether before or after the date hereof) and any references to any provision of any such Act or legislation shall also include any provision of which they are re-enactments and any provision in repealed enactments.

- 19.2 Clause headings have been inserted for convenience only and shall not affect the construction of this Deed.
- 19.3 Notwithstanding termination of this Deed, the provisions of Clauses 12 (Intellectual Property), 13 (Confidentiality) and 15 (Restrictions after employment) shall remain in force indefinitely or for the periods therein specified as the case may be.
- 19.4 No failure on the part of either party to exercise, and no delay on its part in exercising any right or remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.
- 19.5 The Executive hereby acknowledges that he has no outstanding claims of any kind against the Company or any Group Company or against their respective assets (otherwise than in respect of remuneration and other benefits to which he is entitled accrued due to the date hereof but not yet received).

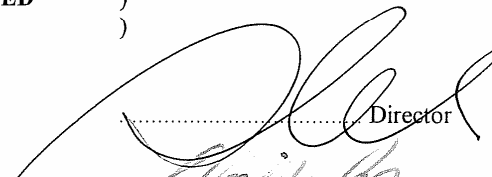

20. **Applicable Law**

This Deed shall be governed by and construed according to the law of England.

IN WITNESS WHEREOF the parties have executed and delivered this instrument as a deed the day and year first before written:-

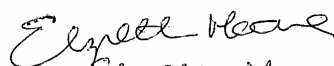
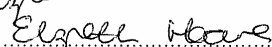
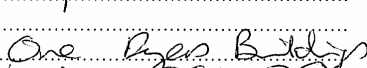
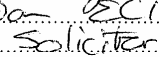
- (ix) Notice:- See Clauses 3, 14 and 18.
- (x) Grievance Procedure:- The Executive shall refer any grievance about the Appointment or any dissatisfaction with any disciplinary decision relating to him to the Board in writing. The Board will consider the matter and its decision shall be final.
- (xi) The Executive hereby agrees to exclude his right to claim compensation for unfair dismissal and/or a redundancy payment arising solely out of the expiry of this Deed without renewal.

EXECUTED and DELIVERED)
as a Deed on behalf of the said)
LOK'N STORE LIMITED)
acting by:-)


..... Director

..... Director/Secretary

SIGNED and DELIVERED)
as a Deed by the said **SIMON**)
THOMAS in the presence of the)
undernoted witness:-)




Witness: 
Name:
Address: 
.....
Occupation: 
.....

LOK560\0001\SERVEA\DOC
25Mar1997

DATED 25th MARCH 1997

SERVICE CONTRACT

between

ANDREW JACOBS

and

LOK'N STORE LIMITED

**BROUGH SKERRETT
THE CITY LAW PARTNERSHIP
ONE DYERS BUILDINGS
LONDON EC1N 2SX
TEL: 0171 814 9195
FAX: 0171 814 9196**

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THIS DEED is made the 25th day of March, 1997

BETWEEN:-

- (1) **LOK'n STORE LIMITED**, (No. 2902717) having its registered office at Fairfield House, Fairfield Avenue, Staines, Middlesex TW18 4AQ (hereinafter called "**the Company**")
- (2) **ANDREW JACOBS** residing at The Cedars, Doctor's Lane, West Meon, Hants, GU32 1LR (hereinafter called "**the Executive**")

WHEREAS:-

1. The Company carries on the business of operating self-storage centres.
2. The Executive is employed as managing director of the Company on the terms and conditions hereinafter set forth.

NOW THIS DEED WITNESSES as follows:-

1. **Definitions and Interpretation**

In this Deed unless the context otherwise requires the following expressions shall have the following meanings:

"the Appointment" the employment of the Executive by the Company under the terms of this Deed.

"Associated Company" any company which for the time being is the holding company (as defined by Section 736 of the Companies Act 1985) of the Company and any subsidiary of such holding company, any

company of which the equity share capital (as defined in Section 744 of the Companies Act 1985) is owned as to 50% or less but more than 25% by such holding company or by any of its subsidiaries, or by the Company or any of its subsidiaries as the case may be, and including a subsidiary of an Associated Company.

"the Board"

the board of directors of the Company present at a meeting of the directors or of a committee of the directors duly convened and held.

"the Commencement Date"

the 1st day of April 1997,
notwithstanding the date(s) hereof.

"Confidential Information"

all information which may be imparted in confidence or be of a confidential nature relating to the business or prospective business, plans or internal affairs of the Company or any Group Company and in particular all commercial, financial or technical information relating to the business of the Company or any Group Company or to any customer or supplier, officer or employee of the Company or any Group Company or to any member or person interested in the share capital of the Company or any Group Company.

"the Group"

the Company and its Subsidiaries and Associated Companies from time to time.

"Group Company"

any Subsidiary or Associated Company of the Group.

"the Index"

the all items index of retail prices published by the Central

Statistical Office (or by any other Government Department upon which duties in connection with such index shall have devolved) and/or any other index of retail prices which shall from time to time replace the all items index of retail prices as the authoritative index for official purposes;

"Intellectual Property Materials"

inventions, discoveries, processes, copyright works, designs, plans, drawings, computer programs and codes, and all other forms of data or records, procedures or systems in respect of which, in any case, Intellectual Property Rights (as hereinafter defined) subsist (or are capable of subsisting subject to the making of the appropriate application or registration) and any later modification or development and all other similar or analogous items;

"Intellectual Property Rights"

all and any intellectual property rights subsisting in any part of the world, whether registered or unregistered, and all or any applications for such rights, including without limitation, patents, inventions, trade marks, service marks, know-how, designs, copyrights (including rights in computer software), topography rights and other rights in semi-conductor chips and moral rights (as defined in the Copyright Designs and Patents Act 1988)

"Pension Scheme"

the Company's contributory pension scheme.

"Subsidiary"

any Company which for the time being is a subsidiary (as defined by Section 736 of the Companies Act 1985) of the Company.

- 1.2 The Clause headings and the Index in this Agreement are for convenience of reference only and shall not affect the construction or interpretation hereof.

- 1.3 References in this Agreement to any statute or statutory provision shall include such provision and any statute or statutory provision which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.
- 1.4 References in this Agreement to persons shall include references to firms, corporations or unincorporated associations.

2. **Appointment**

- 2.1 The Company shall employ the Executive and the Executive shall serve the Company as full time Managing Director or in such other appointment as the Company may from time to time direct (such other appointment not to be of lower status than the Executive's original appointment under this Deed) for the period specified in Clause 3.
- 2.2 The Company may at any time require the Executive to serve any other Group Company or Companies and to carry out for such Group Company or Companies such duties and responsibilities as may be assigned by the Board, but otherwise on the same terms and conditions as to salary and otherwise as herein provided.
- 2.3 The Company may from time to time appoint any other person or persons to act jointly with the Executive in the Appointment.
- 2.4 The Executive warrants that by virtue of entering into this Deed he will not be in breach of any express or implied term of any contract with or of any other obligation to any third party binding upon him.

3. **Duration**

The Appointment shall commence on the Commencement Date and shall continue (subject to the provisions for termination in Clause 14) until terminated (i) by the Company giving to the Executive not less than one year's prior written notice of termination (ii) by the Executive giving to the Company not less than six months' prior written notice of termination or (iii) on the Executive reaching his 60th birthday.

4. **Duties of the Executive**

- 4.1 The Executive shall undertake such duties and responsibilities in relation to the Company or any Group Company as the Board may from time to time delegate to him at the address of the Company as stated in this Deed and at such place or places in the United Kingdom or elsewhere as the Company shall reasonably specify, and shall carry out all lawful and reasonable resolutions of the Board from time to time Provided that the Executive shall not be required to work outside the United Kingdom for a period longer than one month.
- 4.2 The Executive shall promote the trade and business of the Company and the Group to the best of his ability, knowledge and power and shall not willingly or knowingly do or permit to be done anything to the prejudice of the Company or the Group or any trade or business carried on by the Company or any Group Company.
- 4.3 The Executive shall at all times keep the Board or a person duly authorised by the Board promptly and fully informed (in writing if so requested) of his conduct of the business or affairs of the Company or any Group Company.
- 4.4 The Executive shall devote such of his time, attention and skill as is necessary to fulfil the duties of his office and shall faithfully, diligently, efficiently and competently perform all such duties.

- 4.5 Notwithstanding the foregoing the Company shall be under no obligation, for a period of 12 months, or at any time after notice of termination of the Appointment shall have been given by either party, to vest in or assign to the Executive any powers or duties or to provide any work for the Executive, and the Company may at any time suspend the Executive from the performance of his duties or exclude him from any premises of the Company and need not give any reason for so-doing, but his salary will not cease to be payable by reason only of such suspension or exclusion of the Executive (unless and until his employment under this Deed shall be determined under any provision hereof).
- 4.6 The obligations and duties to the Company accepted by the Executive in terms of this Deed shall also be owed by him to any Group Company for which he performs services and/or carries out duties and/or to which he is seconded in terms hereof during the course of the Appointment.
- 4.7 Without prejudice to the provisions of this Agreement the Executive shall observe and comply with any and all the disciplinary rules and procedures issued or decided upon from time to time by the Board.

5. **Remuneration and Options**

- 5.1 As remuneration for his services hereunder, the Executive shall be paid a fixed salary of **SEVENTY THOUSAND POUNDS (£ 70,000)** per annum, payable monthly in arrears on or about the last day of each month. Such fixed salary shall be deemed to accrue from day to day, and shall be inclusive of any fees payable to the Executive as a director of the Company and/or any Group Company. All sums from time to time received by the Executive by way of remuneration or fees in connection with or arising from his appointment as a director of a company shall, unless otherwise agreed in writing by the Company, be accounted for and paid over by the Executive to the Company.
- 5.2 Such fixed salary shall be subject to annual review by the Company and may be increased

(but not decreased) by such amount as the Board in its discretion may think fit.

- 5.3 In addition to the fixed salary above specified, the Executive may be entitled to an annual bonus of such amount as the Board in its sole discretion may determine.
- 5.4 Such bonus shall not be deemed to accrue until the end of the financial year by reference to which it is to be calculated, and if the Appointment is terminated for any reason whatever before the end of such financial year, no part of such bonus shall be payable to the Executive.
 - 5.5.1 In further consideration for the services provided or to be provided by the Executive hereunder, the Company hereby grants to the Executive an Option to acquire up to a further 972,000 Ordinary Shares of 0.01p each in the Share Capital of the Company at a subscription price of 38p per share ("the Option").
 - 5.5.2 Upon the exercise of the Option and payment of the subscription price the Company shall become bound to issue the Option Shares within fourteen days of the date stated in the Option Notice or if no date is stated therein on such date within fourteen days after the date of the Option Notice as the Company shall determine. The Option may be exercised in one or more parts.
 - 5.5.3 The Option may be exercised by the Executive giving not less than fourteen days notice in writing to the Company (i) at any time between the fifth and tenth anniversary of the Commencement Date PROVIDED THAT either the Company has achieved an annual turnover of £5,000,000 or the average middle market quotation of an Ordinary Share as derived from OFEX or any investment exchange on which they are traded on each of the three dealing days immediately preceding the date of the Option Notice exceeds £1.50; or (ii) within four weeks of any person or group of persons acting in concert acquiring, directly or indirectly, control of 50 per cent or more of the issued Ordinary Share Capital of the Company.

6. **Pension and Insurance Benefits**

- 6.1 With effect from the Commencement Date the Executive shall be entitled to join the Company's Pension Scheme and death in service scheme on a non-contributory basis.
- 6.2 The Executive shall be entitled to participate at the Company's expense in any permanent health insurance scheme established by the Company and for himself, his spouse and dependent children (if any) in any private medical expenses insurance scheme established by the Company subject always to the rules of the schemes.
- 6.3 The Executive shall submit to such medical examinations as may be reasonably required by the Board and/or the insurers under the policy referred to in Clause 6.2 from time to time, such medical examinations to be carried out by a registered medical practitioner nominated by the Board. The Executive hereby irrevocably authorises and gives his consent, for the purposes of Section 3 of the Access to Medical Reports Act 1988, to such medical practitioner to disclose to the Board and/or the insurers under the policy referred to in Clause 6.2 the results of such examinations and such other relevant medical information as the Board may reasonably require and to discuss any matter arising from such examinations with an authorised representative of the Board. Copies of any reports made and information provided to the Board and/or such insurers in terms of this Clause 6.3 shall be made available to the Executive. The fees and expenses incurred in the provision of such medical examinations and obtaining of such medical information shall be borne by the Company.
- 6.4 If in the opinion of the Board (acting reasonably) the cost to the Company of maintaining (in respect of the Executive or, in the case of the private medical expenses insurance scheme, the Executive, his spouse and his dependent children (if any)) the permanent health insurance scheme and/or the private medical expenses insurance scheme becomes unreasonably expensive, the Company shall be entitled to reduce the level of the benefit provided under the permanent health insurance scheme or private medical expenses

insurance scheme (as the case may be) provided that the cost to the Company is not less than the cost in relation to the permanent health insurance scheme or private medical expenses insurance scheme (as the case may be) in force at that date (or as soon as practicable thereafter) increased in line with the total increases in the Index from that date. The Company shall give the Executive reasonable notice of its decision to reduce the benefits provided under the permanent health insurance scheme and/or the private medical expenses insurance scheme pursuant to this Clause.

- 6.5 If it is not possible for the Executive to participate in the Company's permanent health insurance scheme or for the Executive, his spouse and dependent children (if any) to participate in the Company's private medical expenses insurance scheme due to the Executive or family member, pursuant to the medical examinations referred to in Clause 6.3, or for any other reason being declared uninsurable by the insurers then the Company shall be under no obligation to provide such insurance benefits to the Executive and for the avoidance of doubt shall not be deemed for this reason to be in breach of this Clause 6.

7. **Company Car**

- 7.1 Throughout the duration of the Appointment, the Company shall provide the Executive with a suitable company car.
- 7.2 The Company shall pay the taxation, insurance premiums and running expenses of such company car including petrol (but not petrol for private use), maintenance and repairs.
- 7.3 The Executive shall be entitled to make use of such company car for his own private purposes.
- 7.4 The Executive shall at all times conform with all rules and regulations which the Company may from time to time impose in respect of company cars provided by the Company for

the use of its employees and shall forthwith notify the Company of any accidents involving his company car and of any charges of driving offences which are brought against him, and on termination of the Appointment whether lawful or unlawful, shall forthwith return his company car to the Company at its head office.

8. **Expenses**

- 8.1 The Company shall reimburse the Executive on a monthly basis the full amount of all travel, accommodation and other expenses reasonably and properly incurred by the Executive on the business of the Board and the Group, subject to production of such receipts or other vouchers as the Board may reasonably require.
- 8.2 If the Company issues (or has issued) the Executive with a company sponsored credit or charge card, such card shall be used solely for expenses reimbursable under Clause 8.1. The Company reserves the right, as its sole discretion, to withdraw the use of any such credit or charge card at any time and the Executive shall promptly return any such credit or charge card to the Company when so requested and in any event forthwith upon termination of the Appointment howsoever arising.

9. **Holidays**

- 9.1 In addition to public holidays, the Executive shall be entitled to such holiday as the Board in its discretion determines from time to time subject to a minimum of 30 days in each holiday year.
- 9.2 Such holiday entitlement shall accrue uniformly at the rate of one twelfth of such annual entitlement per complete month worked after the Commencement Date, but unless otherwise agreed by the Board, holiday entitlement accrued but not taken by the end of each holiday year may not be carried forward, nor shall the Executive be entitled to payment in lieu. On termination of the Appointment for whatever reason, the Executive

shall be entitled to pay in lieu of outstanding holiday entitlement. The basis for payment shall be 1/253 of the Executive's annual salary for each day's entitlement.

- 9.3 For the purpose of calculating holiday entitlement hereunder, the Company and Group's "holiday year" runs from 1st January to 31st December.

10. **Illness**

- 10.1 If the Executive is prevented by illness (including mental disorder) or injury from performing his duties and responsibilities hereunder, he shall if so requested by the Board furnish the Board with medical evidence reasonably satisfactory to the Board.

- 10.2 In the event of such illness or injury, the Executive shall (subject to providing the appropriate certificate(s) as specified above) be entitled to the following payments:-

10.2.1 during any continuous period of ninety working days or the first ninety days in aggregate in any period of twelve consecutive calendar months - the full amount of his fixed salary (but not bonus); and

10.2.2 during any continuous period of one hundred and eighty days or the next ninety days in aggregate in any period of twelve consecutive calendar months - 50% of such fixed salary (but not bonus)

PROVIDED THAT such remuneration shall be inclusive of any statutory sick pay to which the Executive is entitled to and that any social security sickness benefit or other benefits recoverable by the Executive (whether or not recovered) may be deducted therefrom.

- 10.3 If such illness or injury continues beyond any continuous period in excess of one hundred and eighty days or one hundred and eighty days in aggregate in any period of twelve

consecutive calendar months, any further payment beyond that specified in sub-clause 10.2 above shall be at the Board's sole discretion. **PROVIDED THAT:-**

10.3.1 in the event of his incapacity disappearing or diminishing before termination of his employment hereunder the Executive shall resume either his full duties hereunder on the same terms and conditions as those pertaining at the date of his incapacity or alternatively such restricted duties as the Company may reasonably decide with payment of not less than two thirds of said salary; and

10.3.2 until termination of the Executive's employment hereunder the Company shall notwithstanding the Executive's incapacity continue to maintain the life insurance, pension and other benefits in force at the date of said incapacity and paid for by the Company.

10.4 At any time during the period of the Appointment, the Executive shall at the request and expense of the Company permit himself to be examined by a registered medical practitioner to be selected by the Company and shall authorise such medical practitioner to disclose to and discuss with the Company's medical adviser the results of such examination and any matters which arise from it in order that the Company's medical adviser can notify the Company of any matters which, in their opinion, might hinder or prevent the Executive (if during a period of incapacity) from returning to work for any period or (in other circumstances) from properly performing any duties of the Appointment at any time.

10.5 The above provisions do not affect the Company's right of termination under Clause 14.

11. Restrictions during employment

11.1 Save as permitted under Clause 11.2 the Executive shall not during the Appointment hold any political office or any appointment or office with any public body, board, local authority or government department or carry on or be concerned, engaged or interested

directly or indirectly (whether as principal, shareholder, partner, consultant, employee, director, sub-contractor, officer, agent or otherwise) in any trade or business, in particular any client business, other than that of the Company except for the exclusive benefit of the Company or as a customer of the client on normal arms-length terms, in which case all debts due to such client should be discharged promptly on such credit terms as may have been agreed and shall not engage in any other activity which the Company reasonably considers may impair his ability to perform his duties under this Deed **PROVIDED THAT** this provision shall not prevent the Executive from holding or being otherwise interested in not more than three per cent. of the equity share capital or loan capital of any company which is quoted on a recognised Stock Exchange (as defined in the Financial Services Act 1986) or dealt in on the Unlisted Securities Market or the Alternative Investment Market.

- 11.2 The Executive shall disclose to the Board any interest of his own (or of any person connected with the Executive as defined in Section 346 of the Companies Act 1985):-

11.2.1 in any trade, business or occupation whatsoever which is in any way similar to any of those in which the Company or any Group Company is involved; and

11.2.2 in any trade or business carried on by any supplier or customer of the Company or any Group Company whether or not such trade, business or occupation may be conducted for profit or gain.

- 11.3 The Executive may carry on or be concerned, engaged or interested in any other trade or business if he shall have:-

11.3.1 made full disclosure in accordance with Clause 11.2.

11.3.2 provided, on the basis of the utmost good faith, full particulars of its nature and of the likely demands it will make on his time and abilities; and

11.3.3 obtained the prior written consent of the Board, which consent may be given subject to such terms or conditions as it may decide (each of which shall be considered to be a term of this Deed): the Company shall have the right to reconsider such consent or such terms if it reasonably considers that it is in the interests of the Company to do so.

11.4 The restrictions set out in this Clause 11 are without prejudice to any other fiduciary duties owed to the Company whether express or implied.

12. **Intellectual Property**

12.1 In view of the fact that the business of the Company and of the Group Companies consists in part in the development and exploitation of inventions, techniques, products and methods and that it is the Executive's responsibility inter alia to further the interests of the Company and the Group in respect thereof, the Executive hereby irrevocably agrees, subject to Clause 12.3 that all Intellectual Property Materials made, created, discovered, conceived, written, designed or originated by the Executive, whether alone or in conjunction with any other person, at any time whether before or after the Commencement Date but after he became an employee of the Company or any Group Company whether capable of being patented or registered or not, and whether or not made, created or discovered, conceived, written, designed or originated in the course of his employment, in connection with or in any way affecting or relating to the business of the Company or any Group Company or in any way, directly or indirectly, capable of being used or adapted for use therein or in connection therewith, shall be disclosed forthwith to the Company (together, where relevant, with all information and data in his possession as to the exact mode of working, producing and using the same) and such Intellectual Property Materials, and all Intellectual Property Rights relating thereto, upon their creation, discovery, conception, drafting, design or origination shall belong to and vest in the Company (or such other Group Company as the Company may nominate for the purpose) absolutely and beneficially together with, where necessary, all rights to apply

for the Intellectual Property Rights.

- 12.2 The Executive shall, if and when required to do so by the Company (whether before or after the termination of the Appointment), at the Company's expense do all things and execute all documents necessary to vest all such Intellectual Property Rights absolutely in the Company or its nominees or any other Group Company as absolute legal and beneficial owner (without payments to the Executive for them) and to secure, preserve and enforce all appropriate forms of protection therefore in any part of the world, and for this purpose shall, at the Company's expense, take or defend any proceedings to procure or defend any application, registration or protection. For the purpose of this Clause 12.2 and the Executive hereby irrevocably authorises the Company to appoint some person in his name and on his behalf to execute all instruments or documents and do all acts or things as aforesaid as the Executive's attorney.
- 12.3 Nothing in this Clause 12 shall prejudice the rights of the Executive as contained in Sections 40 to 43 of the Patents Act 1977 and any other applicable legislation.
13. **Confidentiality**
- 13.1 Save as specifically authorised by the Company, or as required in the performance of his duties hereunder, the Executive shall at all times (both during and after the termination of the Appointment) maintain absolute confidentiality in respect of all Confidential Information and shall not disclose any of same (and if disclosure is authorised by the Company, shall make disclosure only under the terms of such authorisation) to any other person, firm, company, body or authority, or use or attempt to use any such information in any manner which may injure or cause loss or may be calculated to injure or cause loss directly or indirectly to the Company or the Group.
- 13.2 The obligations of confidence referred to in this Clause 13 shall not apply to any Confidential Information which is published or is otherwise in the public domain prior to

the receipt of such Confidential Information by the Executive or which is or becomes publicly available on a non-confidential basis through no fault of the Executive.

14. **Termination**

14.1 **Automatic termination**

This Agreement shall automatically terminate on the Executive reaching his 60th birthday.

14.2 **Suspension**

In order to investigate a complaint against the Executive of misconduct the Company is entitled to suspend the Executive on full pay for so long as may be necessary to carry out a proper investigation and hold a disciplinary hearing.

14.3 **Immediate Dismissal**

The Appointment may be terminated at any time by the Company giving written notice of immediate termination to the Executive in any of the following events:-

14.3.1 if the Executive is prevented by illness or injury from performing his duties hereunder for a continuous period in excess of one hundred and eighty days or for more than an aggregate of one hundred and eighty days in any period of twelve consecutive calendar months; or

14.3.2 if the Executive is guilty of any act of serious misconduct or wilful neglect or other conduct calculated or likely prejudicially to affect the interests of the Company or any Group Company; or

14.3.3 if the Executive is guilty of any conduct which in the reasonable opinion of the Board brings him, or the Company or any Group Company into serious disrepute;
or

- 14.3.4 if the Executive commits any material breach of the terms of this Deed which cannot be remedied or, if it can be remedied, remains unremedied on the expiry of seven days after the Executive has received written notice from the Company specifying the breach and the action required to remedy the same; or
- 14.3.5 if the Executive is, in the reasonable opinion of the Board, incompetent in the performance of his duties; or
- 14.3.6 if the Executive becomes bankrupt or is sequestrated or makes any arrangement or composition with his creditors generally; or
- 14.3.7 if the Executive becomes of unsound mind or becomes a patient within the meaning of the Mental Health (Scotland) Act 1986 or the Mental Health Act 1983; or
- 14.3.8 if the Executive is convicted of any criminal offence, whether committed during or outside normal business hours, other than a motoring or other offence which in the reasonable opinion of the Board does not affect the Executive's position under the Appointment; or
- 14.3.9 if the Executive commits any act of dishonesty whether relating to the Company, any of its employees or otherwise; or
- 14.3.10 if the Executive is disqualified from holding office as a Director pursuant to an order under the Company Directors Disqualification Act 1986, by reason of any provision of the Insolvency Act 1986 or pursuant to any of the Regulatory Rules.

14.4 Dismissal on short notice

The Company may terminate this Agreement by not less than one month's prior notice if

the Executive has been offered but has refused to agree to the transfer of the Appointment by way of novation to a person, firm or company which has acquired or agreed to acquire the whole or substantially the whole of any undertaking (as defined in the Transfer of Undertakings (Protection of Employment) Regulations 1981) in which he is employed to any extent.

14.5 Acting on termination

On termination of the Appointment, the Executive shall:-

- 14.5.1 deliver up to the Company all Intellectual Property Materials, books, documents, papers, data (in whatever medium the same be stored or recorded) and other materials and property relating to the business of the Company or the Group which may then be in his possession or under his control;
- 14.5.2 on request of the Company resign (waiving all claims for compensation of any nature in respect thereof) from office as a director and secretary of the Company and any Group Company of which he is then a director or secretary (but such resignation shall be without prejudice to any claim to which the Executive may be entitled under the Employment Rights Act 1996 as amended) and in the event of failing to do so, the Company shall be entitled (and is hereby irrevocably authorised by the Executive) in the name of and on behalf of the Executive to execute any documents and do any other thing necessary to effect such resignation and the intimation or registration thereof; and
- 14.5.3 transfer as the Company may direct any share(s) held by him in accordance with the articles of association of the Company from time to time and in the event of failing to do so, the Company shall be entitled (and is hereby irrevocably authorised by the Executive) in the name of and on behalf of the Executive to execute or authorise any person to execute any documents or to do any things

necessary to effect such transfer.

- 14.6 The Executive shall not after termination of the Appointment represent himself as being employed by or in any way connected with the Company or any Group Company.

14.7 Compensation

14.7.1 In the event of the Company terminating the Executive's employment hereunder other than pursuant to Clauses 3, 14.1, 14.3 or 14.4 above such that the Company is or may be in breach of this Agreement, the parties hereto agree that the Executive's remedy for such breach shall be in damages only and further agree that the Executive shall be entitled to recover from the Company liquidated damages in satisfaction thereof in such sum as shall be equivalent to the gross annual remuneration (including any bonus which the Executive would otherwise have received) payable to the Executive immediately prior to the termination of the Executive's employment hereunder, after deduction, if applicable, of any amount to which the Executive may be entitled by virtue of the provisions of the Employment Rights Act 1996, as amended, where such termination is by reason of redundancy, and such sum, after deduction if applicable, shall be accepted by the Executive in full and final settlement of all claims accruing to him and arising against the Company by virtue of such termination (excluding always any pension or other similar benefits to which he may be entitled).

14.7.2 The parties acknowledge and agree that the provisions of Clause 14.7.1 above shall operate and apply as a genuine pre-estimate of the loss suffered by the Executive as a result of such termination and that notwithstanding any general rule or principle of law as to mitigation of loss or otherwise.

15. **Restrictions after employment**

15.1 Since the Executive has obtained and is likely to obtain knowledge of Confidential Information and the trust and confidence of customers, suppliers and other contacts of the Group in the course of his employment with the Company and/or any other Group Company the Executive hereby agrees that in addition to the restrictions contained in Clause 13 of this Deed he will be bound by the following restrictions namely:-

15.1.1 the Executive shall not for a period of six months from the date of termination of the Appointment, directly or indirectly carry on or be engaged or concerned or interested (whether as principal, shareholder, partner, consultant, employee, director, sub-contractor, officer, agent or otherwise), in any trade or business carried on within a radius of three miles of any premises from which the Company carries on business which is or is in any way calculated or likely to be competitive with or similar to any trade or business carried on by the Company at any time during the period of twelve months preceding such date of termination; and the provisions of this sub-paragraph shall apply also to any trade or business of any Group Company which the Executive has served during the Appointment;

15.1.2 the Executive shall not for a period of six months from the date of termination of the Appointment, directly or indirectly by any means whatsoever, and whether for himself or for or on behalf of any third party, canvass or solicit orders or instructions for goods or services of the same kind or nature as, or competitive or calculated or likely to be competitive with, those with which the Company (or any Group Company which the Executive has served during the Appointment) was concerned to a material extent at any time during the twelve months preceding such date of termination, from any person, firm, company, body or authority who or which was a customer, supplier, agent or distributor of the Company (or any Group Company which the Executive has served during the Appointment) or with whom or which the Company (or any Group Company which the Executive has

served during the Appointment) has otherwise done business during such period of twelve months; or

15.1.3 the Executive shall not for a period of six months from the date of termination of the Appointment, induce or endeavour to induce any person with whom the Company (or any Group Company which the Executive has served during the Appointment) has done business at any time within twelve months prior to the date of such termination, to remove their business from the Company (or any such Group Company).

15.2 Since the Executive has obtained and is likely to obtain in the course of his employment with the Company and/or any Group Company the confidence of and influence over the employees of the Company and the Group and, in particular, both the knowledge of and confidence of and influence over those employees of particular importance to the Company and/or the Group due to their key skills and responsible positions, and in recognition that the Company and the other Group Companies have an interest in preserving their connection with such key employees the Executive hereby agrees that he shall not for a period of six months from the date of termination of the Appointment, directly or indirectly by any means whatsoever, and whether for himself or on behalf of any third party, solicit or endeavour to entice away, offer employment to, employ or cause to be employed any person who at any time during the twelve months prior to such termination is or was a director or senior employee of managerial status of the Company (or any Group Company which the Executive has served during the Appointment).

15.3 If any of the foregoing undertakings is held for any reason not to be valid or enforceable as going beyond what is reasonable for the protection of the interests of the Company or the Group, but would be valid if part of the wording were deleted or its extent reduced or modified, then such undertakings shall apply with such modifications or variations as may be necessary to make them enforceable, and any such modification or variation shall not thereby affect the validity of any of the other undertakings.

15.4 The Executive acknowledges and agrees that he has been advised to take independent professional advice in relation to the provisions of this Clause 15, and that such provisions are fair and reasonable.

15.5 For the purposes of the restrictions set out in this Clause 15 the expression "Company" shall include any former owner or transferor of a business acquired by the Company by which the Executive shall have been employed under a contract of employment in respect of which his service is included for the purposes of calculating continuous employment with the Company.

16. **Other Agreements**

This Deed sets out the whole terms and conditions applicable to the Appointment and the Executive's employment by the Company. All prior contracts and agreements (whether reduced to writing or not) in relation to the Executive's employment by the Company or any Group Company are hereby entirely superseded.

17. **Statutory Intimation**

For the purposes of the Employment Rights Act 1996 as amended, the terms of employment applying as at the Commencement Date are as specified in the Schedule annexed.

18. **Notices**

18.1 Any notice or other document required or permitted to be given or served under this Deed, may be given or served personally or by leaving the same or sending the same by first class post or other faster postal service or facsimile transmission at or to the registered office of the Company, or the address of the Executive as stated in this Deed, or such other address as the Executive may hereafter intimate in writing to the Company for the giving of notice.

18.2 Any such notice or document shall be deemed to have been served:-

18.2.1 if delivered, at the time of delivery; or

18.2.2 if posted, at the expiry of 48 hours after posting.

18.3 In proving such service it shall be sufficient to prove that delivery was made or that the envelope containing such notice or document was properly addressed and posted.

19. **General**

19.1 Any reference to any provision of any Act of Parliament or subordinate legislation pursuant thereto shall be deemed to be a reference to such Act of Parliament or subordinate legislation as amended, modified or re-enacted (whether before or after the date hereof) and any references to any provision of any such Act or legislation shall also include any provision of which they are re-enactments and any provision in repealed enactments.

19.2 Clause headings have been inserted for convenience only and shall not affect the construction of this Deed.

19.3 Notwithstanding termination of this Deed, the provisions of Clauses 12 (Intellectual Property), 13 (Confidentiality) and 15 (Restrictions after employment) shall remain in force indefinitely or for the periods therein specified as the case may be.

19.4 No failure on the part of either party to exercise, and no delay on its part in exercising any right or remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

- 19.5 The Executive hereby acknowledges that he has no outstanding claims of any kind against the Company or any Group Company or against their respective assets (otherwise than in respect of remuneration and other benefits to which he is entitled accrued due to the date hereof but not yet received).

20. Applicable Law

This Deed shall be governed by and construed according to the law of England.

IN WITNESS WHEREOF the parties have executed and delivered this instrument as a deed the day and year first before written:-

SCHEDULE to DEED

between

LOK'n STORE LIMITED

and

ANDREW JACOBS

- (i) Job Title:- ~~Managing Director~~ **CHIEF EXECUTIVE OFFICER**
- (ii) Date of Commencement:- The Commencement Date. The Executive's previous employment with the Company from 1st May 1995 shall count with the Appointment as a continuous period of employment.
- (iii) Place of Work:- See Clause 4
- (iv) Hours:- See Clause 4
- (v) Remuneration:- See Clause 5
- (vi) Holidays:- See Clause 9
- (vii) Sickness or Injury:- See Clause 10

The Company operates the Statutory Self-Certification and Sick Pay Scheme.

- (viii) Pension:- The Director is entitled to membership of the Company's Pension Scheme (see Clause 6).

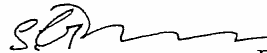
A contracting out certificate is in force in respect of the Appointment.


(ix) Notice:- See Clauses 3, 14 and 18.

(x) Grievance Procedure:- The Executive shall refer any grievance about the Appointment or any dissatisfaction with any disciplinary decision relating to him to the Board in writing. The Board will consider the matter and its decision shall be final.

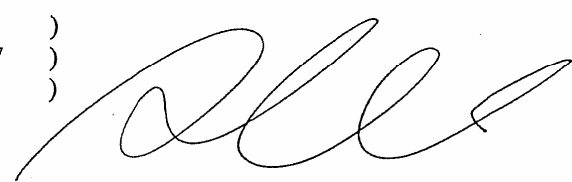
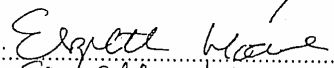
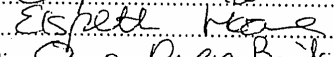
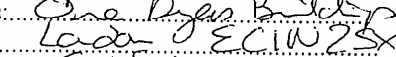
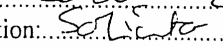
(xi) The Executive hereby agrees to exclude his right to claim compensation for unfair dismissal and/or a redundancy payment arising solely out of the expiry of this Deed without renewal.

EXECUTED and DELIVERED)
as a Deed on behalf of the said)
LOK'N STORE LIMITED)
acting by:-)


..... Director


..... Director/Secretary

SIGNED and DELIVERED)
as a Deed by the said **ANDREW**)
JACOBS in the presence of the)
undernoted witness:-


Witness: 
Name: 
Address: 
.....
Occupation: 
.....

DATED 6 JULY 2005

LOK'N STORE GROUP PLC

and

RAYMOND ALAN DAVIES

SERVICE CONTRACT

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THIS DEED is made the 6th day of July 2005

BETWEEN:-

- (1) **LOK'N STORE GROUP PLC**, (No. 4007169) having its registered office at 5 Old Bailey, London EC4M 7JX (hereinafter called "**the Company**")
- (2) **RAYMOND ALAN DAVIES** residing at 'Velindre', 1Woburn Close, Frimley, Camberley, Surrey. GU16 8NU (hereinafter called "**the Executive**").

RECITALS:-

1. The Company carries on business as a self-storage provider, operating self-storage centres within the United Kingdom.
2. The Executive is employed as Finance Director of the Company on the terms and conditions hereinafter set forth.

IT IS AGREED:

1. **Definitions and Interpretation**

In this Agreement unless the context otherwise requires the following expressions shall have the following meanings:

"the Appointment"	the employment of the Executive by the Company under the terms of this Agreement;
"Associated Company"	any company which for the time being is the holding company (as defined by Section 736 of the Companies Act 1985) of the Company and any subsidiary of such holding company, any company of which the equity share capital (as defined in Section 744 of the Companies Act 1985) is owned as to 50% or less but more than 25% by such holding company or by any of its subsidiaries, or by the Company or any of its subsidiaries as the case may be, and including a subsidiary of an Associated Company;

"the Board"	the board of directors of the Company present at a meeting of the directors or of a committee of the directors duly convened and held;
"the Commencement Date"	the date hereof;
"Confidential Information"	all information which may be imparted in confidence or which is manifestly of a confidential nature or which the Executive ought reasonably to know is or will be expected by the Company or the Group to be treated by him as being confidential relating to the business or prospective business, plans or internal affairs of the Company or any Group Company and in particular all commercial, financial or technical information, all information relating to any customer or supplier, officer or employee of the Company or any Group Company, and all information relating to any member or person interested in the share capital of the Company or any Group Company, including without limitation any and all Know-How.
"the Group"	the Company and its Subsidiaries and Associated Companies from time to time.
"Group Company"	any Subsidiary or Associated Company of the Group;
"the Index"	the all items index of retail prices published by the Central Statistical Office (or by any other Government Department upon which duties in connection with such index shall have devolved) and/or any other index of retail prices which shall from time to time replace the all items index of retail prices as the authoritative index for official purposes;

"Intellectual Property Materials"	all Materials relating to Intellectual Property rights or in respect of which Intellectual Property Rights subsist or are capable of subsisting (subject to the making of the appropriate application or registration) and all modifications, amendments and developments thereto and all similar or analogous items;
"Intellectual Property Rights"	all and any intellectual property rights subsisting in any part of the world, whether registered or unregistered, and (where registerable) all or any applications for such rights, including without limitation, patents, inventions, trade marks, service marks, design rights, registered designs, rights in databases, copyright (rights existing in computer software) and semi-conductor topography rights;
"Know How"	trade secrets and confidential business information, including details of supply arrangements, customer lists and pricing policy; sales targets, sales statistics, market share statistics, marketing surveys and reports; marketing research; unpatented technical and other information including inventions, discoveries, processes and procedures, ideas, concepts, formulae, specifications, procedures for experiments and tests and results of experimentation and testing; information comprised in software; together with all common law or statutory rights protecting the same including by any action for breach of confidence and any similar or analogous rights to any of the foregoing whether arising or granted under the law of England or any other jurisdiction;
"Materials"	all drafts, preparatory materials, data, drawings, records, databases, specifications, papers, diagrams, plans, figures, maps, tables, charts, manuals, tapes, cassettes, disks, software, source or object code and all copies thereof held in whatever media;
"Pension Scheme"	the Company's contributory pension scheme;

"Remuneration Committee" a duly appointed committee of the directors of the Company which consists exclusively of non-executive directors of the Company, with power to determine the remuneration and other benefits of the executive directors of the Company.;

"Subsidiary" any Company which for the time being is a subsidiary (as defined by Section 736 of the Companies Act 1985) of the Company.

1.2 The Clause headings and the index in this Agreement are for convenience of reference only and shall not affect the construction or interpretation hereof.

1.3 References in this Agreement to any statute or statutory provision shall include such provision and any statute or statutory provision which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.

1.4 References in this Agreement to persons shall include references to firms, corporations or unincorporated associations.

2. **Appointment**

2.1 The Company shall employ the Executive and the Executive shall serve the Company as full time Finance Director or in such other appointment as the Company may from time to time direct (such other appointment not to be of lower status than the Executive's original appointment under this Agreement) for the period specified in Clause 3.

2.2 The Company may at any time require the Executive to serve any other Group Company or Companies and to carry out for such Group Company or Companies such duties and responsibilities as may be assigned by the Board, but otherwise on the same terms and conditions as to salary and otherwise as herein provided.

2.3 The Company may from time to time appoint any other person or persons to act jointly with the Executive in the Appointment.

- 2.4 The Executive warrants that by virtue of entering into this Agreement he will not be in breach of any express or implied term of any contract with or of any other obligation to any third party binding upon him.

3. **Duration**

- 3.1 The Appointment shall commence on the Commencement Date and shall continue (subject to the provisions for termination in Clause 13) until terminated (i) by the Company giving to the Executive not less than twelve months' prior written notice of termination or (ii) by the Executive giving to the Company not less than six months' prior written notice of termination or (iii) on the Executive reaching his 65th birthday.

4. **Duties of the Executive**

- 4.1 The Executive shall undertake such duties and responsibilities in relation to the Company or any Group Company as the Board may from time to time delegate to him at the Company's principal place of business (currently 12 Skerne Road, Kingston upon Thames, Surrey KT2 5AD) and at such place or places in the United Kingdom or elsewhere as the Company shall reasonably specify, and shall carry out all lawful and reasonable resolutions of the Board from time to time.
- 4.2 The Executive shall promote the trade and business of the Company and the Group to the best of his ability, knowledge and power and shall not willingly or knowingly do or permit to be done anything to the prejudice of the Company or the Group or any trade or business carried on by the Company or any Group Company.
- 4.3 The Executive shall at all times keep the Board or a person duly authorised by the Board promptly and fully informed (in writing if so requested) of his conduct of the business or affairs of the Company or any Group Company.
- 4.4 The Executive shall devote his whole time, attention and skill to the duties of his office and shall faithfully, diligently, efficiently and competently perform all such duties and shall devote such additional time as may reasonably be required from time to time for the proper fulfilment of his duties and responsibilities hereunder. For the avoidance of doubt, no overtime or other additional remuneration shall be payable for any such additional time worked.

- 4.5 Notwithstanding the foregoing the Company shall be under no obligation, for a period of twelve months, or at any time after notice of termination of the Appointment shall have been given by either party, to vest in or assign to the Executive any powers or duties or to provide any work for the Executive, and the Company may at any time suspend the Executive from the performance of his duties or exclude him from any premises of the Company and need not give any reason for so-doing, but his salary will not cease to be payable by reason only of such suspension or exclusion of the Executive (unless and until his employment under this Agreement shall be determined under any provision hereof).
- 4.6 The obligations and duties to the Company accepted by the Executive in terms of this Agreement shall also be owed by him to any Group Company for which he performs services and/or carries out duties and/or to which he is seconded in terms hereof during the course of the Appointment.
- 4.7 In the due performance of his duties hereunder the Executive shall:
- (a) be diligent, honest and ethical in the performance of his duties and during working hours devote the whole of his time, attention and abilities to them;
 - (b) render his services in a professional and competent manner in willing co-operation with others and at all times conform to the reasonable directions of the Board;
 - (c) conduct his personal and professional life in a way which does not risk adversely affecting the Company's standing and reputation;
 - (d) undertake such travel as may be required for the proper performance of his duties;
 - (e) adhere to any Company (or Group) policies and/or procedures from time to time in force;
 - (f) be polite and courteous in his behaviour at all times and dress appropriately and maintain a high standard of tidiness; and

- (g) at all times comply with the rules and procedures of any association or professional body to which the Employer and/or you may from time to time belong.

- 4.8 Without prejudice to the provisions of this Agreement the Executive shall observe and comply with any and all the disciplinary rules and procedures issued or decided upon from time to time by the Board.

5. **Remuneration**

- 5.1. As remuneration for his services hereunder, the Executive shall be paid a fixed salary of **EIGHTY FIVE THOUSAND POUNDS (£85,000)** per annum, payable monthly in arrears on or about the last day of each month. Such fixed salary shall be deemed to accrue from day to day, and shall be inclusive of any fees payable to the Executive as a director of the Company and/or any Group Company. All sums from time to time received by the Executive by way of remuneration or fees in connection with or arising from his appointment as a director of a company shall, unless otherwise agreed in writing by the Company, be accounted for and paid over by the Executive to the Company.
- 5.2 Such fixed salary shall be subject to annual review by the Company and may be increased (but not decreased) by such amount as the Board in its discretion may think fit.
- 5.3 In addition to the fixed salary above specified, the Executive may be entitled to an annual bonus of such amount as the Board in its sole discretion may determine.

6. **Pension and Insurance Benefits**

- 6.1 With effect from the Commencement Date the Company shall pay an amount equal to 3 % of the Executive's salary from time to time (at the rate then payable under Clause 5 hereof) by way of contributions to an existing approved pension scheme, such amounts to be paid in addition to the remuneration set out in Clause 5 and to be payable monthly.
- 6.2 The Executive shall be entitled to participate at the Company's expense in the Company's permanent health insurance scheme and for himself, his spouse and

dependent children in the Company's private medical expenses insurance scheme, subject always to the rules of the schemes, details of which are available from the head office personnel department. The Company will provide at its own expense private medical insurance to the Executive and his spouse and dependent children, together with permanent disability insurance, for the Executive, subject to the provisions governing such insurances and on such terms as the board shall from time to time decide including the obtaining of insurance at reasonable rates of premium.

- 6.3 The Executive shall submit to such medical examinations as may be reasonably required by the Board and/or the insurers under the policy referred to in Clause 6.2 from time to time, such medical examinations to be carried out by a registered medical practitioner nominated by the Board. The Executive hereby irrevocably authorises and gives his consent, for the purposes of Section 3 of the Access to Medical Reports Act 1988, to such medical practitioner to disclose to the Board and/or the insurers under the policy referred to in Clause 6.2 the results of such examinations and such other relevant medical information as the Board may reasonably require and to discuss any matter arising from such examinations with an authorised representative of the Board. Copies of any reports made and information provided to the Board and/or such insurers in terms of this Clause 6.3 shall be made available to the Executive. The fees and expenses incurred in the provision of such medical examinations and obtaining of such medical information shall be borne by the Company.
- 6.4 If in the opinion of the Remuneration Committee (acting reasonably) the cost to the Company of maintaining (in respect of the Executive or, in the case of the private medical expenses insurance scheme, the Executive, his spouse and his dependent children the permanent health insurance scheme and/or the private medical expenses insurance scheme becomes unreasonably expensive, the Company acting through the Remuneration Committee shall be entitled to reduce the level of the benefit provided under the permanent health insurance scheme or private medical expenses insurance scheme (as the case may be) provided that the cost to the Company is not less than the cost in relation to the permanent health insurance scheme or private medical expenses insurance scheme (as the case may be) in force at that date (or as soon as practicable thereafter). The Company shall give the Executive reasonable notice of its decision to reduce the benefits provided under the permanent health insurance scheme and/or the private medical expenses insurance scheme pursuant to this Clause.

- 6.5 If it is not possible for the Executive to participate in the Company's permanent health insurance scheme or for the Executive, his spouse and dependent children to participate in the Company's private medical expenses insurance scheme due to the Executive or family member, pursuant to the medical examinations referred to in Clause 6.3, or for any other reason being declared uninsurable by the insurers then the Company shall be under no obligation to provide such insurance benefits to the Executive and for the avoidance of doubt shall not be deemed for this reason to be in breach of this Clause 6.

7. **Expenses**

- 7.1 The Company shall reimburse the Executive on a monthly basis the full amount of all travel, accommodation and other expenses reasonably and properly incurred by the Executive on the business of the Board and the Group, subject to production of such receipts or other vouchers as the Board may reasonably require.
- 7.2 Business mileage will be reimbursed at Inland Revenue rates.
- 7.3 If the Company issues the Executive with a company sponsored credit or charge card, such card shall be used solely for expenses reimbursable under Clause 7.1. The Company reserves the right, at its sole discretion, to withdraw the use of any such credit or charge card at any time and the Executive shall promptly return any such credit or charge card to the Company when so requested and in any event forthwith upon termination of the Appointment howsoever arising.

8. **Holidays**

- 8.1 In addition to public holidays, the Executive shall be entitled to twenty working days' paid holiday in each holiday year to be taken at such times as may be agreed with the Board.
- 8.2 Such holiday entitlement shall accrue uniformly at the rate of one twelfth of such annual entitlement per complete month worked after the Commencement Date, but unless otherwise agreed by the Board, holiday entitlement accrued but not taken by the end of each holiday year may not be carried forward, nor shall the Executive be entitled to payment in lieu. On termination of the Appointment for whatever reason, the Executive shall be entitled to pay in lieu of accrued but untaken holiday entitlement and may be required to repay to the Company any salary received for holidays taken in excess of his actual entitlement. The basis for payment and repayment shall be 1/253 of the Executive's annual salary for each day's entitlement.
- 8.3 For the purpose of calculating holiday entitlement hereunder, the Company and Group's "holiday year" runs from 1st January to 31st December.

9. **Illness**

9.1 If the Executive is prevented by illness (including mental disorder) or injury from performing his duties and responsibilities hereunder, he shall notify the Company on the first day of such illness or injury and provide the Company with a completed self-certification form by the fourth day of such illness or injury. If such illness or injury lasts longer than seven days, a doctor's certificate must be provided to the Company by the eighth day.

9.2 In the event of such illness or injury, the Executive shall (subject to providing the appropriate forms and/or certificate(s) as specified above) be entitled to the following payments:-

9.2.1 during any continuous period of ninety working days or the first ninety days in aggregate in any period of twelve consecutive calendar months - the full amount of his fixed salary; and

9.2.2 during the next ninety days in aggregate in any period of twelve consecutive calendar months - 50 per cent. of such fixed salary.

PROVIDED THAT such remuneration shall be inclusive of any statutory sick pay to which the Executive is entitled to and that any social security sickness benefit or other benefits recoverable by the Executive (whether or not recovered) may be deducted therefrom.

9.3 If such illness or injury continues beyond any continuous period in excess of one hundred and eighty days or one hundred and eighty days in aggregate in any period of twelve consecutive calendar months, any further payment beyond that specified in Clause 9.2 above shall be at the Board's sole discretion **PROVIDED THAT:-**

9.3.1 in the event of his incapacity disappearing or diminishing before termination of his employment hereunder the Executive shall resume either his full duties hereunder on the same terms and conditions as those pertaining at the date of his incapacity or alternatively such restricted duties as the Company may reasonably decide with payment of not less than two thirds of the said salary; and

9.3.2 until termination of the Executive's employment hereunder the Company shall

notwithstanding the Executive's incapacity continue to maintain the life insurance, pension and other benefits in force at the date of said incapacity and paid for by the Company.

9.4 At any time during the period of the Appointment, the Executive shall at the request and expense of the Company permit himself to be examined by a registered medical practitioner to be selected by the Company and shall authorise such medical practitioner to disclose to and discuss with the Company's medical adviser the results of such examination and any matters which arise from it in order that the Company's medical adviser can notify the Company of any matters which, in their opinion, might hinder or prevent the Executive (if during a period of incapacity) from returning to work for any period or (in other circumstances) from properly performing any duties of the Appointment at any time.

9.5 The above provisions do not affect the Company's right of termination under Clause 13.

10. **Restrictions during employment**

10.1 Save as permitted under Clause 10.2 the Executive shall not during the Appointment hold any political office or any appointment or office with any public body, board, local authority or government department or carry on or be concerned, engaged or interested directly or indirectly (whether as principal, shareholder, partner, consultant, employee, director, sub-contractor, officer, agent or otherwise) in any trade or business, in particular any client business, other than that of the Company for the exclusive benefit of the Company or as a customer of a client on normal arms-length terms, in which latter case all debts due by the Executive to such client should be discharged promptly on such credit terms as may have been agreed and shall not engage in any other activity which the Company reasonably considers may impair his ability to perform his duties under this Agreement **PROVIDED THAT** this provision shall not prevent the Executive from holding or being otherwise interested in not more than three per cent. of the equity share capital or loan capital of any company which is quoted on a recognised Stock Exchange (as defined in the Financial Services and Markets Act 2000) or dealt in on the Alternative Investment Market.

10.2 The Executive shall disclose to the Board any interest of his own (or of any person connected with the Executive as defined in Section 346 of the Companies Act 1985):-

10.2.1 in any trade, business or occupation whatsoever which is in any way similar to any of those in which the Company or any Group Company is involved; and

10.2.2 in any trade or business carried on by any supplier or customer of the Company or any Group Company whether or not such trade, business or occupation may be conducted for profit or gain.

10.3 The Executive may carry on or be concerned, engaged or interested in any other trade or business if he shall have:-

10.3.1 made full disclosure in accordance with Clause 10.2.

10.3.2 provided, on the basis of the utmost good faith, full particulars of its nature and of the likely demands it will make on his time and abilities; and

10.3.3 obtained the prior written consent of the Board, which consent may be given subject to such terms or conditions as it may decide (each of which shall be considered to be a term of this Agreement): the Company shall have the right to reconsider such consent or such terms if it reasonably considers that it is in the interests of the Company to do so.

10.4 The restrictions set out in this Clause 10 are without prejudice to any other fiduciary duties owed to the Company whether express or implied.

11. Intellectual Property

11.1 In view of the fact that it is the Executive's responsibility inter alia to further the interests of the Company and the Group in respect thereof, the Executive hereby irrevocably agrees, subject to Clause 11.3, that he shall disclose to the Company full particulars (including all information in his possession relating to their content, subject matter and their exact mode of working, producing and using the same) of all Intellectual Property Rights and of intellectual Property Materials made, created, discovered, conceived, written, designed or originated by her, whether alone or in conjunction with any other person, at any time whether before or after the Commencement Date but after he

became an employee of the Company or any Group Company and whether capable of being patented or registered or not, and whether or not made, created or discovered, conceived, written, designed or originated in the course of his employment, in connection with or in any way affecting or relating to the business of the Company or any Group Company or in any way, directly or indirectly, capable of being used or adapted for use therein or in connection therewith, and all such Intellectual Property Materials and all such Intellectual Property Rights upon their creation, discovery, conception, drafting, design or origination shall belong to and vest in the Company (or such other Group Company as the Company may nominate for the purpose) absolutely and beneficially together with, where necessary, all rights to apply for any related Intellectual Property Rights.

- 11.2 The Executive shall, if and when required to do so by the Company (whether before or after the termination of the Appointment), at the Company's expense do all things and execute all documents necessary to vest all such Intellectual Property Materials and all such Intellectual Property Rights absolutely in the Company or its nominees from time to time or any other Group Company as absolute legal and beneficial owner (without any payment to the Executive for them) and to secure, preserve and enforce all appropriate forms of protection for them in any part of the world and for this purpose shall, at the Company's expense, take or defend any proceedings to procure or defend any action, opposition, application, registration or protection and the Executive hereby irrevocably authorises the Company to, when it shall see fit and at its discretion, appoint some person in his name and on his behalf to execute all instruments or documents and do all acts or things as aforesaid as the Executive's attorney.
- 11.3 The Executive hereby irrevocably waives all moral rights (whether arising under the Copyright Designs and Patents Act 1988 or otherwise) in and to all Intellectual Property Rights and Intellectual Property Materials which are the subject of clauses 11.1 and 11.2 to the fullest extent permissible in the relevant jurisdiction.
- 11.4 Nothing in this Clause 11 shall prejudice the rights of the Executive relating to inventions made by him which are shown to be of outstanding benefit as provided for by Sections 40 to 43 of the Patents Act 1977.
- 11.5 Notwithstanding any other provision of this Agreement, the provisions of this Clause 11, in so far as they relate to the intellectual Property Rights or Intellectual Property Materials

being the subject of clause 11.1 and being in existence prior to the date of such termination or expiry, shall survive the termination or expiry of the Appointment for whatever reason.

12. Confidentiality

12.1 Subject to Clause 12.2 and save as specifically authorised by the Company or as is required for the proper performance of his duties hereunder, the Executive shall at all times (both during and after the termination of the Appointment) keep secret and confidential all Confidential Information and shall not disclose any of the same (and if disclosure is authorised by the Company, shall make disclosure only under the terms of such authorisation) to any other person, firm, company, body or authority, or use or attempt to use any such information in any manner which may injure or cause loss or may be calculated to injure or cause loss whether directly or indirectly and whether to the Company or any other member of the Group.

12.2 The provisions of Clause 12.1 shall not apply to any Confidential Information:

12.2.1 which is properly in the public domain prior to the receipt of such Confidential Information by the Executive; or

12.2.2 which subsequent to the receipt of such Confidential Information by the Executive properly enters the public domain through no fault of the Executive; or

12.2.3 which is required by law to be disclosed by the Executive to a legally competent body and in such case to the extent only which shall be necessary to comply therewith and, where practicable, following reasonable notice from the Executive to the Company of the confidential matters which are expected to be disclosed; or

12.2.4 which the Company has in advance in writing clearly and unambiguously permitted the Executive to disclose without imposing confidentiality restrictions.

12.3 Notwithstanding the above, the Executive shall be entitled to disclose any Confidential Information to his legal advisers at any time under strict conditions of confidentiality should disclosure to such persons be necessary in connection with any advice which she may require from such advisers in connection therewith at any time.

13. **Termination**

13.1 Automatic termination

This Agreement shall automatically terminate on the Executive reaching his 65th birthday.

13.2 Suspension

In order to investigate a complaint against the Executive of misconduct the Company is entitled to suspend the Executive on full pay for so long as may be necessary to carry out a proper investigation and hold a disciplinary hearing.

13.3 Immediate Dismissal

The Appointment may be terminated at any time by the Company giving written notice of immediate termination to the Executive in any of the following events:-

13.3.1 if the Executive is prevented by illness or injury from performing his duties hereunder for a continuous period in excess of one hundred and eighty days or for more than an aggregate of one hundred and eighty days in any period of twelve consecutive calendar months; or

13.3.2 if the Executive is guilty of any act of serious misconduct or wilful neglect or other conduct calculated or likely prejudicially to affect the interests of the Company or any Group Company; or

13.3.3 if the Executive is guilty of any conduct which in the reasonable opinion of the Board brings him, or the Company or any Group Company into serious disrepute; or

13.3.4 if the Executive commits any material breach of the terms of this Agreement which cannot be remedied or, if it can be remedied, remains unremedied on the expiry of seven days after the Executive has received written notice from the

Company specifying the breach and the action required to remedy the same; or

13.3.5 if the Executive is, in the reasonable opinion of the Board, seriously incompetent in the performance of his duties; or

13.3.6 if the Executive becomes bankrupt or is sequestered or makes any arrangement or composition with his creditors generally; or

13.3.7 if the Executive becomes of unsound mind or becomes a patient within the meaning of the Mental Health Act 1983; or

13.3.8 if the Executive is convicted of any criminal offence, whether committed during or outside normal business hours, other than a motoring or other offence which in the reasonable opinion of the Board does not affect the Executive's position under the Appointment; or

13.3.9 if the Executive commits any act of dishonesty whether relating to the Company, any of its employees or otherwise; or

13.3.10 if the Executive is disqualified from holding office as a Director pursuant to an order under the Company Directors Disqualification Act 1986 or by reason of any provision of the Insolvency Act.

13.4 Dismissal on short notice

The Company may terminate this Agreement by not less than one month's prior notice if the Executive has been offered but has refused to agree to the transfer of the Appointment by way of novation to a person, firm or company which has acquired or agreed to acquire the whole or substantially the whole of any undertaking (as defined in the Transfer of Undertakings (Protection of Employment) Regulations 1981) in which he is employed to any extent.

13.5 Corporate Reconstruction

13.5.1 If this Agreement ceases:

- (a) by reason of the liquidation of the Company for the purpose of amalgamation or reconstruction; or
- (b) as part of any arrangement for the amalgamation of the undertaking of the Company not involving liquidation; or
- (c) as part of any arrangement for the transfer of the whole or part of the undertaking of the Company to an Associated Company

and the Executive is offered employment of a similar nature with any concern or undertaking resulting from such amalgamation or reconstruction or with which the undertaking of the Company or such Associated Company is amalgamated on terms which are not less favourable to him than the terms (including any unexpired period) of this Agreement, the Executive will have no claim against the Company in respect of the termination of this Agreement by reason of the events described in this Clause.

13.5.2 The Executive agrees that the Company may at any time by written notice substitute another Associated Company as his employer, whereupon this Agreement will remain in full force and effect except that the obligations and benefits previously owed to or enjoyed by the Company will be owed to or enjoyed by that other company and accordingly references to the Company will thereafter be deemed to be references to that other Associated Company. More than one such transfer may be made. No damages or other compensation will be payable by reason of such a transfer.

13.6 Acting on termination

On termination of the Appointment, the Executive shall:-

13.6.1 deliver up to the Company all Materials and all Intellectual Property Materials, books, documents, papers, data (in whatever medium the same be stored or recorded) and other materials and property relating to the business of the Company or the Group which may then be in his possession or under his control;

13.6.2 on request of the Company resign (waiving all claims for compensation of any nature in respect thereof) from office as a director and secretary of the Company and any Group Company of which he is then a director or secretary (but such resignation shall be without prejudice to any claim to which the Executive may be entitled under the Employment Rights Act 1996 as amended) and in the event of failing to do so, the Company shall be entitled (and is hereby irrevocably authorised by the Executive) in the name of and on behalf of the Executive to execute any documents and do any other thing necessary to effect such resignation and the intimation or registration thereof; and

13.6.3 transfer as the Company may direct any share(s) provided by it to him as nominee for the Company or any Group Company and in the event of failing to do so, the Company shall be entitled (and is hereby irrevocably authorised by the Executive) in the name of and on behalf of the Executive to execute or authorise any person to execute any documents or to do any things necessary to effect such transfer.

13.7 After termination of the Appointment the Executive shall not represent himself as being employed by or in any way connected with the Company or any Group Company.

13.8 Pay in lieu

13.8.1 On either party serving notice to terminate the Appointment for any reason or at any time thereafter during the currency of such notice the Company reserves the right to terminate the Appointment forthwith by:

- (a) paying the Executive a payment in lieu of notice of his basic salary (at the rate then payable under Clause 5 hereof) for the unexpired portion of the duration of the Appointment or entitlement to notice as may be the case; and
- (b) continuing to provide the Executive with his relevant benefits payable under Clause 6 hereof for the unexpired portion of the duration of the Appointment or entitlement to notice as may be the case or (at the Company's option) paying compensation in respect of any of these benefits equivalent to the cost to the Company of providing the Executive with the contractual benefits over the relevant period.

13.8.2 For the avoidance of doubt the Company is under no obligation to make a payment in lieu of notice even where the Executive is dismissed without notice.

13.8.3 Any payment made under Clause 13.10 shall be made net of any income tax and national insurance contributions to which it is subject.

14. **Restrictions after employment**

14.1 Since the Executive has obtained and is likely to obtain knowledge of Confidential Information and the trust and confidence of customers, suppliers and other contacts of the Group in the course of his employment with the Company and/or any other Group Company the Executive hereby agrees that in addition to the restrictions contained in Clause 13 of this Agreement he will be bound by the following restrictions namely:-

14.1.1 the Executive shall not for a period of six months from the date of termination of the Appointment, directly or indirectly carry on or be engaged or concerned or interested (whether as principal, shareholder, partner, consultant, employee, director, sub-contractor, officer, agent or otherwise), in any trade or business carried on within a radius of five miles of any premises from which the Company carries on business which is or is in any way calculated or likely to be competitive with or similar to any trade or business carried on by the Company at any time during the period of twelve months preceding such date of termination; and the provisions of this sub-paragraph shall apply also to any trade or business of any Group Company which the Executive has served during the Appointment;

14.1.2 the Executive shall not for a period of six months from the date of termination of the Appointment, directly or indirectly by any means whatsoever, and whether for himself or for or on behalf of any third party, canvass or solicit orders or instructions for goods or services of the same kind or nature as, or competitive or calculated or likely to be competitive with, those with which the Company (or any Group Company which the Executive has served during the Appointment) was concerned to a material extent at any time during the twelve months preceding such date of termination, from any person, firm, company, body or authority who or which was a customer, supplier, agent or distributor of the Company (or any Group Company which the Executive has served during the Appointment) or with whom or which the Company (or any Group Company which the Executive has served during the Appointment) has otherwise done business during such period of twelve months; or

14.1.3 the Executive shall not for a period of six months from the date of termination of the Appointment, induce or endeavour to induce any person with whom the Company (or any Group Company which the Executive has served during the Appointment) has done business at any time within twelve months prior to the date of such termination, to remove their business from the Company (or any such Group Company).

14.2 The Executive shall not for a period of six months from the date of termination of the Appointment directly or indirectly, whether as principal, servant or agent, solicit or seek to obtain for himself, or for any person, firm or corporation by whom he is employed or with whom he is associated, the investment or financial advice or management custom of, or act as investment or financial adviser or manager for, or directly or indirectly accept any benefit whether in money or moneysworth from, any investment or financial adviser or management business conducted for any person, firm or corporation who either at the date of termination of his employment or at any time during the six months immediately preceding such termination is or was a client of the Company or of any of the Group Companies; provided that:-

- (a) for the purpose of this Clause the expression "client" shall be deemed to include any prospective client whose business was the subject of negotiation with the Company or any of the Group Companies at any time within a period of six

months prior to the termination of the Executive's engagement hereunder; and

- (b) in the event of the Executive directly or indirectly receiving any benefit whether in money or moneysworth as aforesaid at or in respect of any time during the said period of twelve months he shall, without prejudice to any other rights or remedies competent to the Company or the relevant Group Company, be bound forthwith to account for and make payment to the Company in respect of such benefit.

- 14.3 Since the Executive has obtained and is likely to obtain in the course of his employment with the Company and/or any Group Company the confidence of and influence over the employees of the Company and the Group and, in particular, both the knowledge of and confidence of and influence over those employees of particular importance to the Company and/or the Group due to their key skills and responsible positions, and in recognition that the Company and the other Group Companies have an interest in preserving their connection with such key employees the Executive hereby agrees that he shall not for a period of six months from the date of termination of the Appointment, directly or indirectly by any means whatsoever, and whether for himself or on behalf of any third party, solicit or endeavour to entice away, offer employment to, employ or cause to be employed any person who at any time during the twelve months prior to such termination is or was a director or senior employee of managerial status of the Company (or any Group Company which the Executive has served during the Appointment).
- 14.4 If any of the foregoing undertakings is held for any reason not to be valid or enforceable as going beyond what is reasonable for the protection of the interests of the Company or the Group, but would be valid if part of the wording were deleted or its extent reduced or modified, then such undertakings shall apply with such modifications or variations as may be necessary to make them enforceable, and any such modification or variation shall not thereby affect the validity of any of the other undertakings.
- 14.5 The Executive acknowledges and agrees that he has been advised to take independent professional advice in relation to the provisions of this Clause 14, and that such provisions are fair and reasonable.
- 14.6 For the purposes of the restrictions set out in this Clause 14 the expression "Company" shall include any former owner or transferor of a business acquired by the Company by

which the Executive shall have been employed under a contract of employment in respect of which his service is included for the purposes of calculating continuous employment with the Company.

15. **Whole Agreement**

- 15.1 This Agreement and the documents referred to herein comprise the entire agreement between the Parties relating to the subject matter hereof.
- 15.2 All other agreements (if any) for service between the Company and the Executive are hereby abrogated and superseded by mutual consent and any sum or sums paid to the Executive by way of remuneration under any such agreements after the commencement of the Appointment shall be deemed to have been received by the Executive on account of the remuneration payable to him under this Agreement.
- 15.3 No variations to this Agreement shall be effective unless in writing and signed on behalf of each party.

16. **Statutory Requirements**

For the purposes of the Employment Rights Act 1996 as amended, the terms of employment applying as at the Commencement Date are as specified in the Schedule annexed.

17. **Notices**

- 17.1 Any notice or other document required or permitted to be given or served under this Agreement, may be given or served personally or by leaving the same or sending the same by first class post or other faster postal service or facsimile transmission at or to the registered office of the Company, or the address of the Executive as stated in this Agreement, or such other address as the Executive may hereafter intimate in writing to the Company for the giving of notice.
- 17.2 Any such notice or document shall be deemed to have been served:-
- 17.2.1 if delivered, at the time of delivery; or
- 17.2.2 if posted, at the expiry of 48 hours after posting.
- 17.3 In proving such service it shall be sufficient to prove that delivery was made or that the envelope containing such notice or document was properly addressed and posted.

18. General

- 18.1 Any reference to any provision of any Act of Parliament or subordinate legislation pursuant thereto shall be deemed to be a reference to such Act of Parliament or subordinate legislation as amended, modified or re-enacted (whether before or after the date hereof) and any references to any provision of any such Act or legislation shall also include any provision of which they are re-enactments and any provision in repealed enactments.
- 18.2 Clause headings have been inserted for convenience only and shall not affect the construction of this Agreement.
- 18.3 Notwithstanding termination of this Agreement, the provisions of Clauses 11 (Intellectual Property), 12 (Confidentiality) and 14 (Restrictions after employment) shall remain in force indefinitely or for the periods therein specified as the case may be.
- 18.4 No failure on the part of either party to exercise, and no delay on its part in exercising any right or remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.
- 18.5 The Executive hereby acknowledges that he has no outstanding claims of any kind against the Company or any Group Company or against their respective assets (otherwise than in respect of remuneration and other benefits to which he is entitled accrued due to the date hereof but not yet received).
- 18.6 This Agreement may be entered into in any number of counterparts and by the parties to it on separate counterparts, each of which when so executed and delivered shall be an original but all the counterparts shall together constitute one and the same instrument.

19. **Applicable Law**

This Agreement shall be governed by and construed according to the law of England.

IN WITNESS WHEREOF the parties have executed and delivered this instrument as a deed the day and year first before written:-

EXECUTED and DELIVERED)
as a Deed on behalf of the said)
LOK'N STORE GROUP PLC)
acting by:-)

..... Director

..... Director/Secretary

SIGNED and DELIVERED)
as a Deed by the said **RAYMOND**)
ALAN DAVIES in the presence of the)
undernoted witness:-)

Witness:.....
Name:.....
Address:.....
.....
Occupation:.....

SCHEDULE
between
LOK'N STORE GROUP PLC
and
RAYMOND ALAN DAVIES

- (i) Job Title:- Finance Director
- (ii) Date of Commencement of continuous employment:- 19 January 2004.
- (iii) Place of Work:- See Clause 4
- (iv) Remuneration:- See Clause 5
- (v) Pension & Insurance benefits:- See Clause 6
- (vi) Holidays:- See Clause 8
- (vii) Sickness or Injury:- See Clause 9

The Company operates the Statutory Self-Certification and Sick Pay Scheme.

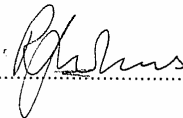
- (viii) Notice:- See Clauses 3, 13 and 17.
- (ix) Disciplinary and Grievance Procedures:- The Company's disciplinary and grievance procedures are set out in the Company's Staff Handbook which is available from Head Office.
- (x) There are no Collective Agreements in force affecting the Appointment.

19. **Applicable Law**

This Agreement shall be governed by and construed according to the law of England.

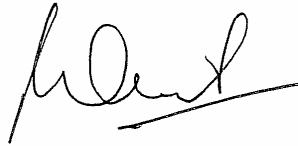
IN WITNESS WHEREOF the parties have executed and delivered this instrument as a deed the day and year first before written:-


EXECUTED and DELIVERED)
as a Deed on behalf of the said)
LOK'N STORE GROUP PLC)
acting by:-)

 Director

..... Director/Secretary

SIGNED and DELIVERED)
as a Deed by the said **RAYMOND**)
ALAN DAVIES in the presence of the)
undernoted witness:-)



Witness: 
Name: KEVIN ESLER
Address: 26 CHURCH ROAD WEST
FARNBOROUGH GUILFORD
Occupation: OPERATIONS MANAGER

LOK560\0001\ejacobs.DOC
25Mar1997

DATED 25th MARCH 1997

SERVICE CONTRACT

between

COLIN JACOBS

and

LOK'N STORE LIMITED

**BROUGH SKERRETT
THE CITY LAW PARTNERSHIP
ONE DYERS BUILDINGS
LONDON EC1N 2SX
TEL: 0171 814 9195
FAX: 0171 814 9196**

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Schedule

THIS DEED is made the 25th day of March, 1997

BETWEEN:-

- (1) **LOK'n STORE LIMITED**, (No. 2902717) having its registered office at Fairfield House, Fairfield Avenue, Staines, Middlesex TW18 4AQ (hereinafter called "**the Company**")
- (2) **COLIN JACOBS** residing at 6 Seymour Road, Southfields, London SW18 5JA (hereinafter called "**the Executive**")

WHEREAS:-

1. The Company carries on the business of operating self-storage centres.
2. The Executive is employed as Operations Director of the Company on the terms and conditions hereinafter set forth.

NOW THIS DEED WITNESSES as follows:-

1. **Definitions and Interpretation**

In this Deed unless the context otherwise requires the following expressions shall have the following meanings:

"**the Appointment**" the employment of the Executive by the Company under the terms of this Deed.

"**Associated Company**" any company which for the time being is the holding company (as defined by Section 736 of the Companies Act 1985) of the Company and any subsidiary of such holding company, any

company of which the equity share capital (as defined in Section 744 of the Companies Act 1985) is owned as to 50% or less but more than 25% by such holding company or by any of its subsidiaries, or by the Company or any of its subsidiaries as the case may be, and including a subsidiary of an Associated Company.

"the Board"	the board of directors of the Company present at a meeting of the directors or of a committee of the directors duly convened and held.
"the Commencement Date"	the 1st day of April 1997, notwithstanding the date(s) hereof.
"Confidential Information"	all information which may be imparted in confidence or be of a confidential nature relating to the business or prospective business, plans or internal affairs of the Company or any Group Company and in particular all commercial, financial or technical information relating to the business of the Company or any Group Company or to any customer or supplier, officer or employee of the Company or any Group Company or to any member or person interested in the share capital of the Company or any Group Company.
"the Group"	the Company and its Subsidiaries and Associated Companies from time to time.
"Group Company"	any Subsidiary or Associated Company of the Group.
"the Index"	the all items index of retail prices published by the Central

Statistical Office (or by any other Government Department upon which duties in connection with such index shall have devolved) and/or any other index of retail prices which shall from time to time replace the all items index of retail prices as the authoritative index for official purposes;

"Intellectual Property Materials"

inventions, discoveries, processes, copyright works, designs, plans, drawings, computer programs and codes, and all other forms of data or records, procedures or systems in respect of which, in any case, Intellectual Property Rights (as hereinafter defined) subsist (or are capable of subsisting subject to the making of the appropriate application or registration) and any later modification or development and all other similar or analogous items;

"Intellectual Property Rights"

all and any intellectual property rights subsisting in any part of the world, whether registered or unregistered, and all or any applications for such rights, including without limitation, patents, inventions, trade marks, service marks, know-how, designs, copyrights (including rights in computer software), topography rights and other rights in semi-conductor chips and moral rights (as defined in the Copyright Designs and Patents Act 1988)

"Pension Scheme"

the Company's contributory pension scheme.

"Subsidiary"

any Company which for the time being is a subsidiary (as defined by Section 736 of the Companies Act 1985) of the Company.

- 1.2 The Clause headings and the Index in this Agreement are for convenience of reference only and shall not affect the construction or interpretation hereof.

- 1.3 References in this Agreement to any statute or statutory provision shall include such provision and any statute or statutory provision which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.
- 1.4 References in this Agreement to persons shall include references to firms, corporations or unincorporated associations.

2. **Appointment**

- 2.1 The Company shall employ the Executive and the Executive shall serve the Company as full time Operations Director or in such other appointment as the Company may from time to time direct (such other appointment not to be of lower status than the Executive's original appointment under this Deed) for the period specified in Clause 3.
- 2.2 The Company may at any time require the Executive to serve any other Group Company or Companies and to carry out for such Group Company or Companies such duties and responsibilities as may be assigned by the Board, but otherwise on the same terms and conditions as to salary and otherwise as herein provided.
- 2.3 The Company may from time to time appoint any other person or persons to act jointly with the Executive in the Appointment.
- 2.4 The Executive warrants that by virtue of entering into this Deed he will not be in breach of any express or implied term of any contract with or of any other obligation to any third party binding upon him.

3. **Duration**

The Appointment shall commence on the Commencement Date and shall continue (subject to the provisions for termination in Clause 14) until terminated (i) by the Company giving to the Executive not less than one year's prior written notice of termination (ii) by the Executive giving to the Company not less than six months' prior written notice of termination or (iii) on the Executive reaching his 60th birthday.

4. **Duties of the Executive**

- 4.1 The Executive shall undertake such duties and responsibilities in relation to the Company or any Group Company as the Board may from time to time delegate to him at the address of the Company as stated in this Deed and at such place or places in the United Kingdom or elsewhere as the Company shall reasonably specify, and shall carry out all lawful and reasonable resolutions of the Board from time to time Provided that the Executive shall not be required to work outside the United Kingdom for a period longer than one month.
- 4.2 The Executive shall promote the trade and business of the Company and the Group to the best of his ability, knowledge and power and shall not willingly or knowingly do or permit to be done anything to the prejudice of the Company or the Group or any trade or business carried on by the Company or any Group Company.
- 4.3 The Executive shall at all times keep the Board or a person duly authorised by the Board promptly and fully informed (in writing if so requested) of his conduct of the business or affairs of the Company or any Group Company.
- 4.4 The Executive shall devote such of his time, attention and skill as is necessary to fulfil the duties of his office and shall faithfully, diligently, efficiently and competently perform all such duties.

- 4.5 Notwithstanding the foregoing the Company shall be under no obligation, for a period of 12 months, or at any time after notice of termination of the Appointment shall have been given by either party, to vest in or assign to the Executive any powers or duties or to provide any work for the Executive, and the Company may at any time suspend the Executive from the performance of his duties or exclude him from any premises of the Company and need not give any reason for so-doing, but his salary will not cease to be payable by reason only of such suspension or exclusion of the Executive (unless and until his employment under this Deed shall be determined under any provision hereof).
- 4.6 The obligations and duties to the Company accepted by the Executive in terms of this Deed shall also be owed by him to any Group Company for which he performs services and/or carries out duties and/or to which he is seconded in terms hereof during the course of the Appointment.
- 4.7 Without prejudice to the provisions of this Agreement the Executive shall observe and comply with any and all the disciplinary rules and procedures issued or decided upon from time to time by the Board.

5. **Remuneration and Options**

- 5.1 As remuneration for his services hereunder, the Executive shall be paid a fixed salary of **THIRTY FIVE THOUSAND POUNDS (£ 35,000)** per annum, payable monthly in arrears on or about the last day of each month. Such fixed salary shall be deemed to accrue from day to day, and shall be inclusive of any fees payable to the Executive as a director of the Company and/or any Group Company. All sums from time to time received by the Executive by way of remuneration or fees in connection with or arising from his appointment as a director of a company shall, unless otherwise agreed in writing by the Company, be accounted for and paid over by the Executive to the Company.
- 5.2 Such fixed salary shall be subject to annual review by the Company and may be increased

(but not decreased) by such amount as the Board in its discretion may think fit.

- 5.3 In addition to the fixed salary above specified, the Executive may be entitled to an annual bonus of such amount as the Board in its sole discretion may determine.
- 5.4 Such bonus shall not be deemed to accrue until the end of the financial year by reference to which it is to be calculated, and if the Appointment is terminated for any reason whatever before the end of such financial year, no part of such bonus shall be payable to the Executive.
- 5.5.1 In further consideration for the services provided or to be provided by the Executive hereunder, the Company hereby grants to the Executive an Option to acquire up to a further 162,000 Ordinary Shares of 0.01p each in the Share Capital of the Company at a subscription price of 38p per share ("the Option").
- 5.5.2 Upon the exercise of the Option and payment of the subscription price the Company shall become bound to issue the Option Shares within fourteen days of the date stated in the Option Notice or if no date is stated therein on such date within fourteen days after the date of the Option Notice as the Company shall determine. The Option may be exercised in one or more parts.
- 5.5.3 The Option may be exercised by the Executive giving not less than fourteen days notice in writing to the Company (i) at any time between the fifth and tenth anniversary of the Commencement Date PROVIDED THAT either the Company has achieved an annual turnover of £5,000,000 or the average middle market quotation of an Ordinary Share as derived from OFEX or any investment exchange on which they are traded on each of the three dealing days immediately preceding the date of the Option Notice exceeds £1.50; or (ii) within four weeks of any person or group of persons acting in concert acquiring, directly or indirectly, control of 50 per cent or more of the issued Ordinary Share Capital of the Company.

6. **Pension and Insurance Benefits**

- 6.1 With effect from the Commencement Date the Executive shall be entitled to join the Company's Pension Scheme and death in service scheme on a non-contributory basis.
- 6.2 The Executive shall be entitled to participate at the Company's expense in any permanent health insurance scheme established by the Company and for himself, his spouse and dependent children (if any) in any private medical expenses insurance scheme established by the Company subject always to the rules of the schemes.
- 6.3 The Executive shall submit to such medical examinations as may be reasonably required by the Board and/or the insurers under the policy referred to in Clause 6.2 from time to time, such medical examinations to be carried out by a registered medical practitioner nominated by the Board. The Executive hereby irrevocably authorises and gives his consent, for the purposes of Section 3 of the Access to Medical Reports Act 1988, to such medical practitioner to disclose to the Board and/or the insurers under the policy referred to in Clause 6.2 the results of such examinations and such other relevant medical information as the Board may reasonably require and to discuss any matter arising from such examinations with an authorised representative of the Board. Copies of any reports made and information provided to the Board and/or such insurers in terms of this Clause 6.3 shall be made available to the Executive. The fees and expenses incurred in the provision of such medical examinations and obtaining of such medical information shall be borne by the Company.
- 6.4 If in the opinion of the Board (acting reasonably) the cost to the Company of maintaining (in respect of the Executive or, in the case of the private medical expenses insurance scheme, the Executive, his spouse and his dependent children (if any)) the permanent health insurance scheme and/or the private medical expenses insurance scheme becomes unreasonably expensive, the Company shall be entitled to reduce the level of the benefit provided under the permanent health insurance scheme or private medical expenses

insurance scheme (as the case may be) provided that the cost to the Company is not less than the cost in relation to the permanent health insurance scheme or private medical expenses insurance scheme (as the case may be) in force at that date (or as soon as practicable thereafter) increased in line with the total increases in the Index from that date. The Company shall give the Executive reasonable notice of its decision to reduce the benefits provided under the permanent health insurance scheme and/or the private medical expenses insurance scheme pursuant to this Clause.

- 6.5 If it is not possible for the Executive to participate in the Company's permanent health insurance scheme or for the Executive, his spouse and dependent children (if any) to participate in the Company's private medical expenses insurance scheme due to the Executive or family member, pursuant to the medical examinations referred to in Clause 6.3, or for any other reason being declared uninsurable by the insurers then the Company shall be under no obligation to provide such insurance benefits to the Executive and for the avoidance of doubt shall not be deemed for this reason to be in breach of this Clause 6.

7. **Company Car**

- 7.1 Throughout the duration of the Appointment, the Company shall provide the Executive with a suitable company car.
- 7.2 The Company shall pay the taxation, insurance premiums and running expenses of such company car including petrol (but not petrol for private use), maintenance and repairs.
- 7.3 The Executive shall be entitled to make use of such company car for his own private purposes.
- 7.4 The Executive shall at all times conform with all rules and regulations which the Company may from time to time impose in respect of company cars provided by the Company for

the use of its employees and shall forthwith notify the Company of any accidents involving his company car and of any charges of driving offences which are brought against him, and on termination of the Appointment whether lawful or unlawful, shall forthwith return his company car to the Company at its head office.

8. **Expenses**

8.1 The Company shall reimburse the Executive on a monthly basis the full amount of all travel, accommodation and other expenses reasonably and properly incurred by the Executive on the business of the Board and the Group, subject to production of such receipts or other vouchers as the Board may reasonably require.

8.2 If the Company issues (or has issued) the Executive with a company sponsored credit or charge card, such card shall be used solely for expenses reimbursable under Clause 8.1. The Company reserves the right, as its sole discretion, to withdraw the use of any such credit or charge card at any time and the Executive shall promptly return any such credit or charge card to the Company when so requested and in any event forthwith upon termination of the Appointment howsoever arising.

9. **Holidays**

9.1 In addition to public holidays, the Executive shall be entitled to such holiday as the Board in its discretion determines from time to time subject to a minimum of 30 days in each holiday year.

9.2 Such holiday entitlement shall accrue uniformly at the rate of one twelfth of such annual entitlement per complete month worked after the Commencement Date, but unless otherwise agreed by the Board, holiday entitlement accrued but not taken by the end of each holiday year may not be carried forward, nor shall the Executive be entitled to payment in lieu. On termination of the Appointment for whatever reason, the Executive

shall be entitled to pay in lieu of outstanding holiday entitlement. The basis for payment shall be 1/253 of the Executive's annual salary for each day's entitlement.

- 9.3 For the purpose of calculating holiday entitlement hereunder, the Company and Group's "holiday year" runs from 1st January to 31st December.

10. **Illness**

- 10.1 If the Executive is prevented by illness (including mental disorder) or injury from performing his duties and responsibilities hereunder, he shall if so requested by the Board furnish the Board with medical evidence reasonably satisfactory to the Board.

- 10.2 In the event of such illness or injury, the Executive shall (subject to providing the appropriate certificate(s) as specified above) be entitled to the following payments:-

10.2.1 during any continuous period of ninety working days or the first ninety days in aggregate in any period of twelve consecutive calendar months - the full amount of his fixed salary (but not bonus); and

10.2.2 during any continuous period of one hundred and eighty days or the next ninety days in aggregate in any period of twelve consecutive calendar months - 50% of such fixed salary (but not bonus)

PROVIDED THAT such remuneration shall be inclusive of any statutory sick pay to which the Executive is entitled to and that any social security sickness benefit or other benefits recoverable by the Executive (whether or not recovered) may be deducted therefrom.

- 10.3 If such illness or injury continues beyond any continuous period in excess of one hundred and eighty days or one hundred and eighty days in aggregate in any period of twelve

consecutive calendar months, any further payment beyond that specified in sub-clause 10.2 above shall be at the Board's sole discretion. **PROVIDED THAT:-**

10.3.1 in the event of his incapacity disappearing or diminishing before termination of his employment hereunder the Executive shall resume either his full duties hereunder on the same terms and conditions as those pertaining at the date of his incapacity or alternatively such restricted duties as the Company may reasonably decide with payment of not less than two thirds of said salary; and

10.3.2 until termination of the Executive's employment hereunder the Company shall notwithstanding the Executive's incapacity continue to maintain the life insurance, pension and other benefits in force at the date of said incapacity and paid for by the Company.

10.4 At any time during the period of the Appointment, the Executive shall at the request and expense of the Company permit himself to be examined by a registered medical practitioner to be selected by the Company and shall authorise such medical practitioner to disclose to and discuss with the Company's medical adviser the results of such examination and any matters which arise from it in order that the Company's medical adviser can notify the Company of any matters which, in their opinion, might hinder or prevent the Executive (if during a period of incapacity) from returning to work for any period or (in other circumstances) from properly performing any duties of the Appointment at any time.

10.5 The above provisions do not affect the Company's right of termination under Clause 14.

11. **Restrictions during employment**

11.1 Save as permitted under Clause 11.2 the Executive shall not during the Appointment hold any political office or any appointment or office with any public body, board, local authority or government department or carry on or be concerned, engaged or interested

directly or indirectly (whether as principal, shareholder, partner, consultant, employee, director, sub-contractor, officer, agent or otherwise) in any trade or business, in particular any client business, other than that of the Company except for the exclusive benefit of the Company or as a customer of the client on normal arms-length terms, in which case all debts due to such client should be discharged promptly on such credit terms as may have been agreed and shall not engage in any other activity which the Company reasonably considers may impair his ability to perform his duties under this Deed **PROVIDED THAT** this provision shall not prevent the Executive from holding or being otherwise interested in not more than three per cent. of the equity share capital or loan capital of any company which is quoted on a recognised Stock Exchange (as defined in the Financial Services Act 1986) or dealt in on the Unlisted Securities Market or the Alternative Investment Market.

- 11.2 The Executive shall disclose to the Board any interest of his own (or of any person connected with the Executive as defined in Section 346 of the Companies Act 1985):-

11.2.1 in any trade, business or occupation whatsoever which is in any way similar to any of those in which the Company or any Group Company is involved; and

11.2.2 in any trade or business carried on by any supplier or customer of the Company or any Group Company whether or not such trade, business or occupation may be conducted for profit or gain.

- 11.3 The Executive may carry on or be concerned, engaged or interested in any other trade or business if he shall have:-

11.3.1 made full disclosure in accordance with Clause 11.2.

11.3.2 provided, on the basis of the utmost good faith, full particulars of its nature and of the likely demands it will make on his time and abilities; and

11.3.3 obtained the prior written consent of the Board, which consent may be given subject to such terms or conditions as it may decide (each of which shall be considered to be a term of this Deed); the Company shall have the right to reconsider such consent or such terms if it reasonably considers that it is in the interests of the Company to do so.

11.4 The restrictions set out in this Clause 11 are without prejudice to any other fiduciary duties owed to the Company whether express or implied.

12. **Intellectual Property**

12.1 In view of the fact that the business of the Company and of the Group Companies consists in part in the development and exploitation of inventions, techniques, products and methods and that it is the Executive's responsibility inter alia to further the interests of the Company and the Group in respect thereof, the Executive hereby irrevocably agrees, subject to Clause 12.3 that all Intellectual Property Materials made, created, discovered, conceived, written, designed or originated by the Executive, whether alone or in conjunction with any other person, at any time whether before or after the Commencement Date but after he became an employee of the Company or any Group Company whether capable of being patented or registered or not, and whether or not made, created or discovered, conceived, written, designed or originated in the course of his employment, in connection with or in any way affecting or relating to the business of the Company or any Group Company or in any way, directly or indirectly, capable of being used or adapted for use therein or in connection therewith, shall be disclosed forthwith to the Company (together, where relevant, with all information and data in his possession as to the exact mode of working, producing and using the same) and such Intellectual Property Materials, and all Intellectual Property Rights relating thereto, upon their creation, discovery, conception, drafting, design or origination shall belong to and vest in the Company (or such other Group Company as the Company may nominate for the purpose) absolutely and beneficially together with, where necessary, all rights to apply

for the Intellectual Property Rights.

12.2 The Executive shall, if and when required to do so by the Company (whether before or after the termination of the Appointment), at the Company's expense do all things and execute all documents necessary to vest all such Intellectual Property Rights absolutely in the Company or its nominees or any other Group Company as absolute legal and beneficial owner (without payments to the Executive for them) and to secure, preserve and enforce all appropriate forms of protection therefore in any part of the world, and for this purpose shall, at the Company's expense, take or defend any proceedings to procure or defend any application, registration or protection. For the purpose of this Clause 12.2 and the Executive hereby irrevocably authorises the Company to appoint some person in his name and on his behalf to execute all instruments or documents and do all acts or things as aforesaid as the Executive's attorney.

12.3 Nothing in this Clause 12 shall prejudice the rights of the Executive as contained in Sections 40 to 43 of the Patents Act 1977 and any other applicable legislation.

13. **Confidentiality**

13.1 Save as specifically authorised by the Company, or as required in the performance of his duties hereunder, the Executive shall at all times (both during and after the termination of the Appointment) maintain absolute confidentiality in respect of all Confidential Information and shall not disclose any of same (and if disclosure is authorised by the Company, shall make disclosure only under the terms of such authorisation) to any other person, firm, company, body or authority, or use or attempt to use any such information in any manner which may injure or cause loss or may be calculated to injure or cause loss directly or indirectly to the Company or the Group.

13.2 The obligations of confidence referred to in this Clause 13 shall not apply to any Confidential Information which is published or is otherwise in the public domain prior to

the receipt of such Confidential Information by the Executive or which is or becomes publicly available on a non-confidential basis through no fault of the Executive.

14. **Termination**

14.1 **Automatic termination**

This Agreement shall automatically terminate on the Executive reaching his 60th birthday.

14.2 **Suspension**

In order to investigate a complaint against the Executive of misconduct the Company is entitled to suspend the Executive on full pay for so long as may be necessary to carry out a proper investigation and hold a disciplinary hearing.

14.3 **Immediate Dismissal**

The Appointment may be terminated at any time by the Company giving written notice of immediate termination to the Executive in any of the following events:-

14.3.1 if the Executive is prevented by illness or injury from performing his duties hereunder for a continuous period in excess of one hundred and eighty days or for more than an aggregate of one hundred and eighty days in any period of twelve consecutive calendar months; or

14.3.2 if the Executive is guilty of any act of serious misconduct or wilful neglect or other conduct calculated or likely prejudicially to affect the interests of the Company or any Group Company; or

14.3.3 if the Executive is guilty of any conduct which in the reasonable opinion of the Board brings him, or the Company or any Group Company into serious disrepute; or

- 14.3.4 if the Executive commits any material breach of the terms of this Deed which cannot be remedied or, if it can be remedied, remains unremedied on the expiry of seven days after the Executive has received written notice from the Company specifying the breach and the action required to remedy the same; or
- 14.3.5 if the Executive is, in the reasonable opinion of the Board, incompetent in the performance of his duties; or
- 14.3.6 if the Executive becomes bankrupt or is sequestrated or makes any arrangement or composition with his creditors generally; or
- 14.3.7 if the Executive becomes of unsound mind or becomes a patient within the meaning of the Mental Health (Scotland) Act 1986 or the Mental Health Act 1983; or
- 14.3.8 if the Executive is convicted of any criminal offence, whether committed during or outside normal business hours, other than a motoring or other offence which in the reasonable opinion of the Board does not affect the Executive's position under the Appointment; or
- 14.3.9 if the Executive commits any act of dishonesty whether relating to the Company, any of its employees or otherwise; or
- 14.3.10 if the Executive is disqualified from holding office as a Director pursuant to an order under the Company Directors Disqualification Act 1986, by reason of any provision of the Insolvency Act 1986 or pursuant to any of the Regulatory Rules.

14.4 Dismissal on short notice

The Company may terminate this Agreement by not less than one month's prior notice if

the Executive has been offered but has refused to agree to the transfer of the Appointment by way of novation to a person, firm or company which has acquired or agreed to acquire the whole or substantially the whole of any undertaking (as defined in the Transfer of Undertakings (Protection of Employment) Regulations 1981) in which he is employed to any extent.

14.5 Acting on termination

On termination of the Appointment, the Executive shall:-

14.5.1 deliver up to the Company all Intellectual Property Materials, books, documents, papers, data (in whatever medium the same be stored or recorded) and other materials and property relating to the business of the Company or the Group which may then be in his possession or under his control;

14.5.2 on request of the Company resign (waiving all claims for compensation of any nature in respect thereof) from office as a director and secretary of the Company and any Group Company of which he is then a director or secretary (but such resignation shall be without prejudice to any claim to which the Executive may be entitled under the Employment Rights Act 1996 as amended) and in the event of failing to do so, the Company shall be entitled (and is hereby irrevocably authorised by the Executive) in the name of and on behalf of the Executive to execute any documents and do any other thing necessary to effect such resignation and the intimation or registration thereof; and

14.5.3 transfer as the Company may direct any share(s) held by him in accordance with the articles of association of the Company from time to time and in the event of failing to do so, the Company shall be entitled (and is hereby irrevocably authorised by the Executive) in the name of and on behalf of the Executive to execute or authorise any person to execute any documents or to do any things

necessary to effect such transfer.

- 14.6 The Executive shall not after termination of the Appointment represent himself as being employed by or in any way connected with the Company or any Group Company.

14.7 Compensation

14.7.1 In the event of the Company terminating the Executive's employment hereunder other than pursuant to Clauses 3, 14.1, 14.3 or 14.4 above such that the Company is or may be in breach of this Agreement, the parties hereto agree that the Executive's remedy for such breach shall be in damages only and further agree that the Executive shall be entitled to recover from the Company liquidated damages in satisfaction thereof in such sum as shall be equivalent to the gross annual remuneration (including any bonus which the Executive would otherwise have received) payable to the Executive immediately prior to the termination of the Executive's employment hereunder, after deduction, if applicable, of any amount to which the Executive may be entitled by virtue of the provisions of the Employment Rights Act 1996, as amended, where such termination is by reason of redundancy, and such sum, after deduction if applicable, shall be accepted by the Executive in full and final settlement of all claims accruing to him and arising against the Company by virtue of such termination (excluding always any pension or other similar benefits to which he may be entitled).

14.7.2 The parties acknowledge and agree that the provisions of Clause 14.7.1 above shall operate and apply as a genuine pre-estimate of the loss suffered by the Executive as a result of such termination and that notwithstanding any general rule or principle of law as to mitigation of loss or otherwise.

15. **Restrictions after employment**

15.1 Since the Executive has obtained and is likely to obtain knowledge of Confidential Information and the trust and confidence of customers, suppliers and other contacts of the Group in the course of his employment with the Company and/or any other Group Company the Executive hereby agrees that in addition to the restrictions contained in Clause 13 of this Deed he will be bound by the following restrictions namely:-

15.1.1 the Executive shall not for a period of six months from the date of termination of the Appointment, directly or indirectly carry on or be engaged or concerned or interested (whether as principal, shareholder, partner, consultant, employee, director, sub-contractor, officer, agent or otherwise), in any trade or business carried on within a radius of three miles of any premises from which the Company carries on business which is or is in any way calculated or likely to be competitive with or similar to any trade or business carried on by the Company at any time during the period of twelve months preceding such date of termination; and the provisions of this sub-paragraph shall apply also to any trade or business of any Group Company which the Executive has served during the Appointment;

15.1.2 the Executive shall not for a period of six months from the date of termination of the Appointment, directly or indirectly by any means whatsoever, and whether for himself or for or on behalf of any third party, canvass or solicit orders or instructions for goods or services of the same kind or nature as, or competitive or calculated or likely to be competitive with, those with which the Company (or any Group Company which the Executive has served during the Appointment) was concerned to a material extent at any time during the twelve months preceding such date of termination, from any person, firm, company, body or authority who or which was a customer, supplier, agent or distributor of the Company (or any Group Company which the Executive has served during the Appointment) or with whom or which the Company (or any Group Company which the Executive has

served during the Appointment) has otherwise done business during such period of twelve months; or

15.1.3 the Executive shall not for a period of six months from the date of termination of the Appointment, induce or endeavour to induce any person with whom the Company (or any Group Company which the Executive has served during the Appointment) has done business at any time within twelve months prior to the date of such termination, to remove their business from the Company (or any such Group Company).

15.2 Since the Executive has obtained and is likely to obtain in the course of his employment with the Company and/or any Group Company the confidence of and influence over the employees of the Company and the Group and, in particular, both the knowledge of and confidence of and influence over those employees of particular importance to the Company and/or the Group due to their key skills and responsible positions, and in recognition that the Company and the other Group Companies have an interest in preserving their connection with such key employees the Executive hereby agrees that he shall not for a period of six months from the date of termination of the Appointment, directly or indirectly by any means whatsoever, and whether for himself or on behalf of any third party, solicit or endeavour to entice away, offer employment to, employ or cause to be employed any person who at any time during the twelve months prior to such termination is or was a director or senior employee of managerial status of the Company (or any Group Company which the Executive has served during the Appointment).

15.3 If any of the foregoing undertakings is held for any reason not to be valid or enforceable as going beyond what is reasonable for the protection of the interests of the Company or the Group, but would be valid if part of the wording were deleted or its extent reduced or modified, then such undertakings shall apply with such modifications or variations as may be necessary to make them enforceable, and any such modification or variation shall not thereby affect the validity of any of the other undertakings.

15.4 The Executive acknowledges and agrees that he has been advised to take independent professional advice in relation to the provisions of this Clause 15, and that such provisions are fair and reasonable.

15.5 For the purposes of the restrictions set out in this Clause 15 the expression "Company" shall include any former owner or transferor of a business acquired by the Company by which the Executive shall have been employed under a contract of employment in respect of which his service is included for the purposes of calculating continuous employment with the Company.

16. **Other Agreements**

This Deed sets out the whole terms and conditions applicable to the Appointment and the Executive's employment by the Company. All prior contracts and agreements (whether reduced to writing or not) in relation to the Executive's employment by the Company or any Group Company are hereby entirely superseded.

17. **Statutory Intimation**

For the purposes of the Employment Rights Act 1996 as amended, the terms of employment applying as at the Commencement Date are as specified in the Schedule annexed.

18. **Notices**

18.1 Any notice or other document required or permitted to be given or served under this Deed, may be given or served personally or by leaving the same or sending the same by first class post or other faster postal service or facsimile transmission at or to the registered office of the Company, or the address of the Executive as stated in this Deed, or such other address as the Executive may hereafter intimate in writing to the Company for the giving of notice.

18.2 Any such notice or document shall be deemed to have been served:-

18.2.1 if delivered, at the time of delivery; or

18.2.2 if posted, at the expiry of 48 hours after posting.

18.3 In proving such service it shall be sufficient to prove that delivery was made or that the envelope containing such notice or document was properly addressed and posted.

19. **General**

19.1 Any reference to any provision of any Act of Parliament or subordinate legislation pursuant thereto shall be deemed to be a reference to such Act of Parliament or subordinate legislation as amended, modified or re-enacted (whether before or after the date hereof) and any references to any provision of any such Act or legislation shall also include any provision of which they are re-enactments and any provision in repealed enactments.

19.2 Clause headings have been inserted for convenience only and shall not affect the construction of this Deed.

19.3 Notwithstanding termination of this Deed, the provisions of Clauses 12 (Intellectual Property), 13 (Confidentiality) and 15 (Restrictions after employment) shall remain in force indefinitely or for the periods therein specified as the case may be.

19.4 No failure on the part of either party to exercise, and no delay on its part in exercising any right or remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

19.5 The Executive hereby acknowledges that he has no outstanding claims of any kind against the Company or any Group Company or against their respective assets (otherwise than in respect of remuneration and other benefits to which he is entitled accrued due to the date hereof but not yet received).

20. **Applicable Law**

This Deed shall be governed by and construed according to the law of England.

IN WITNESS WHEREOF the parties have executed and delivered this instrument as a deed the day and year first before written:-

SCHEDULE to DEED

between

LOK'n STORE LIMITED

and

COLIN JACOBS

- (i) Job Title:- Operations Director
- (ii) Date of Commencement:- The Commencement Date. The Executive's previous employment with the Company from *1st January 1995* shall count with the Appointment as a continuous period of employment.
- (iii) Place of Work:- See Clause 4
- (iv) Hours:- See Clause 4
- (v) Remuneration:- See Clause 5
- (vi) Holidays:- See Clause 9
- (vii) Sickness or Injury:- See Clause 10

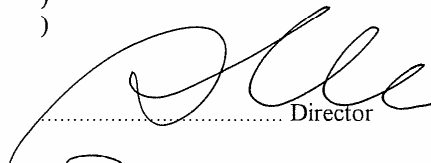
The Company operates the Statutory Self-Certification and Sick Pay Scheme.

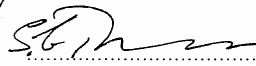
- (viii) Pension:- The Director is entitled to membership of the Company's Pension Scheme (see Clause 6).

A contracting out certificate is in force in respect of the Appointment.

- (ix) Notice:- See Clauses 3, 14 and 18.
- (x) Grievance Procedure:- The Executive shall refer any grievance about the Appointment or any dissatisfaction with any disciplinary decision relating to him to the Board in writing. The Board will consider the matter and its decision shall be final.
- (xi) The Executive hereby agrees to exclude his right to claim compensation for unfair dismissal and/or a redundancy payment arising solely out of the expiry of this Deed without renewal.

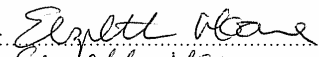
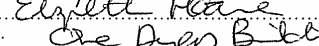
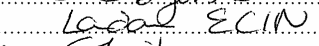

EXECUTED and DELIVERED)
 as a Deed on behalf of the said)
LOK'N STORE LIMITED)
 acting by:-)


 Director


 Director/Secretary

SIGNED and DELIVERED)
 as a Deed by the said **COLIN**)
JACOBS in the presence of the)
 undernoted witness:-)



Witness: 
 Name: 
 Address: 
 Local ECIN 25X
 Occupation: 
 Solicitor