



PETROMATAD

Petro Matad Limited  
(Isle of Man Company 1483V)

Dear Non-Executive Director,

On [date], the board of directors of Petro Matad Limited (the “**Company**”) has resolved to appoint you as a non-executive director of the Company. This letter sets out the terms of your appointment (“the **Appointment**”) and has been amended and restated on the date hereof. It is agreed that this letter constitutes a contract for services and is not a contract of employment.

## 1 Appointment

- 1.1 Subject to the remaining provisions of this letter, the Appointment commenced on [date], and continues unless terminated earlier by either party giving to the other 3 months’ notice in writing, or in accordance with the Articles of Association (including the provisions on retirement by rotation), or the Isle of Man Companies Act 2006 (the “**Companies Act**”). Non executive directors are typically expected to serve two three year terms, although the Board may invite you to serve an additional period.
- 1.2 Your appointment is subject to the Articles of Association. Nothing in this letter shall be taken to exclude or vary the terms of the Articles of Association of the Company as they apply to you as a director of the Company. Continuation of your appointment is contingent on satisfactory performance and re-election at forthcoming Annual General Meetings. If the shareholders do not re-elect you as a director in accordance with the Articles of Association your appointment shall terminate automatically and with immediate effect and without compensation.
- 1.3 Notwithstanding paragraphs 1.1 and 1.2, the Company may terminate your appointment with immediate effect and without compensation if:
  - (a) you have committed a material breach of your obligations under this letter;
  - (b) you have committed any serious or repeated breach or non-observance of your obligations to the Company (which include an obligation not to breach your fiduciary duties); or
  - (c) your office as a director of the Company is properly to be vacated pursuant to the Articles of Association.
- 1.4 On termination of the Appointment, you shall at the request of the Company resign from your office as a director of the Company and all offices held by you in any Group Company.

The relationship between you and the Company shall be that of office-holder and not one of employment. During the period of the Appointment, you shall be free to take up employment or hold office with any other company, business entity or organisation provided that such employment or office does not impede, or put you in breach of, your obligations under this letter

## 2 Role and Duties

- 2.1 You shall carry out the function of a non-executive director on the Board of the Company and consequently shall have no management or executive powers or functions. You will be expected to exercise the general fiduciary duties and duties of care and confidentiality expected of every director and in accordance with the principles outlined in the QCA Guidelines as amended from time to time (when adopted by the Board of the Company).

2.2 Non-executive directors have the same general legal responsibilities to the Company as any other director. The Board as a whole is collectively responsible for the success of the Company. The Board:

- provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and reviews management performance; and
- sets the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

2.3 All directors must take decisions objectively in the interests of the Company. You will be subject to the various fiduciary and other duties imposed on directors under the common law, including:

2.3.1 The duty of honesty and good faith, including (a) the duty to act bona fide and in the interests of the Company and (b) the duty to act for a proper purpose;

2.3.2 The duty to exercise independent judgment; and

2.3.3 The duty to exercise reasonable skill, care and diligence.

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

- Strategy: Non-executive directors should constructively challenge and help develop proposals on strategy.
- Performance: Non-executive directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- Risk: Non-executive directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- People: Non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, executive directors and in succession planning.

2.5 You agree that:

2.5.1 You may be asked to participate in one or more sub-committees of the Board;

2.5.2 The Board may delegate some of its functions to a sub-committee determined by the Board, and that such sub-committee may make decisions and take actions on behalf of the Company within its terms of reference, without the approval of the full Board;

- 2.5.3 Your prime responsibilities are the attendance at Board meetings of the Company and the giving of such advice to the Board as is consistent with your duties as a director of the Company;
  - 2.5.4 You may be asked, from time to time, to assist an executive director of the Board in a management audit of any Group Company;
  - 2.5.5 Unless specifically authorised to do so by the Board, you shall not enter into any legal or other commitment or contract on behalf of the Company or any Group Company;
  - 2.5.6 You shall disclose any direct or indirect interest that you may have in any matter being considered at a Board Meeting or any other sub-committee of the Board and, save as permitted under the Articles, you shall not vote on any resolution of the Board on any matter where you have any direct or indirect interest;
  - 2.5.7 You will be required to accept responsibility, publicly and where necessary in writing, when required to do so under any act, regulation or code of conduct.
  - 2.5.8 You will abide by your fiduciary duties as a director of the Company. You will immediately report your own wrongdoing or the wrongdoing or proposed wrongdoing of any other employee or director of which you become aware to the Chairman; and
  - 2.5.9 You will comply with the Disclosure and Transparency Rules as from time to time amended, the London Stock Exchange's AIM Rules for Companies as from time to time amended, the QCA Guidelines (when adopted by the Board of the Company) and all other requirements, recommendations or regulations, as amended from time to time, of the Financial Services Authority and any other regulatory authority relevant to the Company, as well as any code or codes as may from time to time be adopted by the Company or the Group on directors' conduct or dealings in securities of a Group Company.
- 2.6 The Company shall give to you any information concerning the Company as you may reasonably require to enable you to comply with your statutory and common law duties as a non-executive director. Any requests for such information should be processed through the Company Secretary.

### **3 Time Commitment**

- 3.1 It is anticipated that you will be required to devote approximately 10 days per annum to your role. This will include attendance at Board meetings and the Annual General meeting and consideration of all papers prior to the meeting. By accepting the appointment you confirm that you are able to commit sufficient time to the role to meet the Company's expectations.

### **4 Directors' fees and benefits**

- 4.1 The Company shall pay to you directors' fees of [amount] per annum payable monthly in arrears. No further fees shall be payable to you unless approved by a full Board Meeting or at a General Meeting of the shareholders of the Company. The fees shall be deemed to have accrued with effect from [date]. For the avoidance of doubt, you shall be liable for all tax arising on the payment of the fee pursuant to the terms of this letter.

- 4.2 The Company will reimburse you for all reasonable and properly documented expenses you incur in performing the duties of your office. Such expenses will be paid by the Company within 21 days of receipt of an appropriate invoice.
- 4.3 The Company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of your Appointment, subject to the terms and conditions of the policy of insurance from time to time.
- 4.4 On the termination of your appointment on notice, you will be paid your directors' fees on a pro-rata basis, to the extent that they are unpaid, up to the date of termination. Early termination for the reasons outlined in paragraph 1.3 will not give rise to any right to compensation.

## **5 Conflict of Interest**

- 5.1 You shall not except with the prior sanction of a resolution of the Board during the period of this Appointment directly or indirectly (i) be engaged in, or (ii) be employed by, or (iii) hold any directorship or other office in, or (iv) hold shares in, or (v) have any other interest in any company, firm, or other business entity which is the same as, or similar to, the business of (a) the Company or (b) any Group Company in respect of which you have access to its confidential information and trade secrets. This shall not prevent you from holding up to 10 per cent of shares in such a company listed on a recognised stock exchange.
- 5.2 You confirm that you have disclosed fully to the Company all circumstances in respect of which there is, or there might be, a conflict of interest between the Company or any Group Company, and you agree to disclose fully to the Company any such circumstances which may arise during the Appointment.

## **6 Confidentiality**

- 6.1 Subject to any disclosures required by law or any regulatory authority, you shall neither during the Appointment nor at any time (without limit) after the cessation thereof, directly or indirectly:
  - 6.1.1 use for your own purposes or those of any other person, company, business entity or other organisation whatsoever; or
  - 6.1.2 disclose to any person, company, business entity or other organisation whatsoever;

any trade secret or confidential information relating or belonging to the Company or its Group Companies including but not limited to any such information relating to any customer, customer list or requirement, price list or pricing structure, sales and marketing information, business plan or dealing, employee or officer, source codes and computer systems, software, financial information and plans, designs, formulae, prototypes, product lines, services, research activities, any document marked 'Confidential' (or with a similar expression), or any information which you have been told is confidential or which you might reasonably expect the Company would regard as confidential, or any information which has been given to the Company or Group Company in confidence by any customer, supplier or other persons.

- 6.2 You shall not at any time during the Appointment make any notes or memoranda relating to any matter within the scope of the Company's business, dealings or affairs otherwise than for the benefit of the Company or any Group Company.

- 6.3 The obligations contained in paragraph 6.1 shall cease to apply to any information or knowledge, which may subsequently come into the public domain after the termination of the Appointment other than by way of unauthorised disclosure.
- 6.4 You shall comply with the provisions of the Privacy Policy adopted by the Board during the Board meeting of 5 July 2011.

## **7 Reasonableness of Restrictions**

- 7.1 You recognise that during the Appointment you will have access to and come into contact with trade secrets and confidential information belonging to the Company or to its Group Companies. You therefore agree that the restrictions contained or referred to in paragraphs 5 and 6 hereof are reasonable and necessary to protect the legitimate business interests of the Company and its Group Companies both during and after the cessation of the Appointment.

## **8 Review Process**

- 8.1 The performance of individual directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role, you should discuss them with the chairman as soon as is appropriate.

## **9 Independent Advice**

- 9.1 Circumstances may occur when it will be appropriate for you to seek advice from independent advisors at the Company's expense. A copy of the Board's agreed procedure under which directors may obtain such independent advice can be obtained on request. The Company will reimburse the full cost of expenditure incurred in accordance with the Board's policy.

## **10 Indemnities**

- 10.1 The Company shall indemnify you on a continuing basis (subject to paragraph 10.4) against any costs, charges, losses, damages and liabilities ("Liabilities") that arise in connection with your position as a director of the Company or any Group Company:
- 10.1.1 to the extent permitted by law;
- 10.1.2 subject to such exclusions as are determined by the Board from time to time ("Exclusions") in force at the time such potential or actual Liabilities in any particular instance are first notified to the Company by you; and
- 10.1.3 subject to you complying in full with any notification procedures in force at the time you first become aware of such potential or actual Liabilities in any particular instance.
- 10.2 In addition to the indemnity given by the Company under paragraph 10.1, the Company shall (subject to paragraphs 10.3 and 10.4) provide funds to meet reasonable expenditure incurred or to be incurred by you in defending legal proceedings that arise in connection with your position as a director of the Company or any Group Company:
- (a) to the extent permitted by law (including, without limitation, under section 112 of the Companies Act and subject to any applicable tax deductions);

- (b) subject to Exclusions in force at the time any potential or actual Liabilities in relation to such proceedings are first notified to the Company by you;
- (c) subject to you complying in full with notification procedures in force at the time you first become aware of any potential or actual Liabilities in relation to such proceedings; and
- (d) subject to the requirement that you shall repay to the Company (and indemnify the Company in respect of) any such funds provided to you to the extent either that those funds should be

repaid to the Company as required by law (including without limitation under section 112 of the Companies Act or as a result of any conditions of funding (whether as specifically notified to you prior to such funding in a particular instance being granted or pursuant to any general conditions of funding determined or amended by the Board from time to time and notified to each director in writing)).

10.3 No Liability shall attach to the Company by reason of the indemnity given pursuant to paragraph 10.1 or any right to funding for expenditure pursuant to paragraph 10.2 to the extent that:

- (a) any sums in connection with such Liability have been recovered by you under the Director's and Officer's Insurance policy maintained by the Company from time to time or pursuant to any insurance maintained by you and accordingly you may only recover once in respect of the same Liability; or
- (b) any sums in connection with such Liability may not be recovered by the Company under such Director's and Officer's Insurance policy as a result of any act or omission by you in relation to such policy.

10.4 The indemnity given by the Company pursuant to paragraph 10.1 and any right of the Executive to funding of expenditure pursuant to paragraph 10.2 shall continue to apply following the termination of your appointment as a director of the Company or the relevant Group Company but only in respect of Liabilities which arise or funding arrangements agreed during the period of your appointment as a director of the Company or the relevant Group Company.

## 11 Data Protection

11.1 For the purposes of the Data Protection Act 1998 and the Isle of Man Data Protection Act 2002, by signing this Agreement you consent to the processing by the Company of personal data including sensitive data of which you are the subject. You agree that the data may be collected and held by the Company, or be disclosed or transferred to other employees of the Company or to any other member of any Group Company (including if necessary to other offices of the Company or any Group Company outside the European Economic Area) or to any other person as may be reasonably necessary or as otherwise permitted by law.

## 12 Miscellaneous

12.1 The benefit of each agreement and your obligation in respect of paragraphs 5 to 7 inclusive may be assigned to and enforced by all successors and assigns for the time being of the Company, and such agreements and obligations shall operate and remain binding notwithstanding the termination of this letter.

- 12.2 This letter cancels and is in substitution for all previous letters of engagement, agreements and arrangements (whether oral or in writing) relating to the subject-matter hereof between you and the Company all of which shall be deemed to have been terminated by mutual consent. This letter constitutes the entire terms and conditions of the Appointment and no waiver or modification thereof shall be valid unless in writing, signed by the parties hereto and only to the extent therein set forth.
- 12.3 The various provisions and sub-provisions of this letter are severable and if any provision or sub-provision is held to be unenforceable by any court of competent jurisdiction then such enforceability shall not affect the enforceability of the remaining provisions or sub-provisions in this letter.
- 12.4 No term of this letter is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.
- 12.5 This letter is governed by and construed in accordance with the laws of England. The parties hereto submit to the exclusive jurisdiction of the English Courts.

### 13 Definitions and Interpretation

In this letter a reference to any statute or statutory provision shall include any orders, regulations or other subordinate legislation made under it and any statutory modification or re-enactment of it for the time being in force and the following words and expressions shall have the meanings set out below:

- 13.1 “**Articles of Association**” means the articles of association of the Company as amended from time to time
- 13.2 “**Group Company**” means any holding company for the time being of the Company or any subsidiary for the time being of the Company or of any such holding company (for which purpose the expressions “holding company” and “subsidiary” shall have the meanings ascribed thereto by section 220 of the Companies Act (as amended or re-enacted))
- 13.3 “**QCA Guidelines**” means the QCA Corporate Governance Guidelines for AIM Companies published by the Quoted Companies Alliance
- 13.4 “**the Board**” means the Board of Directors of the Company.