

Dated 1 January 2020

(1) **BLUEROCK DIAMONDS PLC**

- and -

(2) **MICHAEL HOUSTON**

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**SERVICE AGREEMENT**

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## SERVICE AGREEMENT

**THIS AGREEMENT** is made the 1<sup>st</sup> day of January 2020

**BETWEEN:**

- (1) **BLUEROCK DIAMONDS PLC** (Registered No. 8248437) whose registered office is at 4th Floor Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS (the “**Company**”); and
- (2) Michael Houston of **60 .2B Hacienda del Sol, Campo de Luna 2. Estepona. 29688 Spain.**

**WHEREBY IT IS AGREED** as follows:

### **1 DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement the following words and expressions shall (unless the context otherwise requires) have the following meanings:

“ <b>AIM Rules</b> ”	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time;
“ <b>Board</b> ”	the board of directors for the time being of the Company (or any director or committee of directors authorised by the Board);
“ <b>Business Day</b> ”	a day, other than a Saturday, Sunday or public holiday in the UK or the Republic of South Africa when banks in the City of London and in the Republic of South Africa are open for business;
“ <b>Commencement Date</b> ”	1 January 2020.
“ <b>Engagement</b> ”	the engagement of the Director of the Company governed by this Agreement;
“ <b>Group</b> ”	the Company and each Group Company;
“ <b>Group Company</b> ”	any company, partnership, body corporate or unincorporated association wherever incorporated or based which is a holding company for the time being of the Company or a 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 1179 Companies Act 2006 (as amended or re-enacted));
“ <b>Month</b> ”	a calendar month.
“ <b>Share Dealing Code</b> ”	the Company’s Share Dealing code.
“ <b>Termination Date</b> ”	the date on which the termination of the Engagement takes effect.

1.1 Where a clause in this Agreement refers to the Group and/or the Company and/or a Group Company, the clause shall, for the avoidance of doubt, be deemed to contain a distinct obligation in relation to the Company and each Group Company.

- 1.2 Words importing one gender shall be treated as importing the other, words importing persons shall be treated as importing bodies corporate, corporations, unincorporated associations and partners and *vice versa*, words importing the singular shall be treated as importing the plural and *vice versa* and words importing the whole shall be treated as including a reference to any part thereof.
- 1.3 Any reference to a statutory provision shall be deemed to include a reference to any statutory modification, amendment, re-enactment or superseding legislation and all statutory regulations thereunder.
- 1.4 Clause headings do not form part of this Agreement and shall not be taken into account in its construction or interpretation.
- 1.5 Any phrase introduced by the terms "including", "include", "in particular", "*inter alia*" or any similar expression shall be construed as illustrative and shall not limit the sense of the word preceding these terms.
- 1.6 Any reference to the Director shall, if appropriate, include his personal representatives.

## **2 COMMENCEMENT OF ENGAGEMENT**

### **Preamble**

Mr Houston was appointed Non Executive-Chairman of Blue Rock Diamonds on 8<sup>th</sup> November 2018. With the departure of the Chief Executive Officer on 1<sup>st</sup> May 2019 and the appointment of a Chief Executive Officer of the operating subsidiary, Kareevlei Mining, the Board requested Mr Houston to take on an Executive Chairman role of Blue Rock Diamonds until such time as a Chief Executive of Blue Rock Diamonds is appointed. Mr Houston was initially requested to hold the Executive Chairman role until 31<sup>st</sup> December 2019 at which time the situation would be reviewed. With the ongoing transition in the company it has been agreed that it is in interest of the Company to extend this Executive Chairman role for a further 12 months. It is anticipated Mr Houston would spend 20% of his time carrying out duties as a Director and this contract covers that aspect of his Service Agreements.

- 2.1 The Engagement will commence on the Commencement Date and subject to earlier termination under clause 15 shall continue thereafter unless terminated by either party giving to the other no less than three months' notice in writing.

## **3 OFFICE AND DUTIES**

- 3.1 The Director serves the Company as a Director and the Director's title shall be Executive Chairman and Executive Director. In this capacity the Director shall have particular responsibility for the supervision and management of the Group.
- 3.2 The Director shall regularly report to the Board and keep the Board informed (in writing, if so requested) of the performance of the duties assigned to the Director and provide such explanations and other information as the Board may from time to time require.
- 3.3 The Director is aware that the Engagement is based on mutual trust, loyalty and confidence and of the fiduciary duties the Director owes to the Company and the Director shall at all times during his Engagement: -
  - 3.3.1 devote so much of his time, ability and attention as is required for the proper performance of his duties and act in the best interests of the Company and the Group;
  - 3.3.2 faithfully and diligently perform those duties and exercise such powers consistent with them that are from time to time assigned to or vested in the Director by the Board;
  - 3.3.3 conform to and comply with all lawful directions of the Board;

- 3.3.4 comply with any codes, policies, procedures, rules and regulations which the Company or a Group Company may issue from time to time;
- 3.3.5 promptly disclose to the Board any information which comes into the Director's possession which adversely affects or may adversely affect the Company and/or any member of the Group or the business of the Company and/or any member of the Group;
- 3.3.6 use his best endeavours to promote the interests of the Company and of each Group Company, maintain and improve the Company's business and protect and further the interests and reputation of the Company and the Group and do nothing to their detriment; and
- 3.3.7 not at any time make any untrue or misleading statement relating to the Company or a Group Company.
- 3.4 The Director may be required to travel on the business of the Company or any Group Company as the Company may from time to time require. This may involve travelling outside normal business hours and at weekends, bank or public holidays, should the need arise.

#### **4 SERVICE OBLIGATIONS**

- 4.1 The Director shall not during the Engagement engage, enter into, undertake or be concerned or in any manner interested in any capacity either directly or indirectly whether paid or unpaid in any other occupation or business or trade or the setting up of any business or trade which is wholly or partly in competition with the activities of the Company or any Group Company.
- 4.2 The Director shall not at any time during the continuance of this Agreement without the previous written consent of the Board engage or be concerned or interested, either directly or indirectly, in any other trade, profession, business or occupation which in the reasonable opinion of the Board would materially interfere with the proper performance of the Director's duties or hold any directorship in any company other than a member of the Group without prior written approval from the Board which shall not be unreasonably withheld in the case of non-Director directorships of companies that are not in competition with the business of the Group or activities that would not obstruct the Director's ability to perform his duties under this Agreement in priority to the requirement of any other such activity undertaken by the Director.
- 4.3 The Director shall not at any time during the continuance of this Agreement do any thing (whether in his activities for the Group or otherwise) which may in the reasonable opinion of the Board significantly bring the Company or any member of the Group into disrepute or harm the goodwill or the reputation of the Company or any member of the Group.
- 4.4 Nothing contained in this Agreement shall preclude the Director from being interested in issued shares or other securities of any class of any company which are listed or dealt in on a recognised Stock Exchange. However, if the Director wishes to be interested in more than 3 per cent. of the issued shares or other securities of any class of any company which are listed or dealt in on a recognised Stock Exchange the Director must first obtain the written agreement of the Board, which shall only be withheld if in the reasonable and written opinion of the Board such interest would materially conflict with the interests of the Company or interfere with the proper performance of the Directors duties. All share dealings shall be carried out in accordance with the Share Dealing Code as adopted by the Board on Admission.
- 4.5 During the continuation of the Engagement the Director shall not directly or indirectly procure to obtain for his own benefit (or for the benefit of any other person (other than the Company)) any payment, rebate, discount, commission, voucher, gift or other benefit (with the exception of reasonable corporate entertainment) from any third party in respect of any business transacted or proposed to be transacted (whether or not by the Director) by or on behalf of the Company or any member of the Group or its clients and shall immediately disclose and

account to the Company for any such payment or benefit received by the Director (or by any other person on his behalf or at his instruction).

## **5 STOCK EXCHANGE REQUIREMENTS**

5.1 The Director shall not deal in any shares or other securities issued by the Company or by any other Group Member:

5.1.1 in contravention of the insider dealing provisions of the Criminal Justice Act 1993; nor

5.1.2 other than in accordance with the Share Dealing Code;

5.2 The Director shall promptly notify to the secretary of the Company:

5.2.1 written particulars of any share transactions relating to the Director or any person connected to the Director which are required by law to be notified to the Company; and

5.2.2 all relevant information relating to the Director or any such connected person which the Company is required to notify to the London Stock Exchange in accordance with or pursuant to the AIM Rules.

5.3 The Director shall, insofar as applicable to his as a result of the Director being a director of the Company, comply with all relevant provisions of:

5.3.1 rules governing any share transactions relating to the Director or any person connected to the Director which are required by law to be notified to the Company;

5.3.2 the AIM Rules; and

5.3.3 the UK Corporate Governance Code as published by the Financial Reporting Council.

## **6 TASKS TO BE UNDERTAKEN**

6.1 The Director has agreed to work on the basis that the Director will provide his services and devote time and attention to the affairs of the Company and any Group Company as and when the Board allocates responsibility for the performance of tasks to the Director or he is otherwise required to attend to his duties as Chairman (executive director) of the Company with the particular responsibilities of his role.

6.2 The Director will be obliged to provide the time and attention required to perform the tasks allocated to the Director under clause 6.1 in priority to any other business commitments that the Director has undertaken, if and to the extent that his engagement with those other commitments would delay, distract or otherwise obstruct his ability to carry out such tasks for the Company in accordance with the terms on which they are allocated.

6.3 Subject to clauses 6.1 and 6.2 above, the Director will take all reasonable steps to make himself available to work when required and will perform such work as is required in a prompt and timely manner.

6.4 The Director will not have a single fixed place of work but will be able to conduct the tasks assigned to the Director from such location as may be suitable for the activity and task involved. The Director may be required to travel to locations outside the Director's country of residence if the Company so requests.

## **7 REMUNERATION**

7.1 The Director is to receive 20% of the agreed remuneration in respect of his services to the Company as director's fees. This shall amount to £12,000 per annum to the Company.

- 7.2 The Director hereby authorises the Company any time during the Engagement, in any event on the termination of the Engagement, howsoever arising, to deduct from the Director's remuneration in respect of the Engagement any monies due from the Director to the Company and/or a Group Company.
- 7.3 It is anticipated the Chairman will be required to work approximately 120 hours per annum in carrying out his duties as a director. If he is required to work in excess of the 120 hours per annum (10 hours per month) he would be paid for those extra hours based on an hourly rate. (£100 per hour)
- 7.4 The Chairman will be entitled to participate in the company incentive scheme as agreed by REMCO.
- 7.5 All fees to you under this letter will be paid through PAYE and are subject to deduction of tax and national insurance contributions and any other amounts which the Company is obliged to deduct.

## **8 EXPENSES**

- 8.1 The Director shall upon the production of properly receipted vouchers or such other evidence of actual payment of expenses as the Company may require be reimbursed for all reasonable expenses wholly, exclusively and necessarily incurred by the Director on behalf of the Company in the proper performance of his duties under this Agreement subject to the Director complying with such guidelines or regulations as may be issued by the Company or a Group Company from time to time.
- 8.2 Any credit card supplied to the Director by the Company shall be used only for expenses incurred by him in the course of the Engagement.

## **9 HEALTH AND PENSIONS**

- 9.1 If during the Engagement the Director shall at any time be unable properly to perform his duties by reason of illness (including mental disorders), injury, accident, incapacity or otherwise, the Director shall notify the Board of the fact and nature of the incapacity as soon as possible on the first day of absence or as soon as reasonably practicable thereafter and on each subsequent day unless supported by a medical certificate.
- 9.2 In respect of any absence due to illness, the Director must by way of self-certification complete an absence statement upon his return in a form required by the Company from time to time. In addition, a medical certificate must be produced to the Company for periods of absence of 7 consecutive calendar days (including Saturdays and Sundays) or more and on a weekly basis thereafter. The Company reserves the right to require medical certificates for periods of absence of less than 7 calendar days and will be responsible for the reasonable cost of such certificates.
- 9.3 If the incapacity of the Director to perform his duties appears to have been caused wholly or partially by any act, negligence, breach of duty or omission by a third party, the Director must without delay notify the Company of the circumstances and must provide the Company with any further particulars that the Company may reasonably require. If the Director receives any damages, compensation, settlement or any other payment in respect of such act, negligence, breach of duty or omission the Company may require the Director to refund to the Company a sum representing the lesser of the aggregate or any remuneration (in excess of statutory sick pay) paid in respect of the period of incapacity and the amount of the payment received by the Director.
- 9.4 The Company reserves the right to require the Director to submit to an independent medical examination, the reasonable cost of which will be borne by the Company. The Director hereby gives his written consent to the disclosure of any report produced by the medical practitioner in confidence to the Company or its advisers and the Director hereby authorises the medical practitioner carrying out the examination to discuss and disclose any matters

arising from such examination which might affect the Director's health or hinder or affect the proper performance of his duties.

## **10 CONFIDENTIAL INFORMATION, PROPERTY AND SECURITY**

- 10.1 The Director agrees that in order to protect the legitimate interests of the Company and the Group, the Director shall not, except in the proper course of his duties hereunder during the continuance of this Agreement for whatever reason use or in any way divulge to any person whatsoever (and shall use his best endeavours to prevent the publication or disclosure of) any trade secrets and confidential knowledge, know-how and information relating or belonging to the Company or any Group Company.
- 10.2 The Director agrees that in order to protect the legitimate interests of the Company and the Group, the Director shall not at any time (without limitation) after the termination of this Agreement for whatever reason use or in any way divulge to any person whatsoever (and shall use his best endeavours to prevent the publication or disclosure of) any trade secrets and confidential knowledge, know-how and information relating or belonging to the Company or a Group Company save as may be required by law.
- 10.3 The restrictions contained in clause 11.1 and 11.2 shall:
- 10.3.1 without limitation be deemed to apply to information or knowledge of a confidential nature concerning any of the business methods, ideas, know-how, dealings, transactions, affairs or finances of the Company or a Group Company and any names, files, books, records or accounts or data in relation thereto and any documents marked confidential and any information which the Director has been told is confidential or which the Director might reasonably expect that the Company or a Group Company would regard as confidential including particulars of any litigation in which the Company or the Group may be involved and the Director's and other employees' remuneration package and information relating to their terms and conditions of employment and its termination and any information which has been given to the Company or a Group Company or to the Director in confidence by customers, suppliers or other persons;
- 10.3.2 cease to apply to any information which comes into the public domain otherwise than as a result of the default of the Director.
- 10.4 The Director is required to ensure that all of the Company's and a Group Company's papers, documents and information are kept secure at all times and should not be removed from the Company's or Group Company's premises as the case may be unless strictly necessary for the proper performance of his duties.
- 10.5 The Director acknowledges that any breach of this clause or sub-clauses entitles the Company to terminate the Engagement summarily pursuant to clause 16 of this Agreement.

## **11 DATA PROTECTION**

- 11.1 For the purposes of this clause 12:
- 11.1.1 "**Personal Data**" means data which relates to an individual whilst the Director is alive and from which data itself or from which data and other information which is in the possession of the Company or a Group Company (or any data processor instructed by the Company or a Group Company) the individual can be identified. Such data includes any expression of opinion by the individual and any indication of the intentions of the Company or any other person in respect of the individual; and
- 11.1.2 "**Sensitive Personal Data**" means Personal Data consisting of information as to the racial or ethnic origin of an individual, his political beliefs, his religious beliefs or other beliefs of a similar nature, whether the Director is a member of a trade union, his physical or mental health or condition, his sexual life, the commission by him of any offence or any proceedings

for any offence committed or alleged to have been committed by him, the disposal of such proceedings or the sentence of any court in such proceedings.

- 11.2 The Director explicitly consents to Personal Data (including Sensitive Personal Data) relating to him and to his Engagement to the extent that it is reasonably necessary in connection with his Engagement or the business of the Company or a Group Company:
- 11.2.1 being collected and held (in hard copy and computer readable form) and processed by the Company or a Group Company;
- 11.2.2 being disclosed or transferred to other officers or employees of the Company or a Group Company and their officers and employees and other persons as may be reasonably necessary and as otherwise required or permitted by law; and
- 11.2.3 being collected and transferred to any other person as may be reasonably necessary for the purpose of a prospective and/or actual acquisition or merger.
- 11.3 The Director explicitly consents that the transfer and disclosure of Personal Data as set out above shall apply regardless of the country of residence of the person to whom the data is to be transferred. Where the disclosure or transfer is to a person resident outside the European Economic Area, the Company shall take reasonable steps to ensure that his rights and freedoms in relation to the processing of the relevant Personal Data are adequately protected.
- 11.4 The Director acknowledges that any breach of this clause or sub-clauses entitles the Company to terminate the Engagement summarily pursuant to clause 16 of this Agreement.
- 11.5 The Director agrees to use all reasonable endeavours to keep the Company informed of any changes to his personal data and to comply with the provisions of the Data Protection Act 1998.

## **12 INTELLECTUAL PROPERTY RIGHTS**

All records, documents, paper, (including copies and summaries thereof) and other copyright protected works made or acquired by the Director in the course of the Engagement shall, together with all the world-wide copyright and design rights in all such works, be and at all times remain the absolute property of the Company.

## **13 REDRESS OF GRIEVANCE OR DISCIPLINARY ISSUE**

- 13.1 The Director is subject to the Company's disciplinary and grievance procedures, copies of which are available from the Board. These procedures do not form part of the Director's contract of engagement.
- 13.2 If the Director wishes to appeal against a disciplinary decision the Director may apply in writing to the Board in accordance with the Company's disciplinary procedure.
- 13.3 The Company may at any time suspend the Director for a period of up to 2 weeks during any period in which the Company is carrying out a disciplinary investigation into any alleged acts or defaults by the Director. During any period of suspension, the Director shall continue to receive his fees and contractual benefits.
- 13.4 If the Director wishes to raise a grievance, the Director may apply in writing to the Board in accordance with the Company's grievance procedure.

## **14 GARDEN LEAVE**

- 14.1 The Company may at its discretion at any time during the Engagement or during any period of notice or part thereof whether given by the Company or the Director, require the Director



(subject to the Company continuing to pay the Director his fees and contractual benefits), not to attend his place of work and not to perform any duties for the Company or any Group Company or to perform only such specific projects or tasks as are expressly assigned to him, in any case for such period and at such place or places including his home residence as the Company may in its discretion decide.

- 14.2 During any such period when the Director is required not to attend work and not to perform some or all of his duties for the Company:
- 14.2.1 The Director shall, for the avoidance of doubt remain an officer, and keep himself available for what would be the Director's normal working hours and remain bound to continue to comply with the terms of this Agreement and to continue strictly to observe his express duties hereunder and his implied duties of good-faith and fidelity;
- 14.2.2 the Company shall be entitled to exclude the Director from the Company's or any Group Companies' premises and to request that the Director has no contact with clients and/or customers of the Company or any Group Company; and
- 14.2.3 the Director shall not:
- (a) provide any assistance to, or work, for a competitor of the Company or a Group Company, including assisting (directly or indirectly) in the preparation of a business plan, or participating (directly or indirectly) in business conferences whether for strategy, planning or team building purposes;
  - (b) save for routine social contact with people who are already the Director's personal friends, contact employees or clients of the Company or a Group Company with whom the Director dealt while employed by the Company;
  - (c) seek, whether directly or indirectly, to publicise in any way the fact that the Director is leaving the Company; and
  - (d) without the prior written permission of the Board, attend any corporate hospitality events.

## **15 TERMINATION OF ENGAGEMENT**

- 15.1 The Company may terminate the Engagement at any time without notice and without any payment in lieu of notice if the Director is guilty of gross misconduct or in any way fundamentally in breach of the terms of his engagement contract with the Company. The following are examples of conduct that would entitle the Company to terminate the Engagement summarily:
- 15.1.1 if the Director becomes prohibited by law from being a director;
- 15.1.2 if the Director resigns his office of director
- 15.1.3 if the office of director of the Company held by the Director is vacated pursuant to the Company's Articles of Association save if the vacation shall be caused by illness (including mental disorder or injury);
- 15.1.4 if the Director is guilty of a breach of the rules or regulations as amended from time to time of the London Stock Exchange in particular the AIM Rules, the UK Listing Authority (including the Model Code for transactions in securities by directors of listed companies), the Financial Services Authority or any regulatory authorities relevant to the Company or any Group Company or any code of practice issued by the Company (as amended from time to time);
- 15.1.5 theft, fraud, deliberately providing false or misleading information or engaging in any act of dishonesty, or use of company property for other means or third parties;

- 15.1.6 any act or attempted act of violence or abusive behaviour towards people or property or persistent use of foul language or unnecessary continual raising of voice including causing deliberate damage to the Company's or Group Company's property;
- 15.1.7 indecent behaviour towards or harassment or bullying of or discrimination against fellow employees, suppliers, customers or clients;
- 15.1.8 incapability through alcohol, non-prescribed drugs or other substances. The Director is obliged to inform the Company if prescribed drugs may affect his work in any way;
- 15.1.9 wilful breach of health and safety regulations;
- 15.1.10 a serious act of insubordination or wilful refusal to carry out reasonable requests;
- 15.1.11 serious or persistent neglect of duties or serious or persistent breaches of the terms and conditions of the Engagement;
- 15.1.12 unauthorised use of or disclosure of confidential information;
- 15.1.13 serious breach of the Company's or the Group's policies, procedures or rules;
- 15.1.14 falsifying records or expense claims;
- 15.1.15 conviction of a criminal offence arising from or related to the Director's work for the Company or any other Group Company;
- 15.1.16 conviction of a criminal offence committed outside working hours which in the opinion of the Company adversely affects the Company's or the Group's business or reputation, or affects the Director's suitability for the type of work which the Director performs or affects his acceptability to other employees or officers;
- 15.1.17 any act which the Director knows or should reasonably believe is likely to bring the Company or the Group into disrepute;
- 15.1.18 unauthorised signing of documentation committing the Company or a Group Company to any financial obligation or exceeding the Director's authority in any way;
- 15.1.19 misuse of the Company's or the Group's computer system or computer software;
- 15.1.20 misuse of the Company's or the Group's property or name;
- 15.1.21 negligence which causes or might cause unacceptable loss, damage or injury;
- 15.1.22 serious breach of confidence (subject to the Public Interest Disclosure Act 1998); and

This list is intended as a guide and is not exhaustive.

## 15.2 Dismissal on short notice

The Company may terminate this Agreement by not less than 3 months' prior written notice given at any time if the Director is incapacitated by ill-health or accident from performing his duties under this Agreement and has been so incapacitated for a period or periods aggregating 3 calendar months in the preceding 6 months, provided that the Company shall

withdraw any such notice if during the currency of the notice the Director returns to full time duties under this Agreement and provides a medical practitioner's certificate satisfactory to the Board to the effect that the Director has fully recovered his health and that no recurrence of his illness or incapacity can reasonably be anticipated.

- 15.3 Without prejudice to clause 15 and in order to investigate a complaint of misconduct against the Director, the Company is entitled to suspend the Director on full pay and contractual benefits and to exclude the Director from its premises (or the premises of a Group Company) for such period as may be required to carry out a proper investigation and hold a disciplinary hearing. The Director shall comply with all instructions from the Company during any period of suspension.
- 15.4 The Director acknowledges that if the Director is on notice or under suspension, the Director shall have no right to work.
- 15.5 The Director shall upon the termination of the Engagement (howsoever arising) or at any time prior thereto at the request of the Company:
  - 15.5.1 immediately deliver up to the Company all property of the Company or of any other Group Company, including such property as is referred to in clause 11, mobile telephones, laptops, printers, vehicles, equipment, keys, computer software (whether owned or licensed), memoranda, notes, records, reports, sketches, plans or copies of such items and all other correspondence, documents and records which may have come into his possession or under his control and shall not retain any copies and not be entitled to any copyright thereto;
  - 15.5.2 supply the Company with a written list describing all matters to do with the Company's or a Group Company's business in which the Director has been involved and which is either unfinished or likely to recur or require further action on the part of the Company or a Group Company or which carries a significant risk of the Company and/or a Group Company incurring any loss, financial liability, penalty or other disadvantage. The list must either identify the whereabouts of, or be annexed to, all files, correspondence and other papers which relate to each matter on the list; and
  - 15.5.3 if required, the Director shall sign a statement confirming that the Director has complied with this clause.
- 15.6 Upon termination of the Engagement (howsoever arising) any right the Director may have to use credit, bankers, cheque, fuel or any other similar cards or as an authorised person on a bank mandate or documents or mobile phones on behalf of the Company/Group shall automatically terminate. Such cards, mobile phones and accessories or documents shall be returned to the Company and the Director shall reimburse the Company on demand for any loss it may suffer because of unauthorised use.
- 15.7 The Company shall be entitled at any time at its discretion to make a payment of Fees under the Employment Contract to the Director in lieu of the remaining period, if any, of notice (or part thereof). It is expressly agreed and declared that such payment in lieu of notice shall not constitute a repudiation of this Agreement and it is further expressly agreed that if the Company shall decide not to make a payment to the Director in lieu of notice the Director shall not be entitled to enforce that payment as a contractual debt nor as liquidated damages.
- 15.8 On the termination of this Agreement for whatever reason, the Director shall at the request of the Company resign (without prejudice to any claims which the Director may have against any Company arising out of this Agreement or the termination thereof) from all and any offices which the Director may hold as a Director of the Company and/or of any Group Company and from all other appointments or offices which the Director may hold as nominee or representative of the Company and if the Director should fail to do so within 7 days of receiving a notice requiring him to do so the Company is hereby irrevocably authorised to appoint some person in his name to act as his attorney and on her behalf to sign any

documents or do any things necessary or requisite to effect such resignations and/or transfer(s).

## **16 POST TERMINATION OBLIGATIONS**

In this clause the following words and phrases carry the meanings shown opposite each of them:

**“Restricted Business”** the business of the Company and/or a Group Company carried on at the time of the termination of the Directorship with which the Director was involved to any material extent during the period of 12 months ending on the Termination Date;

**“Restricted Person”** any person who or which was a customer or contractor of or an adviser of or supplier to any Group Company or a person with whom the Company has any existing or potential business connection during the period of 12 months prior to the Termination Date and with whom the Director had contact in the course of the Engagement;

**“Restricted Employee”** any person who was at the Termination Date employed by the Company or a Group Company and who by reason of his/her seniority or expertise and/or knowledge of the Company’s or Group Company’s confidential information could be likely to be able to assist or benefit to a material extent, any business in or proposing to be in competition with the Company or a Group Company in relation to the Restricted Business and with whom the Director dealt in the 12 months prior to the Termination Date in the course of the Engagement; and

**“Restricted Period”** the period of twenty four months from the Termination Date provided that, if prior to or following the giving of notice by either party to terminate the Engagement, the Director is required not to attend at his place of work and not perform some or all of his duties for the Company as provided for in clause 15, the duration of the Restricted Period shall be reduced by such time, if any, as the Director spends at home on payment of fees without carrying out any duties.

16.1 The Director covenants and undertakes that the Director shall not, without the prior written consent of the Company, for:

16.2 the Restricted Period, be engaged directly or indirectly in or concerned in any business, which is in competition with or preparing to be in competition with the Restricted Business, provided that if prior to or following the giving of notice by either party to terminate the Engagement, the Director is required not to attend at his place of work and not perform some or all of his duties for the Company as provided for in clause 15, the duration of this period shall be reduced by such time, if any, as the Director spends at home on payment of fees without being provided with work;

16.3 the Restricted Period solicit or endeavour to entice away from the Company and/or a Group Company the business or custom of a Restricted Person with a view to entering into any business relationship with that Restricted Person in competition with or preparing to be in competition with the Restricted Business;

16.4 the Restricted Period provide goods or services to or otherwise have any business dealings with any Restricted Person in the course of any business concern which is in competition with or preparing to be in competition with the Restricted Business;

- 16.5 the Restricted Period interfere or seek to interfere with the dealings of the Company and/or a Group Company with any Restricted Person or the terms relating to the dealings of the Company and/or a Group Company with any Restricted Person;
- 16.6 the Restricted Period in the course of any business concern which is in competition with or preparing to be in competition with any Restricted Business offer employment to or otherwise endeavour to entice away from the Company or a Group Company any Restricted Employee.
- 16.7 The Director shall on receipt of any approach or invitation to take up alternative employment or enter into a business relationship with a competitor of the Company make such person aware of all restrictions and obligations which the Director owes the Company and/or any Group Company.
- 16.8 All prohibitions upon the Director in this clause 17 shall include as a distinct covenant the acts of any company or business in which the Director is directly engaged concerned or interested and shall also include acts done by his alone or jointly whether on his or any such companies' or business' account or for any other person and whether as principal, controlling shareholder, partner, Director, agent, consultant, adviser or otherwise directly or indirectly.
- 16.9 The Director hereby agrees and declares that if any one or more or any part of the covenants contained in this clause shall be rendered or judged invalid or unenforceable by a court of competent jurisdiction then such covenant, covenants or part of a covenant shall be deemed to be severed from this Agreement and such invalidity or enforceability shall not affect the validity or enforceability of the remaining covenant, covenants or part of a covenant contained in this clause notwithstanding the fact that it appears in the same clause, sub-clause or sentence as any other covenant or is imposed by the introduction of a word or phrase conjunctively with or disjunctively from or alternatively to other words or phrases and the Director hereby acknowledges that the above restrictive covenants are fair and reasonable in the circumstances for the protection of the goodwill of and/or the business of the Company and a Group Company.

## **17 NON-REPRESENTATION**

The Director covenants with the Company that the Director will not at any time after ceasing to be an officer under this Agreement either personally or by his agent directly or indirectly use the name of the Company or of a Group Company in connection with his own or any other name calculated to suggest that the Director is connected with the Company or a Group Company nor in any way hold himself out or represent himself as being in any way connected with or interested in the business of the Company or a Group Company.

## **18 MEDIA AND PRESS**

The Director shall not contact or communicate with any member of the press or media on behalf of the Company or a Group Company without obtaining the prior consent of the Company.

## **19 GENERAL**

- 19.1 The Director warrants that as at the date of entering into this Agreement and the Commencement Date the Director is not in breach of any express or implied terms of any contracts or of obligations binding upon his and not prevented from entering into the Engagement.
- 19.2 Any notice given under this Agreement shall be given in writing and may be given by either party by delivering it personally or sending it by pre-paid registered or recorded post to the other party at the usual or last known address or in the case of the Company, its registered office only. Any such notice shall be deemed to have been received:
- (i) if delivered personally, at the time of delivery;

- (ii) in the case of pre-paid recorded or registered post, 24 hours from the date of posting; and
- (iii) in the case of service outside the United Kingdom, 5 days from the date of posting.

Provided that if deemed receipt occurs after 5pm on any day, the notice shall be deemed to have been received at 9am on the next Business Day. In proving such service it shall be sufficient to prove that the envelope containing such notice was addressed, in the case of the Director to his usual or last known address and in case of the Company, its registered office address (or as otherwise notified by that party hereunder) and delivered either to that address or into the custody of the postal authorities as a pre-paid recorded or registered post. For the purpose of this clause, "**Business Day**" means any day which is not a Saturday or Sunday or a public holiday in the place at or to which the notice is left or sent.

- 19.3 This Agreement supersedes all and any previous agreements made between the Company and the Director and together with any documents referred to in this Agreement constitutes the entire terms and conditions of the Engagement.
- 19.4 In the event of any inconsistency between this Agreement and any codes, policies, procedures, rules and regulations of the Company or a Group Company from time to time, the terms of this Agreement shall prevail.
- 19.5 The Company reserves the right reasonably to vary the Director's terms of engagement at any time. The Director will be notified of minor changes of detail by way of general notice to all officers and employees. Such changes will have effect from the date of the notice. Any significant changes may be notified to the Director by individual notice or general notice to all officers and employees up to one month in advance.
- 19.6 The Contracts (Rights of Third Parties) Act 1999 shall apply to this Agreement to the extent (but no more) set out in this clause. Any Group Company shall be entitled to enforce the benefits conferred on it of this Agreement. The consent of a Group Company shall not be required for the variation or termination of this Agreement, even if that variation or termination affects the benefits conferred on any Group Company.
- 19.7 This Agreement may be executed in any number of counterparts, which shall together constitute one Agreement. Any party may enter into this Agreement by signing any such counterpart.
- 19.8 This Agreement is subject to English law and the parties submit to the non-exclusive jurisdiction of the English courts.

**EXECUTED and DELIVERED** as a **DEED** by )  
**BLUEROCK DIAMONDS PLC** )  
acting by: )

Director.....

Director/Secretary.....

**SIGNED and DELIVERED** as a )  
**DEED** by **MICHAEL HOUSTON** )  
in the presence of: )

Witness Signature:.....

Witness Name: .....

Address: .....

.....

.....

Occupation:.....