

DATED *22 December* 2015

ROCKROSE ENERGY PLC (1)

and

ANDREW PHILIP AUSTIN (2)

SERVICE AGREEMENT

Cooley
LLP

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THIS AGREEMENT is made 22 December 2015

BETWEEN:

- (1) **ROCKROSE ENERGY PLC** incorporated and registered in England and Wales with company number 09665181 whose registered office is at c/o Cooley Services Limited, Dashwood, 69 Old Broad Street, London EC2Y 1QS (the "**Company**").
- (2) **ANDREW PHILIP AUSTIN** of [REDACTED] ("**Director**").

IT IS AGREED AS FOLLOWS:

1. **Interpretation**

1.1 The definitions and rules of interpretation in this clause 1 apply in this Agreement.

"Appointment": the employment of the Director by the Company on the terms of this Agreement.

"Associated Employer": has the meaning given to it in the Employment Rights Act 1996.

"Board": the board of directors of the Company (including any committee of the board duly appointed by it).

"Capacity": as agent, consultant, director, employee, owner, partner, shareholder or in any other capacity.

"Commencement Date": the date of this Agreement.

"Competitive Activities": means any activities competitive with those supplied by the Company and/or any Associated Employer at any time during the 12 months immediately preceding the earlier of Termination and the commencement of Garden Leave and in relation to which the Director was materially involved or concerned or for which he was responsible during that period.

"Confidential Information": information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) relating to the business, products, affairs and finances of the Company for the time being confidential to the Company and trade secrets including, without limitation, technical data and know-how relating to the business of the Company or any of its business contacts.

"Garden Leave": any period during which the Company has exercised its rights under clause 14.

"Incapacity": any sickness, injury or other medical disorder or condition which prevents the Director from carrying out his duties.

"Key Employee": means any person who at any time during the 12 months immediately preceding the earlier of Termination and the commencement of Garden Leave is or was employed or engaged by the Company or any Associated Employer in a senior, managerial, sales, marketing, technical or supervisory capacity and with whom the Director dealt during

that period.

“Termination”: the termination of the Director's employment with the Company however caused.

- 1.2 The headings in this Agreement are inserted for convenience only and shall not affect its construction.
- 1.3 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.

2. **Term of Appointment**

- 2.1 The Appointment shall commence on the Commencement Date and shall continue, subject to the remaining terms of this Agreement, until terminated by either party giving the other not less than three months' prior notice in writing, increasing to 12 months' upon the Company completing an acquisition which constitutes a reverse takeover.
- 2.2 No employment with a previous employer counts towards the Director's period of continuous employment with the Company.
- 2.3 The Director consents to the transfer of his employment under this Agreement to an Associated Employer at any time during the Appointment.

3. **Director Warranties**

- 3.1 The Director represents and warrants to the Company that, by entering into this Agreement or performing any of his obligations under it, he will not be in breach of any court order or any express or implied terms of any contract or other obligation binding on him.
- 3.2 The Director warrants that he is entitled to work in the United Kingdom without any additional approvals and will notify the Company immediately if he ceases to be so entitled during the Appointment.
- 3.3 The Director warrants that he is not subject to any restrictions which prevent him from holding office as a director.

4. **Duties**

- 4.1 The Director shall serve the Company initially as a director and Chairman of the Board and as director charged with implementation of the Company's acquisition strategy, reporting to the Board, until such time as the Company has completed a transaction constituting a reverse takeover, at which point the Board intends to confirm the Director's appointment as Chief Executive Officer and at which point the parties agree to negotiate, in good faith, terms and conditions commercially reflective of the change in position.

4.2 During the Appointment the Director shall:

- (A) act as a director of the Company and carry out duties on behalf of the Company as required by the Board;
- (B) comply with the articles of association (as amended from time to time) of the Company;
- (C) abide by any statutory, fiduciary or common-law duties to the Company;
- (D) not do anything that would cause him to be disqualified from acting as a director;
- (E) comply with any code of practice issued by the Company (as amended from time to time) relating to dealing in the securities of the Company;
- (F) comply with the requirements under both legislation and regulation as to the disclosure of inside information;
- (G) comply with the Company's anti-corruption and bribery policy and related procedures from time to time in force;
- (H) unless prevented by Incapacity, devote the whole of his time, attention and abilities to the business of the Company;
- (I) faithfully and diligently exercise such powers and perform such duties as may from time to time be assigned to him by the Board, together with such person or persons as the Board may appoint to act jointly with him;
- (J) comply with all reasonable and lawful directions given to him by the Board;
- (K) promptly make such reports to the Board in connection with the affairs of the Company on such matters and at such times as are reasonably required;
- (L) report his own wrongdoing and any wrongdoing or proposed wrongdoing of any other employee or director of the Company to the Board immediately on becoming aware of it;
- (M) use his best endeavours to promote, protect, develop and extend the business of the Company;
- (N) consent to the Company monitoring and recording any use that he makes of the Company's electronic communications systems for the purpose of ensuring that the Company's rules are being complied with and for legitimate business purposes; and
- (O) comply with any electronic communication systems policy that the Company may issue from time to time.

4.3 All documents, manuals, hardware and software provided for the Director's use by the Company, and any data or documents (including copies) produced, maintained or stored on the Company's computer systems or other electronic equipment (including mobile phones), remain the property of the Company.

5. **Place of Work**

- 5.1 The Director's principal place of work is initially his home or such other place which the Board may reasonably require for the proper performance and exercise of his duties. The Company reserves the right to change the Director's principal place of work on giving reasonable notice.
- 5.2 The Director agrees to travel to and work on the Company's business (both within or outside the United Kingdom) as may be required for the proper performance of his duties under the Appointment.
- 5.3 There is no current requirement for the Director to work outside the United Kingdom for any continuous period of more than one month.

6. **Hours of Work**

- 6.1 The Director's normal working hours shall be such hours as are requested by the Company between the Company's normal working hours of 9am and 5pm Monday to Friday, and such additional hours as may be necessary for the proper performance of his duties. The Director acknowledges that he shall not receive further remuneration or time off in lieu in respect of such additional hours.
- 6.2 The parties each agree that the nature of the Director's position is such that his working time cannot be measured and, accordingly, that the Appointment falls within the scope of regulation 20 of the Working Time Regulations 1998.

7. **Salary**

- 7.1 The Director shall be paid an initial salary of £145,000 per annum (inclusive of any fees due to the Director by the Company as an officer of the Company and/or any Associated Employer), less such deductions for income tax and National Insurance contributions that the Company is obliged by law to pay or deduct.
- 7.2 The Director's salary shall accrue from day to day and be payable monthly in arrears on or about the last working day of each month directly into the Director's bank or building society.
- 7.3 The Director's salary shall be reviewed by the Board annually, the first such review to take place after the Company has completed a transaction constituting a reverse takeover. The Company is under no obligation to award an increase following a salary review. There will be no review of the salary after notice has been given by either party to terminate the Appointment.
- 7.4 The Company may deduct from the salary, or any other sums owed to the Director, any money owed to the Company by the Director.

8. **Expenses**

- 8.1 The Company shall reimburse (or procure the reimbursement of) all reasonable expenses wholly, properly and necessarily incurred by the Director in the course of the Appointment, subject to production of VAT receipts or other appropriate evidence of payment.
- 8.2 The Director shall abide by the Company's policies on expenses as communicated to him from time to time.

9. **Pension**

9.1 The Company will comply with the employer pension duties in respect of the Director in accordance with Part 1 of the Pensions Act 2008.

9.2 A contracting-out certificate is not in force in respect of the Appointment.

10. **Holidays**

10.1 The Company's holiday year runs between 1 January and 31 December. Holiday entitlement shall be calculated on a pro-rata basis rounded up to the nearest half day for the years in which the Appointment commences and terminates.

10.2 The Director shall be entitled to 25 days' paid holiday in each holiday year together with the usual public holidays in England and Wales.

10.3 Holiday shall be taken at such time or times as shall be approved in advance by the Board. The Director shall not carry forward any accrued but untaken holiday entitlement to a subsequent holiday year unless the Director has been prevented from taking it in the relevant holiday year by one of the following: a period of sickness absence or statutory maternity leave, paternity, adoption, parental or shared parental leave. In cases of sickness absence, carry-over is limited to four weeks' holiday per year less any leave taken during the leave year that has just ended. Any such carried over holiday which is not taken within eighteen months of the end of the relevant holiday year will be lost.

10.4 The Director shall be entitled to payment in lieu of accrued but untaken holiday on termination of the Appointment. The amount of such payment in lieu shall be 1/260th of the Director's salary for each untaken day of the entitlement.

10.5 If on termination of the Appointment the Director has taken in excess of his accrued holiday entitlement, the Company shall be entitled to recover from the Director by way of deduction from any payments due to the Director or otherwise one day's pay for each excess day calculated at 1/260th of the Director's salary.

10.6 If either party has served notice to terminate the Appointment, the Board may require the Director to take any accrued but unused holiday entitlement during the notice period. Any accrued but unused holiday entitlement shall be deemed to be taken during any period of Garden Leave.

11. **Incapacity**

11.1 If the Director is absent from work due to Incapacity, the Director must notify the Board of the reason for his absence on the first working day of such absence, indicating so far as practicable the date on which he expects to return to work. The Director shall keep the Company informed and provide it with such certification of his condition as it may require and comply with any sickness policy of the Company from time to time.

11.2 Subject to the Director satisfying the relevant requirements he shall receive Statutory Sick Pay (SSP). The Director's qualifying days for SSP purposes are Monday to Friday.

11.3 The Director agrees to consent to medical examinations (at the Company's expense) by a doctor nominated by the Company should the Company so require. The Director agrees that any report produced in connection with any such examination may be disclosed to the Company and the Company may discuss the contents of the report with the relevant doctor.

12. **Confidential Information**

- 12.1 The Director acknowledges that in the course of the Appointment he will have access to Confidential Information. The Director has therefore agreed to accept the restrictions in this clause 12.
- 12.2 The Director shall not (except in the proper course of his duties), either during the Appointment or at any time after its termination (however arising), use or disclose to any person, company or other organisation whatsoever (and shall use his best endeavours to prevent the publication or disclosure of) any Confidential Information. This shall not apply to:
- (A) any use or disclosure authorised by the Board or required by law;
 - (B) any information which is already in, or comes into, the public domain other than through the Director's unauthorised disclosure; or
 - (C) any protected disclosure within the meaning of section 43A of the Employment Rights Act 1996.

13. **Ceasing to be a Director**

- 13.1 Except with the prior approval of the Board, or as provided in the articles of association of the Company, the Director shall not resign as a director of the Company.
- 13.2 At any time, at the request of the Board, the Director agrees to resign from any directorships, offices, appointments and/or trusteeships which he holds with the Company and/or any Associated Company without claim for compensation.
- 13.3 If during the Appointment the Director ceases to be a director of the Company (otherwise than by reason of his death, resignation as an employee or disqualification pursuant to the articles of association of the Company, as amended from time to time, or by statute or court order) the Appointment shall continue with the Director as an employee only and the terms of this Agreement (other than those relating to the holding of the office of director) shall continue in full force and effect. The Director shall have no claims in respect of such cessation of office.

14. **Garden Leave**

- 14.1 Following service of notice to terminate the Appointment by either party, or if the Director purports to terminate the Appointment in breach of contract, the Board may by written notice place the Director on Garden Leave for the whole or part of the remainder of the Appointment.
- 14.2 During any period of Garden Leave:
- (A) the Company shall be under no obligation to provide any work to the Director and may revoke any powers the Director holds on behalf of the Company;
 - (B) the Company may require the Director to carry out alternative duties or to only perform such specific duties as are expressly assigned to the Director, at such location (including the Director's home) as the Company may decide;
 - (C) the Company may require the Director to resign immediately from any offices he holds in the Company;

- (D) the Director shall continue to receive his basic salary and all contractual benefits in the usual way and subject to the terms of any benefit arrangement;
- (E) the Director shall remain an employee of the Company and bound by the terms of this Agreement (including any implied duties of good faith and fidelity);
- (F) the Director shall ensure that the Board knows where he will be and how he can be contacted during each working day (except during any periods taken as holiday in the usual way);
- (G) the Company may exclude the Director from any premises of the Company; and
- (H) the Company may require the Director not to contact or deal with (or attempt to contact or deal with) any officer, employee, consultant, client, customer, supplier, agent, distributor, shareholder, adviser or other business contact of the Company.

15. **Payment in Lieu of Notice**

15.1 Notwithstanding clause 2, the Company may, in its sole and absolute discretion, terminate the Appointment at any time and with immediate effect by notifying the Director that the Company is exercising its right under this clause 15.1 and that it will make a payment in lieu of notice (**Payment in Lieu**) to the Director. This Payment in Lieu will be equal to the basic salary (as at the date of termination) which the Director would have been entitled to receive under this Agreement during the notice period referred to at clause 2 (or, if notice has already been given, during the remainder of the notice period) less income tax and National Insurance contributions. For the avoidance of doubt, the Payment in Lieu shall not include any element in relation to:

- (A) any bonus or commission payments that might otherwise have been due during the period for which the Payment in Lieu is made;
- (B) any payment in respect of benefits which the Director would have been entitled to receive during the period for which the Payment in Lieu is made; and
- (C) any payment in respect of any holiday entitlement that would have accrued during the period for which the Payment in Lieu is made.

15.2 The Director shall have no right to receive a Payment in Lieu unless the Company has exercised its discretion in clause 15.1. Nothing in this clause 15 shall prevent the Company from terminating the Appointment in breach.

15.3 Notwithstanding clause 15.1 the Director shall not be entitled to any Payment in Lieu if the Company would otherwise have been entitled to terminate the Appointment without notice in accordance with clause 16. In that case the Company shall also be entitled to recover from the Director any Payment in Lieu already made.

16. **Termination Without Notice**

16.1 The Company may also terminate the Appointment with immediate effect without notice and with no liability to make any further payment to the Director (other than in respect of amounts accrued due at the date of termination) if the Director:

- (A) is disqualified from acting as a director or resigns as a director from the Company without the prior written approval of the Board;

- (B) is in breach of the Company's anti-corruption and bribery policy and related procedures;
- (C) is guilty of any gross misconduct affecting the business of the Company;
- (D) commits any serious or repeated breach or non-observance of any of the provisions of this Agreement or refuses or neglects to comply with any reasonable and lawful directions of the Board;
- (E) is, in the reasonable opinion of the Board, negligent and/or incompetent in the performance of his duties;
- (F) is declared bankrupt or makes any arrangement with or for the benefit of his creditors or has a county court administration order made against him under the County Court Act 1984;
- (G) is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed) or any offence under any regulation or legislation relating to insider dealing;
- (H) is, in the opinion of a medical practitioner physically or mentally incapable of performing their duties and may remain so for more than three months and the medical practitioner has given a medical opinion to the Board to that effect;
- (I) ceases to be eligible to work in the United Kingdom;
- (J) is guilty of any fraud or dishonesty or acts in any manner which in the opinion of the Board brings or is likely to bring the Director or the Company into disrepute or is materially adverse to the interests of the Company; or
- (K) is guilty of a serious breach of any rules issued by the Company from time to time regarding its electronic communications systems.

16.2 The rights of the Company under clause 16.1 are without prejudice to any other rights that it might have at law to terminate the Appointment or to accept any breach of this Agreement by the Director as having brought the agreement to an end. Any delay by the Company in exercising its rights to terminate shall not constitute a waiver thereof.

17. **Obligations on Termination**

17.1 On termination of the Appointment (however arising), the Director shall:

- (A) resign immediately without compensation from any office that he holds in or on behalf of the Company;
- (B) transfer without payment to the Company or as it may direct any shares or other securities held by him in the Company as a nominee or trustee for the Company and deliver to the Company the related certificates;
- (C) subject to clause 17.2, immediately deliver to the Company all documents, books, materials, records, correspondence, papers and information (on whatever media and wherever located) relating to the business or affairs of the Company or its business contacts, any keys, credit card and any other property of the Company including any car provided to the Director, which is in his possession or under his control;

- (D) irretrievably delete any information relating to the business of the Company stored on any magnetic or optical disk or memory and all matter derived from such sources which is in his possession or under his control outside the Company's premises; and
 - (E) provide a signed statement that he has complied fully with his obligations under this clause 17.1 together with such reasonable evidence of compliance as the Company may request.
- 17.2 Where the Director has been placed on Garden Leave he shall not be required by clause 17.1 to return until the end of the Garden Leave period any property provided to him as a contractual benefit for use during the Appointment.
- 17.3 The Director hereby irrevocably appoints the Company to be his attorney to execute and do any such instrument or thing and generally to use his name for the purpose of giving the Company or its nominee the full benefit of clause 13.2, 14.2(C), 17.1(A) and clause 17.1(B).
- 17.4 On termination of the Appointment however arising the Director shall not be entitled to any compensation for the loss of any rights or benefits under any share option, bonus, long-term incentive plan or other profit sharing scheme operated by the Company in which he may participate.
18. **Restrictive Covenants**
- 18.1 The Director shall not for the period of 6 months after Termination (less any period of time spent on Garden Leave) in respect of any Competitive Activities:
- (A) offer employment or any contract for services to or employ or engage any Key Employee; or
 - (B) solicit or entice or endeavor to solicit or entice any Key Employee to leave his employment with or cease his directorship or consultancy with the Company, whether or not that person would breach any obligations owed to the Company or any relevant Associated Employer by so doing.
19. **Disciplinary and Grievance Procedures**
- 19.1 The Director is subject to the Company's disciplinary and grievance procedures, copies of which are available from the company secretary. These procedures do not form part of the Director's contract of employment.
- 19.2 If the Director wants to raise a grievance, he may apply in writing to the company secretary in accordance with the Company's grievance procedure.
- 19.3 If the Director wishes to appeal against a disciplinary decision he may apply in writing to the company secretary in accordance with the Company's disciplinary procedure.
- 19.4 The Board may suspend the Director from any or all of his duties for no longer than is necessary to investigate any disciplinary matter involving the Director or so long as is otherwise reasonable while any disciplinary procedure against the Director is outstanding
20. **Data Protection**

- 20.1 The Director consents to the Company processing data relating to the Director for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data (as defined in the Data Protection Act 1998) relating to the Director, including, as appropriate:
- (A) information about the Director's physical or mental health or condition in order to monitor sick leave and take decisions as to the Director's fitness for work;
 - (B) the Director's racial or ethnic origin or religious or similar information in order to monitor compliance with equal opportunities legislation; and
 - (C) in order to comply with legal requirements and obligations to third parties.
- 20.2 The Company may make such information available to those who provide products or services to the Company (such as advisers and payroll administrators), regulatory authorities, potential purchasers of the Company or the business in which the Director works, and as may be required by law.
- 20.3 The Director consents to the transfer of such information to the Company's business contacts outside the European Economic Area in order to further its business interests even where the country or territory in question does not maintain adequate data protection standards.

21. **Collective Agreements**

There is no collective agreement which directly affects the Appointment.

22. **Reconstruction and Amalgamation**

If the Appointment is terminated at any time by reason of any reconstruction or amalgamation of the Company, whether by winding up or otherwise, and the Director is offered employment with any concern or undertaking involved in or resulting from the reconstruction or amalgamation on terms which (considered in their entirety) are no less favourable to any material extent than the terms of this Agreement, the Director shall have no claim against the Company or any such undertaking arising out of or connected with the termination.

23. **Notices**

- 23.1 A notice given to a party under this Agreement shall be in writing in the English language and signed by or on behalf of the party giving it. It shall be delivered by hand or sent to the party at the address given in this Agreement or as otherwise notified in writing to the other party.
- 23.2 Any such notice shall be deemed to have been received:
- (A) if delivered by hand, at the time the notice is left at the address or given to the addressee;
 - (B) in the case of pre-paid first class UK post or other next working day delivery service, at 9.00am on the second business day after posting or at the time recorded by the delivery service; or

- (C) in the case of pre-paid airmail, 9.00am on the fifth business day after posting or at the time recorded by the delivery service.
- 23.3 A notice shall have effect from the earlier of its actual or deemed receipt by the addressee. For the purpose of calculating deemed receipt:
- (A) all references to time are to local time in the place of deemed receipt; and
 - (B) if deemed receipt would occur on a Saturday or Sunday or a public holiday when banks are not open for business, deemed receipt is at 9.00am on the next business day.
- 23.4 A notice required to be given under this Agreement shall not be validly given if sent by e-mail.
- 23.5 This clause does not apply to the service of any proceedings or other documents in any legal action.
24. **Entire Agreement**
- 24.1 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 24.2 Each party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.
- 24.3 Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Agreement.
- 24.4 Nothing in this clause shall limit or exclude any liability for fraud.
25. **Variation**
- No variation or agreed termination of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).
26. **Counterparts**
- 26.1 This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.
- 26.2 No counterpart shall be effective until each party has executed at least one counterpart.
27. **Third Party Rights**
- No one other than a party to this Agreement shall have any right to enforce any of its terms.
28. **Governing Law**
- This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be

governed by and construed in accordance with the law of England and Wales.

29. **Jurisdiction**

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a Deed by **Rockrose Energy plc**
acting by a director, in the presence of:

[Redacted]

Director

SIGNATURE OF WITNESS
NAME, ADDRESS AND OCCUPATION
OF WITNESS

[Redacted]

Tom Adams

Signed as a Deed by **Andrew Philip Austin**
in the presence of:

[Redacted]

Law Company Attorney

SIGNATURE OF WITNESS
NAME, ADDRESS AND OCCUPATION
OF WITNESS

[Redacted]

Tom Adams

[Redacted]
[Redacted]
[Redacted]