



LETTER OF APPOINTMENT OF A NON-EXECUTIVE DIRECTOR

27 August, 2020

Michael Phair
Flat 11 Cumberland House
Kensington Road
London
United Kingdom
W8 5NX

Dear Michael,

MIDDLEFIELD CANADIAN INCOME PCC (THE "COMPANY") AND YOUR APPOINTMENT TO THE BOARD AS A NON-EXECUTIVE DIRECTOR

The board of the Company (the "**Board**") is pleased to hear that you have accepted our offer to remain on the Board as a non-executive director. This letter confirms the main terms of your appointment to this office. It is agreed that this is a contract for services and not a contract of employment. You should be aware that your appointment was ratified by the Company's shareholders at the at the Cell and Company General Meeting held on 18 June, 2020 and is subject to the Company's articles of association as amended from time to time (the "**Articles**"). If there is a conflict between the terms of this letter and the Articles then the Articles shall prevail.

1. **APPOINTMENT**

Your appointment is subject to the Articles and nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company.

2. **TIME COMMITMENT**

2.1 The Company anticipates that you will need to spend as much time as required to fulfil your duties. This is based on preparation for and attendance at:

- (a) scheduled Board meetings;
- (b) annual general meetings;
- (c) meetings with non-executive directors;
- (d) training;
- (e) meetings as part of the Board evaluation process; and
- (f) meetings with shareholders.

2.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to the Company to discharge your duties effectively. You also acknowledge that there may be circumstances in which you will need to devote additional time to your duties, such as when the Company is undergoing a period of particularly increased activity, or as a result of some major difficulty with one or more of its operations. In these circumstances you agree to work such additional hours (without any additional remuneration) as may be required for the proper performance of your duties.

3. **DUTIES**

3.1 You have already been informed how the Board is structured and what authorities are delegated to the service providers.

3.2 The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The Board's role is to:

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

3.3 In your role as a non-executive director you are required (along with the other non-executives) to:

- (a) constructively challenge and contribute to the development of strategy;
- (b) review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (c) satisfy yourself that financial information is accurate and that financial controls and systems of risk management are robust and defensible;
- (d) be responsible, along with the management engagement committee for determining appropriate levels of remuneration of service providers and have a prime role in appointing, and monitoring service providers to ensure they are meeting their obligations;
- (e) devote time to developing and refreshing your knowledge and skills;
- (f) uphold high standards of integrity and probity and support the directors in instilling the appropriate culture, values and behaviours both in and outside the boardroom;
- (g) insist on receiving high-quality information sufficiently in advance of board meetings; and
- (h) take into account the views of shareholders and other stakeholders when appropriate.

3.4 You will be required to:

- (a) exercise relevant powers under the Articles;
- (b) perform your duties whether statutory, fiduciary or common-law, faithfully, efficiently and diligently and use all reasonable endeavours to promote the interests and reputation of the Company;
- (c) have regard to relevant obligations under prevailing law and regulation, including the general duties of directors as set out in Article 74 of the Companies (Jersey) Law 1991 and any applicable rules of the Jersey Financial Services Commission (the "**JFSC**") or any other regulatory authority relevant to the business of any member of the corporate group of which the Company is a part (each a "**Group Company**") from time to time;
- (d) report the wrongdoing (including acts of misconduct, dishonesty, breaches of contract, fiduciary or statutory duty, company rules or the rules of the relevant regulatory bodies) whether committed, contemplated or discussed by any other director or member of staff of the Company and any Group Company of which you become aware to the board immediately irrespective of whether this may involve some degree of self-incrimination;
- (e) serve on the audit, nomination and remuneration committees of the Board and attend wherever possible all meetings of the committees; and
- (f) share responsibility with the other directors for the effective control of the Company and with the other non-executive directors for the supervision of the executive directors.

4. **REMUNERATION**

4.1 The fee at the date of this letter is £22,000 per annum (subject to applicable income tax and statutory deductions) and is payable annually in arrears. The fee includes all duties, including service on any board committee or company subsidiary. In this regard, you have agreed to succeed Mr Nicholas Villiers as chairman of the Board with effect from 1 October, 2020, for which role you will be paid an additional £6,000 per annum.

4.2 Remuneration is reviewed periodically by the Board and submitted annually to the Cell Annual General Meeting for approval.

4.3 If you undertake any special duties beyond those specified in this letter you will not receive any additional payment unless agreed with the Board in advance.

4.4 The Company will reimburse you for all reasonable and properly documented expenses you incur in performing the duties of your office.

4.5 You acknowledge that, notwithstanding the other provisions of this agreement or any entitlement or claim which you may have under any other agreement or obligation entered into by the Company or any third party:

- (a) if and to the extent that section 226B of the Companies Act 2006 (the "**Companies Act**") applies to a remuneration payment at the time at which it is payable, or is proposed to be paid, to you, no such payment shall be made unless it complies with the requirements of section 226B(1); and
- (b) if and to the extent that section 226C of the Companies Act applies to a payment for loss of office at the time at which it is payable, or is proposed to be paid, to you, no such

payment shall be made unless it complies with the requirements of section 226C(1) of the Companies Act;

and, in the event that any remuneration payment or payment for loss of office is made to you in breach of section 226B or section 226C of the Companies Act, such payment shall be of no effect and shall be held by you, or other recipient, on trust as set out in section 226E of the Companies Act. The Company may make such arrangements for the recovery of any such payment as it considers appropriate including by deduction from any payments of fees or other sums which are due to you from the Company or any Group Company.

In this clause, the terms "directors' remuneration policy", "remuneration payment" and "payment for loss of office" have the meanings given to them in section 226A(1) of the Companies Act.

5. INDEPENDENCE AND OUTSIDE INTERESTS

- 5.1 The Board have determined you to be independent, according to the provisions of the UK Corporate Governance Code.
- 5.2 In accordance with the principles set out in the UK Corporate Governance Code you must inform the Board of any interests which you have, or acquire, which might reasonably be thought to jeopardise your independence from the Company.
- 5.3 You have already disclosed to the Board the significant commitments you have outside this role. The agreement of the Board should be sought before you accept any new outside interests which might affect the time you are able to devote to this appointment or might give rise to a conflict of interest, such agreement not to be unreasonably withheld or delayed.
- 5.4 During your appointment you must not take up any office or employment with, or have any interest in, any firm or company which is or may be in direct or indirect competition with the Company.

6. CONFIDENTIALITY

- 6.1 You acknowledge that all information acquired while fulfilling your duties with the Company is confidential. You therefore undertake not to release, communicate or disclose either during your appointment or following termination (by whatever means) such information save in pursuance of your duties or in accordance with any statutory obligation or court or similar order.
- 6.2 You acknowledge the need to retain and hold company information under appropriately secure conditions.
- 6.3 You hereby waive all rights arising by virtue of Chapter IV of Part 1 of the Copyright Designs and Patents Act 1988 and Chapter 5 of Part 1 of the Intellectual Property (Unregistered Rights) (Jersey) Law 2011 in respect of all copyright works created by you in the course of performing your duties hereunder.

7. COMPLIANCE WITH REGULATORY REQUIREMENTS

- 7.1 You undertake to comply with all legal and regulatory requirements and any code of practice or share dealing code or compliance manual issued by the Company relating to transactions in securities and inside information and dealing in force from time to time including the Listing Rules published by the Financial Conduct Authority (the "FCA"), the Disclosure Guidance and Transparency Rules published by the FCA, the EU Market Abuse Regulation, the Financial Services and Markets Act 2000, the Criminal Justice Act 1993, the Financial Services (Jersey)

Law 1998 and any rules and regulations of or under the FCA, the Prudential Regulation Authority (the "**PRA**") or the JFSC or any successor bodies exercising their functions and any other rules and regulations of any relevant regulatory authorities relevant to the Company and any Group Company with which you may be concerned (the "**Regulatory Requirements**").

7.2 You acknowledge that you have been provided with details of the Regulatory Requirements and you have read and understood them.

7.3 By accepting this appointment you acknowledge that you are aware of the Regulatory Requirements and that a breach of the Regulatory Requirements carries sanctions including criminal liability, disciplinary action by the relevant regulatory authority (civil liability, fines and public censure by the FCA, the JFSC and (where applicable) the PRA) and the immediate termination of your appointment.

7.4 Due to your position you will be named on the Company's list of persons with access to inside information relating to the Company which can be made available to the FCA and JFSC.

8. **TRAINING AND INDUCTION**

8.1 On an ongoing basis you should develop and refresh your skills and knowledge in areas which we mutually identify as of benefit to you in carrying out your duties. You should endeavour to make yourself available for any relevant training sessions which may be organised for the Board.

9. **REVIEW PROCESS**

The performance of individual directors and the whole Board and its committees is reviewed annually.

10. **TERMINATION**

10.1 The Company may terminate your appointment with immediate effect in accordance with the Articles or if you:

- (a) commit a material breach of your obligations under this letter;
- (b) commit any serious or (after warning in writing) any repeated or continued material breach or non-observance of your obligations to the Company (including an obligation not to breach your fiduciary duties) or any Regulatory Requirement;
- (c) are guilty of fraud or dishonesty or serious misconduct or any conduct which (in the reasonable opinion of the Board) tends to bring you or the Company into disrepute or is materially adverse to the interests of the company;
- (d) are convicted of any arrestable criminal offence other than an offence under road traffic legislation in the UK or elsewhere for which a fine or non-custodial penalty is imposed;
- (e) have been declared bankrupt or have made an arrangement or composition with or for the benefit of your creditors; or
- (f) are disqualified from acting as a director.

10.2 On termination of your 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.

10.3 Upon termination of your appointment with the Company, you shall deliver to the Company all documents, records, papers or other company property which may be in your possession or under your control, and which relate to the business affairs of the Company and you shall not retain any copies thereof.

10.4 On termination of the appointment you shall only be entitled to such fees as may have accrued to the date of termination together with reimbursement in the normal way of any expenses properly incurred prior to that date.

11. **INSURANCE**

During your appointment you will be covered by the Company's directors' and officers' liability insurance on the terms in place from time to time. The Company does not guarantee to maintain this insurance cover after the termination of your appointment, but you will continue to be covered by the policy or any replacement on the same basis as the rest of the Board.

12. **CHANGES TO PERSONAL DETAILS**

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

13. **DATA PROTECTION**

13.1 You are required to comply at all times with the Company's data protection policies as amended from time to time. In particular, you must carry out your duties in such a way as to ensure that the Company complies with its obligations under applicable data protection legislation as in force from time to time.

13.2 The Company will collect and process personal data (including special categories of personal data) about you in connection with your Appointment and in the course of the Company operating its business. The Company will process any such personal data in accordance with applicable data protection legislation as in force from time to time. For further information about how the Company processes personal data and your rights in relation to your personal data, please consult the Data Privacy Notice available from the Company.

14. **THIRD PARTY RIGHTS**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this agreement. No person other than the parties to this agreement shall have any rights under it and it will not be enforceable by any person other than the parties to it.

15. **GOVERNING LAW AND JURISDICTION**

15.1 This agreement, and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this agreement or its formation (including any non-contractual disputes or claims), shall be governed by and construed in accordance with English law.

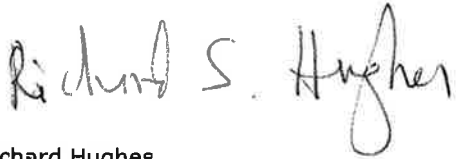
15.2 Each of the parties to this agreement irrevocably agrees that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes which may arise out of or in connection with this agreement or its formation and, for these purposes, each party irrevocably submits to the exclusive jurisdiction of the courts of England.

15.3 This letter constitutes the entire terms and conditions of your appointment and no waiver or modification thereof shall be valid unless in writing and signed by the parties hereto.

Please sign and return the enclosed copy of this letter to confirm your agreement to your appointment and to the above terms.

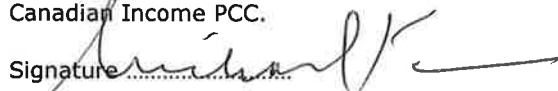
The Company looks forward to working with you in the future.

Yours sincerely



Richard Hughes
Director
for and on behalf of Middlefield Canadian Income PCC

I, Michael Phair, agree to the above terms of appointment as a non-executive director of Middlefield Canadian Income PCC.

Signature 

Date 16.09.2020