

DATED 29th August 1995

MGN LIMITED (1)

- and -

PIERS STEFAN MORGAN (2)

CONTRACT OF EMPLOYMENT

Lovell White Durrant
65 Holborn Viaduct
London EC1A 2DY

Ref: B2/APFW

THIS CONTRACT made the _____ day of _____ 1995

BETWEEN:

- (1) MGN LIMITED of 1 Canada Square, Canary Wharf, London E14 5AP ("the Company")
- (2) PIERS STEFAN MORGAN of _____

PRELIMINARY

WHEREAS the Company wishes to employ the Executive as an Editor on the terms and conditions set out in this Agreement.

NOW IT IS HEREBY AGREED as follows:-

1. Appointment and term

- (1) The Company shall employ the Executive and the Executive shall serve the Company as the Editor of The Daily Mirror until the expiry of not less than 24 calendar months' written notice of termination given by the Company and not less than 12 months' written notice by the Executive so as to expire at the end of any calendar month thereafter. The Company reserves the right to terminate the Executive's employment by payment in lieu of notice which shall include payment of salary and all contractual benefits. Unless agreed otherwise in writing, the Executive's employment shall automatically terminate without notice on the day on which he attains 65 or such other normal retirement date as the Company may from time to time determine.

- (2) The Executive shall be employed in London.

2. Duties

- (1) During his employment hereunder the Executive shall:-

- (a) perform the duties and exercise the powers and functions which from time to time may reasonably be assigned to or vested in him by the Board of Directors of the Company ("the

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Board") or the Group Chief Executive of the Company in relation to the Company and any Associated Company (as herein defined)

- (b) devote the whole of his time, attention and ability as may be reasonably necessary for the proper performance of his duties hereunder
 - (c) comply with all reasonable requests instructions and regulations made by the Board (or by anyone authorised by it) and promptly provide such explanations information and assistance as to his activities or the business of the Company as the Board or the Group Chief Executive may reasonably require
 - (d) faithfully and loyally serve the Company to the best of his ability and use his utmost endeavours to promote its interests in all respects
 - (e) not engage in any activities which would detract from the proper performance of his duties hereunder, nor without the prior written consent of the Board engage or be concerned or interested directly or indirectly (save as the holder for investment of securities which do not exceed five per cent (5%) in nominal value of the share capital or stock of any class of any one company quoted on a recognised stock exchange) in any other trade business or occupation whatsoever or become director manager agent partner or employee of any other company firm or person
 - (f) not (and shall use every reasonable endeavour to procure that his wife and infant children shall not) deal or become or cease to be interested (within the meaning contained in Part I of Schedule 13 to the Companies Act 1985) in any securities of the Company or any Associated Company except in accordance with the Company's Code of Practice in force from time to time in relation to such transactions; a copy of which is obtainable from the Company Secretary.
- (2) Notwithstanding the provisions of sub-clause (1) of this Clause the Company shall have the right to require the Executive at any time to carry out such special projects or functions commensurate with his abilities as the Company shall in its absolute discretion determine;

3. Remuneration

REDACTED

4. Share options

REDACTED

5. Pension and insurance benefits

REDACTED

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REDACTED

6. Expenses

The Company shall reimburse to the Executive all travelling hotel entertainment and other expenses properly and reasonably incurred by him in the performance of his duties hereunder and properly claimed and vouched for in accordance with the Company's expense reporting procedure in force from time to time.

7. Car

- (1) In accordance with the Company Fleet Services policy, the Company will supply the Executive with a car deemed by the Company to be suitable in relation to his position within the Company under this Agreement in respect of which the Company will pay all running costs including insurance and maintenance. The Executive shall be eligible with other Executives to the use of a pool driver.
- (2) The Executive shall take good care of the car (normal wear and tear excepted) and ensure that the provisions and conditions of any insurance policy relating to it are observed and shall return the car and its keys to the Company at its registered office (or any other place the Company may reasonably nominate) immediately upon the termination of his employment however arising.

8. **Holidays and holiday pay**

- (1) In addition to the normal Bank and Public Holidays the Executive shall be entitled to 25 working days' paid holiday during each calendar year to be taken at such time or times as may be agreed with the Board (the Board acting reasonably at all times). The Executive may not without the consent (such consent not to be unreasonably withheld) of the Board carry forward any unused part of his holiday entitlement to a subsequent calendar year and shall be able to carry forward if the requirements of the business of the Mirror prevent holidays being taken in full.
- (2) For the calendar year during which the Executive's employment hereunder commences or terminates he shall be entitled to such proportion of his annual holiday entitlement as the period of his employment in each such year bears to one calendar year. Upon termination of his employment for whatever reason he shall if appropriate either be entitled to salary in lieu of any outstanding holiday entitlement or be required to pay to the Company any salary received in respect of holiday taken in excess of his proportionate holiday entitlement.

9. **Sickness/incapacity**

- (1) If the Executive shall be prevented by illness, accident or other incapacity from properly performing his duties hereunder he shall report this fact forthwith to the Company Secretary's office and if he is so prevented for seven or more consecutive days he shall if required by the Company provide an appropriate Doctor's Certificate.
- (2) If the Executive shall be absent from his duties hereunder owing to illness, accident or other incapacity duly certified in accordance with the provisions of sub-clause (1) of this clause he shall be paid his full remuneration (which shall be inclusive of any statutory sick pay or other social security benefits) for the first six months of such absence and thereafter subject to the provisions of Clause 14 such remuneration as the Board shall in its discretion allow.

10. **Confidential information**

The Executive shall not during his employment hereunder (save in the proper course thereof) or at any time after its termination for any reason whatsoever disclose to any person whatsoever or otherwise make use of any confidential or secret information of which he has or may have in the course of his employment hereunder become possessed relating to the Company or any Associated Company or any of its or their suppliers, agents, distributors

or customers including without limiting the generality of the foregoing confidential or secret information relating to the business technical processes designs or finances of any of the aforesaid or relating to know-how inventions or improvements or other matters connected with the products or services manufactured marketed provided or obtained by the Company or any Associated Companies or any of its or their suppliers agents distributors or customers save where any such confidential or secret information is in the public domain or where he is lawfully required to disclose such information.

11. Copyright Designs

- (1) If during his employment hereunder the Executive shall at any time whether during the course of his normal duties or other duties specifically assigned to him (whether or not during normal working hours) either alone or in conjunction with any other person originate any design (whether registrable or not) or other work in which copyright or design rights may subsist he shall forthwith disclose the same to the Company.
- (2) The Executive hereby assigns to the Company all present and future copyright, design right and other proprietary rights, if any, for the full term thereof throughout the world in respect of all designs or other works described in sub-clause (1) of this clause except only those designs or other works written, originated, conceived or made by him wholly outside his normal working hours hereunder and wholly unconnected with his service hereunder.
- (3) It is agreed that for the purposes of Section 2(1)(1B) of the Registered Designs Act, 1949 (as amended) the Company shall be treated as the original proprietor of any design of which the Executive may be the author in the circumstances described in sub-clause (1) of this clause.
- (4) The Executive agrees and undertakes that at the Company's expense he will execute such deeds or documents and do all such acts and things as may be necessary or desirable to substantiate the rights of the Company in respect of the matters referred to in this clause.
- (5) The Executive hereby irrevocably waives all moral rights that he had or may have in any of the works referred to in sub-clause (2) above save for the exceptions therein referred to.

12. Restrictive Covenants

- (1) The Executive shall not without the prior written consent of the Board (such consent to be withheld only so far as may be reasonably necessary to protect the legitimate interests of the Company or its Associated Companies):
- (a) for a period of 3 months after the termination for whatever reason of his employment hereunder within the United Kingdom be engaged or interested (whether as a director, principal, partner, consultant or employee) in any business concern (of whatever kind) which shall be in competition with the Company or with any Associated Company in the United Kingdom in the production, publication, sale or distribution of daily or weekly popular national tabloid newspapers ("the competitive activities") PROVIDED ALWAYS that nothing in this sub-clause shall restrain the Executive from engaging or being interested as aforesaid in any such business concern insofar as his duties or work relate to any of the competitive activities with which the Executive was not concerned during the period of one year prior to the termination of his employment hereunder.
 - (b) For a period of 12 months after the termination for whatever reason of his employment hereunder within the United Kingdom either on his own behalf or on behalf of any other person firm or company:-
 - (i) canvass, solicit or approach or cause to be canvassed or solicited or approached for orders in respect of the competitive activities in respect of which the Executive may have been engaged during his employment with the Company or any Associated Company any person firm or company who at the date of the termination hereof or within one year prior to such date is or was a client or customer of the Company or any Associated Company or was in the habit of dealing under contract with the Company or its Associated Company and with whom or which the Executive had contact during the said period
 - (ii) solicit or entice or endeavour to solicit or entice away any editorial employee from the Company or any Associated Company with whom the Executive had contact at any time during the last year of his employment hereunder

(iii) interfere or seek to interfere with the continuance of supplies to the Company and/or any Associated Company (or the terms relating to such supplies) from any suppliers who have been supplying goods, materials or services to the Company and/or any Associated Company at any time during the last year of his employment hereunder.

(2) Whilst each of the restrictions in sub-clauses (1)(a) and (1)(b) of this clause are considered by the parties to be reasonable in all the circumstances as at the date hereof it is hereby agreed and declared that if any one or more of such restrictions shall be judged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Company and/or any Associated Company but would be valid if words were deleted therefrom the said restrictions shall be deemed to apply with such modifications as may be necessary to make them valid and effective and any such modification shall not thereby affect the validity of any other restriction contained herein.

13. Termination by reconstruction or amalgamation

If the employment of the Executive hereunder shall be terminated by reason of the liquidation of the Company for the purposes of amalgamation or reconstruction or as part of any arrangement for the amalgamation of the undertaking of the Company not involving liquidation and the Executive shall be offered employment with the amalgamated or reconstructed Company on terms generally not less favourable than the terms of this Agreement the Executive shall have no claim against the Company in respect of the termination of his employment by the Company save in the event of the amalgamated or reconstructed Company being unable to meet its obligations hereunder.

14. Termination on the happening of certain events

The Company without prejudice to any remedy which it may have against the Executive for the breach or non-performance of any of the provisions of this Agreement may by notice in writing to the Executive forthwith determine this Agreement if the Executive shall:-

- (a) become a patient as defined in the Mental Health Act 1983 or
- (b) be convicted of any criminal offence, save for offences committed bona fide in the discharge of his duties as Editor and save for any offence under road traffic

legislation in the United Kingdom or elsewhere for which a penalty other than imprisonment for three months or more is imposed or

- (c) commit any act of dishonesty whether relating to the Company, any Associated Company, other employees or otherwise or
- (d) be prevented by illness or otherwise from performing his duties hereunder for a consecutive period of 6 calendar months or for an aggregate period of 12 calendar months in any period of 24 calendar months or
- (e) be guilty of any serious misconduct, any conduct tending to bring the Company or himself into disrepute, or any material breach or non-observance of any of the material provisions of this Agreement or shall neglect fail or refuse to carry out duties properly assigned to him hereunder.

15. Obligations upon termination of employment

Upon the termination of his employment hereunder for whatever reason the Executive shall:-

- (a) forthwith tender his resignation as a director of the Company (if he has been so appointed) and of any Associated Company of which he is a director without compensation. The Executive hereby irrevocably authorises the Board to appoint some person in his name and on his behalf to sign any documents and do any things necessary to give effect thereto, if the Executive shall fail to sign or do the same himself
- (b) deliver up to the Company all papers, computer materials (eg. disks, cassettes and tapes) including photocopies and other property belonging to the Company or any Associated Company which may be in his possession or under his control, and (unless prevented by the owner thereof) any papers or computer materials belonging to others which may be in his possession or under his control and relate in any way to the business or affairs of the Company or any Associated Company or any supplier agent distributor or customer of the Company or any Associated Company, and he shall not without written consent of the Board retain any copies thereof
- (c) if so requested send to the Board a signed statement confirming that he has complied with sub-clause (b) hereof and

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- (d) not at any time represent himself still to be connected with the Company or any Associated Company.

16. Indemnity

- (1) The expiry or termination of this Agreement howsoever arising shall not operate to affect any of the provisions hereof which are expressed to operate or have effect thereafter and shall not prejudice the exercise of any right or remedy of either party accrued beforehand.
- (2) The Company will keep the Executive indemnified against all claims including but not limited to damages, costs and expenses of whatsoever nature and howsoever arising, incurred by the Executive or claims for the same against the Executive in relation to any actions, proceedings, claims or demands made against the Executive as editor of The Daily Mirror or otherwise as a result of his employment hereunder. The Company shall, if reasonably required by the Executive in connection with any such actions, proceedings, claims or demands provide the Executive at its expense with legal advice by a solicitor of its choosing provided that if the solicitors chosen by the Company advise the Company of a conflict or likely conflict of interest the Company will be responsible for the reasonable fees and expenses of solicitors instructed by the Executive.
- (3) This indemnity shall continue whether or not the Executive is employed by the Company.

17. Other terms and conditions

- (1) The following particulars are given in compliance with the requirements of Section 1 of the Employment Protection (Consolidation) Act, 1978:-
 - (a) The Executive's period of continuous employment shall commence on a date which shall be as soon as practicable after the Executive is discharged or released from his current contractual obligations to News International plc. No other employment of the Executive with a previous employer counts as part of the Executive's continuous employment with the Company.
 - (b) The Executive shall work such hours as may be reasonably necessary for the proper discharge of his duties hereunder to the satisfaction of the Board.

- (c) If the Executive is dissatisfied with any disciplinary decision or if he has any grievance relating to his employment hereunder he should refer such disciplinary decision or grievance to the Group Chief Executive and the reference will be dealt with by discussion with the Group Chief Executive.
- (d) No Contracting-Out Certificate pursuant to the provisions of the Social Security Pensions Act 1975 is in force in respect of the Executive's employment hereunder.
- (e) Save as otherwise herein provided there are no terms or conditions of employment relating to hours of work or to normal working hours or to entitlement to holiday (including Public Holidays) or holiday pay or to incapacity for work due to sickness or injury or to pensions or pension schemes.

18. Notices

Any notice to be given hereunder shall be in writing. Notice to the Executive shall be sufficiently served by being delivered personally to him or by being sent by first class post addressed to him at his usual or last known place of abode. Notice to the Company shall be sufficiently served by being delivered to the Company Secretary or by being sent by first class post to the registered office of the Company. Any notice if so posted shall be deemed served upon the third day following that on which it was posted.

19. Definition

In this Agreement an "Associated Company" means any company which for the time being is:-

- (a) a holding company (as defined by Section 736 of the Companies Act 1985) of the Company; or
- (b) any subsidiary (as defined by Section 736 of the Companies Act 1985) of any such holding company or of the Company; or
- (c) a company over which the Company has control within the meaning of Section 840 of the Income and Corporation Taxes Act 1988.

20. Applicable Law

English law shall apply to this Agreement and the parties submit to the jurisdiction of the English Courts.

AS WITNESS the hands of the parties the day and year first above written

SIGNED by
PAUL ANDREW VICKERS
for and on behalf of the
Company in the presence of:-

Two empty rectangular boxes stacked vertically, intended for witness signatures.

Empty rectangular box intended for the signature of Paul Andrew Vickers.

SIGNED by
PIERS STEFAN MORGAN
in the presence of:-

Large empty rectangular box intended for witness signatures.

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Empty rectangular box intended for the signature of Piers Stefan Morgan.