

DATED 8 October 2008

REGUS MANAGEMENT LIMITED

- and -

STEPHEN GLEADLE

SERVICE AGREEMENT

Slaughter and May
One Bunhill Row
London EC1Y 8YY

Ref: RXD
PN081930051

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THIS AGREEMENT is made on 8 October, 2008

BETWEEN:-

- (1) **Regus Management Limited** (registered in England under number 2307313) whose registered office is at 3000 Hillswood Drive, Chertsey, Surrey KT16 0RS (the "Company") and
- (2) **Stephen Gleadle** (the "Employee") of Hill View House, Cokes Lane, Chalfont St Giles, Buckinghamshire HP8 4TA.

WHEREBY IT IS AGREED as follows:-

1. Definitions

In this Agreement:

the "Group" means Regus plc and its subsidiary undertakings.

2. Term of Appointment

- 2.1 The Employee shall serve as Chief Financial Officer of the Company. This Agreement shall commence on 14 October, 2008 (or such other date as the Company shall inform the director that its Scheme of Arrangement has become effective) and, subject to clauses 2.2, 17 and 18, shall continue unless and until terminated by either party giving to the other not less than 12 months' notice in writing. For the purpose of the Employment Rights Act 1996, the Employee's continuous period of employment began on 31 October, 2005.
- 2.2 The Company reserves the right to terminate the employment of the Employee at any time by paying to him a sum equal to the aggregate of the salary that would have been paid to the Employee under clause 4.1 and any fee the Employee would have received as a director under an appointment agreement with Regus plc during the relevant period. The relevant period is 12 months or, if less, the period to the date when the Employee reaches the age of 65. In such circumstances and notwithstanding the termination of his employment, the Employee will still be eligible to receive a bonus in accordance with, and subject to, clause 4.2 for any financial year of the Group which ends in the relevant period. The Employee's rights in respect of any options or awards granted to him under any employee share scheme of the Group will be determined in accordance with the rules of the relevant scheme.
- 2.3 The Employee's employment shall in any event terminate on the date on which the Employee reaches the age of 65.

3. Powers and Duties

- 3.1 The Employee shall exercise such powers and perform such duties (not being duties inappropriate to his senior status) in relation to the business of the Group as may from time to time be vested in or assigned to him by the Company. The Employee shall comply with all reasonable directions from, and all regulations of, the Company.
- 3.2 The Employee, who shall work such hours as may reasonably be required for the proper performance of his duties, shall devote the whole of his time, attention and abilities during those hours to carrying out his duties in a proper, loyal and efficient manner.
- 3.3 The Employee shall travel to such places as the Company may from time to time require.
- 3.4 The Employee's normal place of work shall be in the Company's offices in Chertsey or at such other place within the South East of England as the Company may from time to time determine.
- 3.5 The Company shall be under no obligation to vest in or assign to the Employee any powers or duties or to provide any work for the Employee, and the Company may at any time or from time to time during any period of notice or in circumstances in which it reasonably believes that the Employee is guilty of gross misconduct or in serious breach of this Agreement in order that the circumstances giving rise to that belief may be investigated, suspend the Employee from the performance of his duties or exclude him from any premises of the Group, and need not give any reason for so doing. Salary and benefits will not cease to be payable by reason only of such suspension or exclusion.

4. Salary

- 4.1 The Employee shall be paid monthly in arrears on or about the 25th of each month for his services during his employment a salary at the rate of £300,000 per annum or at such higher rate or rates as the Remuneration Committee of the board of directors of Regus plc (the "**Remuneration Committee**") may from time to time determine and notify to the Employee in writing, subject to clause 4.3 below.
- 4.2 In addition to the amount set out in clause 4.1 above, the Employee shall be entitled to receive a discretionary bonus in respect of each financial year of the Group determined from time to time by the Remuneration Committee for the relevant financial year and subject to such performance targets as it may think fit. The Employee acknowledges that he has no right to receive a bonus and will not acquire such a right merely by virtue of having received one or more bonus payments during the course of his employment.
- 4.3 Except as expressly provided for under any appointment agreement between the Employee and Regus plc, the Employee shall not be entitled to any other salary or fees

as an ordinary or Employee director or employee of the Company or any member of the Group and the Employee shall, as the Company may direct, either waive his right to any such salary or fees or account for the same to the Company. The Company and the Employee acknowledge that the Employee has been specifically authorised to act as a director of Regus plc in accordance with the terms of his appointment agreement; it is further agreed that an amount equal to the gross amounts payable by Regus plc under the appointment agreement will be offset against the Executive's gross salary entitlement hereunder and accordingly reduce the amounts payable by the Company to the Executive under clause 4.1 (but without, for the avoidance of doubt, affecting his "salary" figure for the purposes of the other clauses of this Agreement).

- 4.4 At least once in each 12 months the Company shall review, but shall not be obliged to increase, the salary payable under this Agreement.

5. Pensions and Life Assurance

- 5.1 The Employee shall be entitled to participate in the Company's pension scheme in accordance with the rules laid down by the Company from time to time. Alternatively, the Company will pay contributions to a recognised UK pension plan of 7% of the Employee's annual salary.
- 5.2 The Employee shall be entitled to be a member of the Company's Death In Service Benefit scheme operated by the American Life Insurance Company subject to the trust deed and rules of that scheme as in force from time to time, a copy of which is available for inspection at the Company Secretary's office at any time upon reasonable notice. No contributions to the scheme will be deducted from the Employee's salary.

6. Car

The Employee is entitled to a monthly car allowance of £833.33.

7. Employee Share Schemes

The Employee is eligible to participate in any employee share schemes established by the Group. Participation in these schemes is, save as otherwise stipulated in the rules of the schemes, at the sole discretion of the Remuneration Committee. In the event that the Employee is at any time granted options or shares or awards pursuant to any of those schemes, those options or shares or awards shall be subject to the rules of those schemes as in force from time to time.

8. Other Benefits

The Employee and his immediate family will be eligible to become a member of the Company's WPA (or similar) private health insurance scheme, subject to the terms of that scheme and of any related policy of insurance as in force from time to time. The Company will pay the costs in respect of such membership. As an alternative, the

Company will also pay the costs of any similar scheme maintained in a private capacity by the Employee, provided such costs do not exceed £4,000 per annum (such limit to be increased annually in line with the Retail Prices Index or replacement index).

9. Expenses

The Company shall reimburse to the Employee, against production of receipts (if requested), the following:

- (i) all reasonable travelling, hotel, entertainment and other out-of-pocket expenses which he may from time to time be authorised to incur in the execution of his duties under this Agreement subject to such rules as may from time to time be notified by the Company;
- (ii) all reasonable domestic expenses (such as home, telephone and so on) incurred in the execution of his duties under this Agreement; and
- (iii) the cost of maintaining membership of The Institute of Chartered Accountants of England and Wales.

10. Holidays

In addition to bank and other public holidays, the Employee will be entitled to 25 working days paid holiday in every calendar year (or a proportional part thereof) to be taken at such time or times as may be approved by the Company. Unless previously agreed otherwise in writing with the Company, holidays not taken in the calendar year of entitlement or by the termination of employment will be lost and upon termination the Employee will not be entitled to any pay in lieu of holiday. Where the Employee is under a notice to terminate his employment the Company may require that any unused holiday entitlement be taken during that notice period.

11. Confidential Information etc.

The Employee shall not, either during his employment or thereafter, use to the detriment or prejudice of the Company or any member of the Group or, except in the proper course of his duties, divulge to any person any trade secret or any other confidential information concerning the business or affairs of the Company or any member of the Group which may have come to his knowledge during his employment.

12. Competitive Activities

During his employment, except as provided for under his appointment agreement with Regus plc, the Employee shall not (unless otherwise previously agreed in writing by the Company) undertake any other business or profession or be or become an employee or agent of any other firm, company or other person or assist or have any financial interest in any other business or profession. The Employee may, however, hold or acquire by way of bona fide investment only shares or other securities of any company

which are listed or dealt in on any recognised stock exchange, unless such other company is or may be carrying on a business competing or tending to compete with the business of the Company or any member of the Group. The Company will not unreasonably withhold its consent to the Employee holding from time to time one non-Executive directorship in a company provided that that company is not carrying on a business competing or tending to compete with the business of the Company or any member of the Group.

13. Post-termination Restrictions

13.1 In this clause 13:

- (i) **“Restricted Business”** means the business of the Company and any member of the Group at the time of the termination of the Employee's employment with which the Employee was materially involved during the period of 12 months ending on the date of the termination of his employment;
- (ii) **“Restricted Customer”** means any firm, company or other person who, during the period of 12 months ending on the date of the termination of the Employee's employment, was a customer of or in the habit of dealing with the Company or any member of the Group and with whom the Employee had material dealings or for whom he was responsible during that period; and
- (iii) **“Restricted Employee”** means any person who, at the date of the termination of the Employee's employment, either was employed by the Company or any member of the Group at the level of or a more senior level to a centre manager or was an employee of the Company or any member of the Group and who could damage the interests of the Company or any member of the Group if he became employed in any business concern in competition with any Restricted Business.

13.2 The Employee will not, for a period of 12 months after the termination of the Employee's employment, solicit or endeavour to entice away from the Company or any member of the Group the business or custom of a Restricted Customer with a view to providing goods or services to that Restricted Customer in competition with any Restricted Business.

13.3 The Employee will not, for a period of 12 months after the termination of the Employee's employment, provide goods or services to or otherwise have any business dealings with any Restricted Customer in the course of any business concern which is in competition with any Restricted Business.

13.4 The Employee will not, for a period of 12 months after the termination of the Employee's employment, in the course of any business concern which is in competition with any Restricted Business offer employment to or otherwise endeavour to entice away from the Company or any member of the Group any Restricted Employee.

13.5 The Employee will not, for a period of 12 months after the termination of the Employee's employment, be engaged in or concerned in any capacity in any business concern which is in competition with any Restricted Business. This clause shall not restrain the Employee from being engaged or concerned in any business concern so far as the Employee's duties or work shall relate solely to geographical areas where the business concern is not in competition with the Restricted Business.

13.6 The obligations imposed on the Employee by this clause 13 extend to him acting not only on his own account but also on behalf of any other firm, company or other person and shall apply whether he acts directly or indirectly.

14. Return of Papers etc.

The Employee shall promptly whenever requested by the Company and in any event upon the termination of his employment deliver up to the Company all lists of clients or customers, correspondence and all other documents, papers and records which may have been prepared by him or have come into his possession, custody or control in the course of his employment and other property belonging to the Company, and the Employee shall not be entitled to and shall not retain any copies thereof. Title and copyright therein shall vest in the Company.

15. Sickness

Subject to production, if requested, of medical certificates satisfactory to the Company, if the Employee is absent from work due to sickness or accident he shall be entitled to a salary as follows: (a) full salary during the first 13 weeks and 25 per cent. of salary during the following 13 weeks in aggregate of such absence in any 12 month period and (b) thereafter such salary as the Company shall in its absolute discretion decide. Such remuneration shall include any sums the Company is obliged to pay to the Employee pursuant to the Social Security Contributions and Benefits Act 1992 (Statutory Sick Pay). The Company may reduce remuneration during incapacity by an amount equal to the benefit (excluding any lump sum benefit) which the Employee would be entitled to claim during such incapacity under the then current Social Security Acts (whether or not such benefit is claimed by the Employee).

16. Termination of Employment

16.1 If the Employee:-

- (A) shall be or become incapacitated from any cause whatsoever from efficiently performing his duties under this Agreement for twelve months in aggregate in any period of twenty-four consecutive months; or
- (B) shall have an order under Section 252 of the Insolvency Act 1986 made in respect of him or if an interim receiver of his property is appointed under Section 286 of that Act; or

- (C) shall be or become prohibited by law from being a director; or
- (D) shall be guilty of gross misconduct or shall commit any serious or persistent breach of any of his obligations to the Company or any member of the Group (whether under this Agreement or otherwise); or
- (E) shall refuse or neglect to comply with any lawful or reasonable orders given to him by the Company; or
- (F) shall become of unsound mind or become a patient under the Mental Health Act 1983; or
- (G) shall be convicted of a criminal offence as a result of which he is sentenced to a term of imprisonment,

then the Company shall be entitled by notice in writing to the Employee to terminate forthwith his employment under this Agreement. The Employee shall have no claim against the Company by reason of such termination.

- 16.2 Any delay or forbearance by the Company in exercising any right of termination shall not constitute a waiver of it.

17. Termination of Employment following change of control

- 17.1 This clause applies if any person (together with any other person or persons acting in concert with him) obtains control (within the meaning of section 840 of the Income and Corporation Taxes Act 1988) of Regus plc otherwise than for the purposes of a reorganisation or reconstruction in which (i) the ultimate ownership of Regus plc or substantially all of its assets is unaffected or (ii) a new holding company for Regus plc is created where the new holding company has substantially the same shareholder and proportionate shareholdings as those of Regus plc immediately prior to the interposition of the new holding company.
- 17.2 The Employee may terminate his employment under this Agreement by giving the Company one month's notice in writing, such notice to be given within six months after the date on which the change of control happens.
- 17.3 If the Employee gives notice in accordance with clause 17.2, the Company must, in addition to any amounts payable in respect of the Employee's period of employment up to the end of his notice period, pay him a sum equal to the salary that would have been paid to the Employee under clause 4.1 during the relevant period. The relevant period is 12 months or, if less, the period to the date when the Employee reaches the age of 65. In such circumstances and notwithstanding the termination of his employment, the Employee will still be eligible to receive a bonus in accordance with, and subject to, clause 4.2 for any financial year of the Group which ends in the relevant period. The Employee's rights in respect of any options or awards granted to him under any

employee share scheme of the Group will be determined in accordance with the rules of the relevant scheme.

18. Miscellaneous Matters

- 18.1 The Company's disciplinary rules and procedures, as in force from time to time, shall apply to the Employee. The Company reserves the right to leave out any or all of the stages of those rules and procedures where it considers it appropriate to do so.
- 18.2 If the Employee is dissatisfied with any disciplinary decision or has a grievance relating to his employment he should first apply in person to the chairman of the board or, if there is no chairman to a non-Employee director of the Company at the time. The decision of the chairman or non-Employee director, as the case may be, on such matter shall be final.
- 18.3 There are no collective agreements which directly affect the terms and conditions set out in this Agreement.

19. Notices

Any notice may be given personally to the Employee or to the secretary of the Company (as the case may be) or may be posted to the Company (for the attention of its Secretary) at its registered office for the time being or to the Employee either at his address given above or at his last known address. Any such notice sent by post shall be deemed served forty-eight hours after it is posted and in proving such service it shall be sufficient to prove that the notice was properly addressed and put in the post.

20. Other Agreements

The Employee acknowledges and warrants that, save for the appointment agreement and deed poll of indemnity with Regus plc, there are no agreements or arrangements whether written, oral or implied between the Company or any other member of the Group and the Employee relating to the employment or appointment of the Employee other than those expressly set out in this Agreement, and that he is not entering into this Agreement in reliance on any representation not expressly set out herein.

21. Governing Law


This Agreement shall be governed by and construed under English law and each of the parties hereby irrevocably agrees for the exclusive benefit of the Company that the Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

IN WITNESS whereof this Agreement has been signed by or on behalf of the parties hereto the day and year first before written.

SIGNED by
on behalf of the Company
in the presence of:-

J. Geet

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A handwritten signature in black ink, appearing to be 'J. Geet', written over a horizontal line. The signature is stylized with a large loop at the top.

SIGNED by the Employee
in the presence of:-

J. Geet

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A handwritten signature in black ink, appearing to be 'B. J. Cleath', written over a horizontal line. The signature is stylized with a large loop at the top.

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