



McBride plc  
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Dear Iain

We have pleasure in inviting you to continue to serve as Non-Executive Chairman of the Board of Directors of McBride plc. This letter confirms the main terms of your ongoing appointment to this office.

It is agreed that this is a contract for services and is not a contract of employment.

### **Appointment**

Your appointment will be ongoing unless otherwise terminated earlier by and at the discretion of either party upon three month's written notice. Continuation of your contract of appointment is contingent on satisfactory performance and annual re-election by shareholders at AGMs. Typically we would expect you to serve up to six years from initial appointment although the Board may invite you to serve an additional period.

### **Time commitment**

The time commitment involved will be by mutual agreement with the Senior Independent Non-Executive Director. This will include attendance at Board meetings of which there are currently six each year, that are normally held at the Company's Head Office. However, from time to time, Board meetings may be held outside the UK in a country in which the Company has a business operation. In addition, you will be expected to attend the AGM (usually held in October), and possibly a further two annual Board away days (Corporate Plan etc), and you will be expected to devote appropriate preparation time ahead of each meeting.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role. The Senior Independent Non-Executive Director should be consulted and informed before accepting additional commitments that might impact on the time you are able to devote to your role as a Non-Executive Chairman of the Company.

## Role

As Non-Executive Chairman you will have the same general legal responsibilities to the Company as any other director. The Board as a whole is collectively responsible for the success of the Company. The Board:

- Provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed.
- Sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and reviews management performance; and
- Sets the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.
- Is responsible for determining the nature and extent of significant risks which could be experienced by the Company.

All directors must take decisions objectively in the interests of the Company.

You should bear in mind that the liabilities and obligations of directors of listed companies are more onerous and more rigorously enforced than those relating to private companies. In common with the rest of the Board, you will be required to comply with the terms of the Model Code for transactions by directors of listed companies and specifically with any insider dealing rules adopted by the Company from time to time.

In addition, the role of the Non-Executive director has the following key elements:

- Strategy. Non-Executive Directors should constructively challenge and help develop proposals on strategy;
- Performance. Non-Executive Directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- Risk. Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible; and People.
- Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary removing, Executive Directors and in succession planning.

Further, the role of Non-Executive Chairman has the following specific responsibilities:

- Leadership of the board. Ensuring its effectiveness on all aspects of its role, ensuring efficient use of the board's time and setting its agenda so that it is forward looking and concentrating on strategy;
- Meetings. Chairing board and general meetings and ensuring there is appropriate delegation of authority from the board to executive management;

- Induction, development and performance evaluation. Ensuring appropriate induction for new directors, facilitating the effective contribution of non executive directors and identifying development needs of the board as a whole and for individual directors;
- Relations with shareholders. Ensuring effective communication with shareholders in particular being available (as necessary) to discuss governance, strategy and remuneration with them, and ensuring that the board are aware of shareholders' views.
- AGM. Ensuring that Chairmen of board committees are available to answer questions and for all directors to attend.

## **Committees**

You will also serve on or attend (by invitation) certain sub-committee(s) of the Board, which typically meet on Board meeting days. Specifically, you will serve on and will Chair the Nomination Committee. You will also serve on the Remuneration Committee (but not as Chair). You should not serve on the Audit Committee which should comprise independent non-executive directors only (not including the Chairman of the Board). The terms of reference for all Committees have been provided to you. Your appointment will be agreed by the Board from time to time. The Senior Independent Non-Executive Director is currently Colin Smith.

## **Fees**

You will be paid a fee of £150,000 gross per annum (subject to UK statutory deductions) which will be paid monthly in arrears and which will be subject to an annual review by the Board. The Company will reimburse you for all reasonable and properly documented expenses that you incur properly in performing the duties of your office. Any change to the level of fees will be agreed and advised to you around 1<sup>st</sup> July of each year.

## **Outside interests**

It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the Senior Independent Non Executive Director and the Company Secretary as soon as apparent.

## **Independence**

The Board of the Company have determined that Bob Lee, Christine Bogdanowicz-Bindert, Jeff Carr and Sandra Turner are independent according to provisions of the UK Corporate Governance Code.

## **Confidentiality**

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from the Senior Non Executive Director.

Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Senior Independent Non-Executive Director or the Company Secretary.

## **Review Process**

The performance of individual directors and of the board as a whole and its sub-committees is reviewed on a regular basis. If, in the interim, you have any concerns about your role, you should discuss them with the Senior Independent Non-Executive Director as soon as is appropriate.

## **Professional Development**

As a director you should be prepared to undertake the appropriate educational and/or professional development programmes, identified as part of the annual Board evaluation programme or by the Board generally. Any special training you need should be discussed with the Senior Independent Non-Executive Director.

## **Insurance**

The Company has directors' and officers' liability insurance and it is intended to maintain appropriate levels of cover. The current indemnity limit is £30m.

## **Independent professional advice**

Occasions may arise when you consider that you need professional advice in the furtherance of your duties as a director. Circumstances may occur when it will be appropriate for you to seek advice from independent advisors at the Company's expense. Any such advice should be cleared with the Senior Independent Non-Executive Director or if you prefer with the Board as a whole.

This letter and the terms of your appointment are governed by, and shall be construed in accordance with, the laws of England, and the parties agree to submit to the exclusive jurisdiction of the courts of England.

Please sign and return the duplicate copy of this letter by way of acceptance of its terms.

Yours sincerely

Colin Smith  
**Senior Independent Director**

The terms of this Letter of Appointment are hereby agreed and accepted.

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**(Signed Iain Napier)**

Dated: .....