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31 August 2011

Dear Bob

This letter is to confirm that you have accepted the invitation to remain on the Board of the Company as a Non Executive Director and to set out 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 extended for a further 12-month period 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 in any event contingent on satisfactory performance and annual re-election at the AGM.

### **Time commitment**

The time commitment involved will be by mutual agreement with the Chairman. This will include attendance at Board meetings of which there are currently approximately six each year. These are normally held at Centre Point. 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 (held in October), and possibly a further two annual Board away days (strategy days etc.), and you will be expected to devote appropriate preparation time ahead of each meeting.

By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations of your role. The agreement of the Chairman should be sought before accepting additional commitments that might impact on the time you are able to devote to your role as a Non Executive director of the Company.

## **Role**

Non Executive Directors have the same general legal responsibilities to the Company as any other director. The Board as a whole is collectively responsible for the long-term 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 to these requirements of all directors, 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.

## **Committees**

You are the Chairman of the Remuneration Committee and serve on the other Sub-Committee(s) of the Board, which typically meet on Board meeting days. The terms of reference for all Committees have already been provided to you. Your appointment will be agreed by the Board from time to time. The Senior Non Executive Director is currently Colin Smith. However, you will assume the role of Senior Independent Director ("SID") at such time as Colin stands down from the Board.

## **Fees**

You will be paid a fee to be agreed annually (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 to be paid will be agreed and advised to you in July of each year. For the year 2010/11 the fees will be £40,000 plus £4,000 as Chairman of the Remuneration Committee. In addition, you will receive a further £4,000 per annum (pro rata from the date of your appointment) as the SID.

## **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 Chairman and 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 the provisions of the UK Corporate Governance Code 2010.

## **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 Chairman.

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 Chairman or Company Secretary.

## **Review process**

The performance of individual directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairman 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 Chairman.

## **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 Chairman 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

Iain Napier  
**Chairman**

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

.....  
**(Signed Robert Lee)**

Dated: .....