

### **Appendix 3**

#### **Procedure For Directors Taking Independent Professional Advice**

If a Director considers it necessary to take independent professional advice concerning his or her duties or responsibilities as a Director he or she should be entitled to do so at the Company's expense subject to the limitations set out below and subject to complying with the following procedure:

1. In the first instance a Director who requires such professional advice shall be free to contact the Company's advisors and in some circumstances this would be preferable to seeking independent professional advice.
2. However, it is recognised that in certain circumstances a Director may require advice from a professional advisor who is completely independent from the Company.
3. The provisions of paragraph 4 below shall apply to professional advice taken from the Company's advisors as it does to taking advice from independent professional advisors.
4. The procedure which a Director must follow (unless the Board otherwise resolves) is as follows:
  - 4.1 A Director shall give prior notice to the Chairman (with a copy to the Company Secretary) of his or her intention to seek independent professional advice and shall provide the name(s) of any professional advisors he or she proposes to instruct together with a brief summary of the subject matter. In the Chairman's case, he shall give prior notice to the Senior Independent Director (with a copy to the Company Secretary).
  - 4.2 The Company Secretary shall provide a written acknowledgement of receipt of the notification.
  - 4.3 The Director should obtain written authorisation to incur fees up to a maximum amount of £10,000 plus VAT. Such authorisation will not be unreasonably withheld. If further advice is required which would incur fees beyond the above amount of £10,000 plus VAT then the Director must seek further written authorisation; such authorisation will, again, not be reasonably withheld.
  - 4.4 Where a Director is required to seek authorisation under sub-paragraph 4.3 above, that authorisation must be given either:
    - by the Chairman (unless the Director seeking the authorisation is the Chairman, in which case it is the Senior Independent Director) or;
    - at the option of the Director seeking authorisation or, in the case of the Chairman, at his option, by two other Directors, one of whom shall be a Non-Executive Director.
5. For the avoidance of doubt, the above procedure and limitations shall not apply to Executive Directors acting in the furtherance of their executive responsibilities and within their delegated powers.
6. Independent professional advice for the purposes of this procedure shall include legal advice, the advice of accountants and advice on regulatory matters. It shall exclude advice concerning the personal interests of the Director concerned (such as his or her service contract with the Company or his or her dealings in the Company's securities or disputes with the Company). It shall also exclude advice in connection

with the exercise of commercial judgement by a Director in the normal course of fulfilling the responsibilities and duties as a Director of the Company or of any Group Company.

7. Any advice obtained under this procedure shall be made available to the other members of the Board and/or the Company Secretary, if the Chairman so requests or, in the case of advice obtained by the Chairman under this procedure, if the Senior Independent Director or the Company Secretary so requests.