

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.**

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



# Zetex plc

(incorporated and registered in England and Wales under number 1378777)

## **Notice of Annual General Meeting to be held on Monday 28 April 2008**

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Notice of the Annual General Meeting of the Company, to be held on Monday 28 April 2008 in the offices of Citigate Dewe Rogerson Limited, 3 London Wall Buildings, London Wall, London EC2M 5SY starting at 2.00 pm is set out at the end of this circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be deposited at the offices of the Registrar of the Company, Capita Registrars, Proxy Department, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR not later than 2.00 pm on 26 April 2008.

# Zetex plc

(Incorporated and registered in England and Wales under number 1378777 (the "Company"))

(Registered office: Zetex Technology Park, Chadderton, Oldham OL9 9LL)

26 March 2008

## Notice of Annual General Meeting

Dear Shareholder,

I am pleased to be writing to you with details of our Annual General Meeting ("AGM"), to be held on Monday 28 April 2008 in the offices of Citigate Dewe Rogerson Limited, 3 London Wall Buildings, London Wall, London EC2M 5SY starting at 2.00 pm. The formal notice of the AGM is set out on page 3 of this document.

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible. They must receive it by no later than 2.00 pm on 26 April 2008.

### Report and accounts

Shareholders are being asked to receive and consider the annual report and accounts of the Company for the financial year ended 31 December 2007.

### Final dividend

Shareholders are being asked to approve a final dividend of 1.45 pence per ordinary share. If you approve the recommended final dividend, this will be paid on 6 June 2008 to all ordinary shareholders who were on the register of members on 9 May 2008.

### Remuneration report

Shareholders are being asked to approve the remuneration report of the Company for the financial year ended 31 December 2007.

### Re-election of Directors

Shareholders are being asked to approve the re-election of Martin Geh (a non-executive director) and Robert Venter (a non-executive director), both of whom retire by rotation pursuant to the Company's articles of association (the "Articles").

### Re-appointment of auditors

Shareholders are being asked to consider the re-appointment of Ernst & Young LLP as auditors to the Company and to authorise the directors to agree their remuneration.

### General authority to allot shares

Shareholders are being asked to renew the general authority to allow directors to issue new shares from the Company's pool of unissued shares.

### Partial dis-application of pre-emption rights

Subject to a renewed general authority being granted, shareholders are being asked to waive their pre-emption rights over new shares with a maximum aggregate nominal value of £260,616 (equivalent to 5% of the Company's issued ordinary share capital).

### Amendments to existing Articles of Association

We are also asking shareholders to approve a number of amendments to the Articles primarily to reflect the provisions of the Companies Act 2006.

More detailed explanatory notes in relation to the resolutions to be considered at this year's AGM appear below each resolution on pages 3 to 5 of this document. In particular, an explanation of the main changes between the proposed and the existing articles of association of the Company and the effect of the proposed amendments is set out below each of resolutions 9 and 10 in the notice attached.

The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Yours sincerely

**E P Airey**  
Chairman

### Inspection of documents

The following documents will be available for inspection at the registered office of the Company during normal business hours on each business day (Saturdays and public holidays excepted) from the date of this Notice until the date of the AGM and on the date of the AGM at the offices of Citigate Dewe Rogerson Limited, 3 London Wall Buildings, London Wall, London EC2M 5SY from 1.30 pm until the conclusion thereof:

1. a copy of each of the directors' service contracts and letters of appointment;
2. biographical details of each director who is being proposed for re-election by the shareholders;
3. the register of directors' share holdings and transactions; and
4. the full terms of the proposed amendments to the articles of association of the Company and a copy of the existing Articles marked to show the changes being proposed.

# Zetex plc

## Notice of Annual General Meeting

The 2008 Annual General Meeting (AGM) of Zetex plc (the "Company") will be held at 2.00 pm on Monday 28 April 2008 in the offices of Citigate Dewe Rogerson Limited, 3 London Wall Buildings, London Wall, London EC2M 5SY for the purposes set out below.

### Resolutions

Explanatory Notes

### Ordinary Business

Resolutions 1 to 7 below are proposed as Ordinary Resolutions that will be passed if more than 50% of the votes cast are in favour of each Resolution.

#### Report and Accounts

1. To receive and consider the accounts and reports of the directors and auditors for the financial year ended 31 December 2007.

For each financial year, the directors are required to lay the Directors' Report, the audited accounts and the Auditors' Report (together the Annual Report and Accounts) before the Company in general meeting.

#### Declaration of final dividend

2. To declare a final dividend of 1.45 pence per ordinary share for the year ended 31 December 2007.

A final dividend can be paid only after it has been approved by the shareholders at a general meeting. The directors are recommending a final dividend of 1.45 pence per ordinary share. If approved, the final dividend will be paid on 6 June 2008 to shareholders that were on the Company's share register on 9 May 2008.

#### Remuneration Report

3. To approve the Remuneration Report for the year ended 31 December 2007.

In accordance with best practice in corporate governance, as now reflected in the Directors' Remuneration Report Regulations 2002, shareholders are being asked to vote on the Remuneration Report. As required by the Directors' Remuneration Report Regulations 2002, the Company's auditors, Ernst & Young LLP, have audited those parts of the Remuneration Report capable of being audited. The report may be found on pages 14 to 22 of the Annual Report and Accounts.

#### Re-election of Directors

4. To re-elect Martin Geh as a Director of Zetex plc.

The Company's Articles of Association (the "Articles") state that its directors must take it in turns to retire and offer themselves for re-election by the shareholders, with one-third of the directors retiring at each AGM. At the AGM, Martin Geh, a non-executive director, will retire by rotation and Resolution 4 proposes his re-election. He is Chairman of the Remuneration Committee and a member of the Budget Committee. He does not have a service contract with the Company. Brief biographical details are set out on page 10 of the Annual Report and Accounts.

5. To re-elect Robert Venter as a Director of Zetex plc.

At the AGM, Robert Venter, a non-executive director, will retire by rotation and Resolution 5 proposes his re-election. Robert Venter is Chairman of the Budget Committee and a member of the Audit and Nomination Committees. He does not have a service contract with the Company. Brief biographical details are set out on page 10 of the Annual Report and Accounts.

#### Re-appointment of Auditors

6. To re-appoint Ernst & Young LLP as auditors to Zetex plc and authorise the directors to agree their remuneration.

At each general meeting at which accounts are laid before shareholders, the Company is required to appoint auditors to serve until the next such meeting. Having expressed their willingness to continue in office for a further year, Resolution 6 proposes that Ernst & Young LLP be re-appointed and that, in accordance with normal practice, the directors be authorised to determine the auditors' fees.

### Special Business

#### General authority to allot shares

7. That, the directors be and they are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of said Section 80) up to an aggregate nominal amount of £1,747,440 which represents one-third (approximately 33%) of the total ordinary capital of the Company in issue at a date not more than two weeks before the date of this Notice of Meeting provided that:

- (i) this authority shall commence on the date of the passing of this resolution and expire at the conclusion of the next AGM of the Company, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired; and
- (ii) this authority shall be in substitution for and replaces all authorities previously conferred on the directors in that regard.

The authority conferred on the directors at last year's AGM to allot the authorised but unissued share capital of the Company expires on the date of the forthcoming AGM. Shareholders are being asked to renew the general authority to allow directors to issue new shares from the Company's pool of unissued shares. In accordance with investor protection guidelines issued by the Association of British Insurers (ABI) the number of new shares the directors would be authorised to allot, other than under the Company's employee share schemes, pursuant to the passing of Resolution 7 is limited to approximately one-third of the Company's issued ordinary share capital as at a date not more than two weeks before the date of this Notice. The directors have no plans at present to exercise this authority which, if granted, will expire at the conclusion of the next AGM of the Company.

Resolutions 8, 9 and 10 below are proposed as Special Resolutions which will be passed if at least 75% of the votes cast are in favour of each Resolution.

# Zetex plc

## Notice of Annual General Meeting

(continued)

### Partial disapplication of pre-emption rights

8. That, subject to the passing of Resolution 7 above, the directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 (the "Act") until the conclusion of the next AGM of the Company to allot equity securities (as defined in Section 94 of the Act) for cash pursuant to the authority conferred by Resolution 7 above as if Section 89(1) of the Act did not apply to any such allotment and to make offers and agreements before the expiry of this authority which would or might require equity securities to be allotted after the date of the expiration of this authority provided that such authority is limited to:
- (i) the allotment of equity securities in connection with a rights issue or other pre-emptive offer in favour of the holders of ordinary shares where the equity securities respectively attributable to the interests of all holders of ordinary shares are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions as the directors may deem necessary or expedient to deal with fractional entitlements otherwise arising or legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange in any territory or in connection with fractional entitlements or otherwise howsoever;
  - (ii) the allotment of equity securities pursuant to the terms of any share scheme for employees approved by the members in General Meetings; and
  - (iii) the allotment of equity securities for cash (otherwise than pursuant to paragraph (i) and paragraph (ii) above) of equity securities up to an aggregate nominal amount of £260,616.

This resolution seeks to renew the authority conferred on the directors at last year's AGM. If the directors wish to use their general authority to allot new shares for cash, other than under the Company's employee share schemes, the Act states that the new shares must be offered first to existing shareholders in proportion to their existing shareholdings. An offer of this type is called a rights issue and the shareholder's entitlement to be offered the new shares is known as a pre-emption right.

For legal, regulatory and practical reasons, however, it might not be possible for new shares allotted by means of a rights issue to be issued to certain shareholders, particularly those resident overseas. Further, it might in some circumstances be in the Company's interests for the directors to be able to allot some shares for cash without having to offer them first to existing shareholders. To enable this to be done, shareholders must first waive their pre-emption rights.

Accordingly, Resolution 8 seeks to modify the pre-emption rights of existing shareholders:

- (i) sub-paragraph (i) of Resolution 8 seeks authority for the directors to make any arrangements which may be necessary to deal with any legal, regulatory or practical problems arising from a rights issue, for example by excluding affected shareholders from the rights issue; and
- (ii) sub-paragraph (iii) of Resolution 8 seeks the waiver of existing shareholders' pre-emption rights, but in accordance with investor protection guidelines issued by the ABI, only for new shares with a maximum aggregate nominal value of £260,616 which is equivalent to 5% of the Company's issued ordinary share capital shown in the Company's Annual Report and Accounts.

In accordance with the guidelines issued by the ABI and the National Association of Pension Funds, the directors confirm their intention that no more than 7.5% of the issued ordinary share capital will be issued for cash on a non pre-emptive basis during any rolling 3 year period. The directors have no present intention of exercising this authority.

This authority, if granted, will expire at the conclusion of the next AGM of the Company.

### Amendment of Articles

9. That, the Articles of the Company be amended by:

**Article 94 (Right to Vote)** the insertion after the words "... who is present in person ..." of the words "or by proxy" and the insertion at the end of article 94 of the words "A member may appoint more than one proxy in relation to a meeting of the Company, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member, or as the case may be to a different £10, or multiple of £10 of stock held by him."

**Article 125 (Age Limit)** the deletion of Article 125 in its entirety and the replacement in its place of the words "Article not used".

Under the Companies Act 2006, proxies are entitled to vote on a show of hands, whereas under the Articles, proxies are only entitled to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder.

The amendments to article 94 seek to permit proxies present in person at a general meeting of the Company to vote on a show of hands as well as on a poll provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder.

The current Articles contain a provision limiting the age at which a director can be re-appointed. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 which provide that a company's articles of association should not stipulate an age after which a director shall not be eligible for re-appointment. The board proposes to delete Article 125 to comply with these regulations.

# Zetex plc

## Notice of Annual General Meeting

(continued)

### Amendment of Articles to take effect from 1 October 2008

10. That, from 1 October 2008, the Articles of Association of the Company be amended by:

Article 153 (Directors may Contract with Company) the insertion after the words "... and extent of any material interest of his ..." of the words "and (where relevant) such interest has been authorised by the Board pursuant to article 154A"

Article 154A (Directors' Authorisation of Situations in which a Director has an Interest) the insertion of a new Article 154A in the following terms:

"Article 154A (Directors' Authorisation of Situations in which a Director has an Interest)

154A (a).The Directors may, subject to the provisions of this Article 154A and Article 154, at any time authorise a director to be involved in a situation in which the director has or may have a direct or indirect interest which conflicts or may conflict with the interests of the Company ("a conflict of interest") provided that:

- (a) in the case of a proposed appointment of a person as a director, the Directors authorise the conflict of interest before or at the time the director is appointed to office;
- (b) in the case of any other director the Directors authorise the conflict of interest at the time the conflict is declared to them in accordance with Article 154A;
- (c) the director subject to the conflict of interest or any other interested director shall not vote and shall not be counted in the quorum in respect of the authorisation given under this Article 154A and if he or any connected person does vote, that vote shall not be counted;
- (d) the Directors may in their absolute discretion impose such terms on the grant of the authorisation as they think fit and in doing so the Directors will act in such a way in good faith they consider will be most likely to promote the success of the Company;
- (e) a director will not be in breach of his duty under sections 172, 174 and 175 of the Companies Act 2006 or the authorisation given by this Article 154A by reason only that he receives confidential information from a third party relating to the conflict of interest which has been authorised by this Article 154A and either fails to disclose it to the Directors or fails to use it in relation to the Company's affairs and neither will he be in breach of his duty under the said section 175 for anything done or omitted to be done by him in accordance with the provisions of Articles 153, 154 or 166;
- (f) where approval to a transaction which falls within Chapter 4 of Part 10 of the Companies Act 2006 is given by members in accordance with that Chapter further authorisation for that transaction by the Directors under this Article 154A is not necessary.

154A(b).For the purposes of this Article 154A, 'conflict of interest' includes a conflict of interest and a conflict of duty and a conflict of duties which the director owes to the Company.

Article 166 (Directors Power to Vote on Contracts in which they are Interested) the insertion after the words "Except as otherwise provided by these Articles ..." of the words "and in particular Article 154A"

The Companies Act 2006 sets out directors' general duties which largely codify the existing law, but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The proposed amendments give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

By Order of the board

Julia Morton  
Company Secretary  
Zetex plc

26 March 2008

Registered Office:  
Zetex Technology Park  
Chadderton  
Oldham OL9 9LL

Registered No: 1378777

# Zetex plc

## Notice of Annual General Meeting

(continued)

### Notes

- (a) As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders who are registered on the Company's share register at 2.00 pm on 26 April 2008 or, in the event that the meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting(s), shall be entitled to attend the AGM and to vote in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 2.00 pm on 26 April 2008 or, in the event that the Meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting(s) shall be disregarded in determining the rights of any person to attend and/or vote at the AGM.
- (b) None of the directors' service contracts with the Company have either a notice period of more than one year or have provisions for predetermined compensation on termination of an amount which equals or exceeds one year's salary and benefits in kind.
- (c) The following documents will be available for inspection at the registered office of the Company during normal business hours on each business day (Saturdays and public holidays excepted) from the date of this Notice until the date of the AGM and on the date of the AGM at the offices of Citigate Dewe Rogerson Limited, 3 London Wall Buildings, London Wall, London EC2M 5SY from 1.30 pm until the conclusion thereof:
- (i) a copy of each of the directors' service contracts and letters of appointment;
  - (ii) biographical details of each director who is being proposed for re-election by the shareholders including such membership of Board Committees as are set out in the notes to resolutions 4 and 5 above;
  - (iii) the register of directors' share holdings and transactions; and
  - (iv) the full terms of the proposed amendments to the articles of association of the Company and a copy of the existing Articles marked to show the changes being proposed.
- (d) A member of the Company is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company and any adjournment thereof. A proxy need not be a member of the Company. A demand for a poll by a person as proxy for a member shall be the same as a demand by the member. The proxy appointment shall also, unless it provides to the contrary, be deemed to confer authority to vote or to abstain from voting as the proxy thinks fit on any amendment of a resolution put to the meeting to which it relates, and on any procedural motion or resolution and on any other business not referred to in the notice of meeting which may properly come before the meeting to which it relates. The proxy appointment shall, unless it provides to the contrary, be valid for any adjournment of the meeting as well as for the meeting to which it relates. Appointment of a proxy does not preclude members from subsequently attending and voting in person if they so wish. To be valid and effective the form of proxy enclosed must be deposited at the offices of the Registrar of the Company, Capita Registrars, Proxy Department, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR not later than 2.00 pm on 26 April 2008. You may also submit your proxy electronically using the Share Portal service at [www.capitaregistrars.com/shareholders](http://www.capitaregistrars.com/shareholders).
- (e) A member may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member, or as the case may be to a different £10, or multiple of £10 of stock held by him. To appoint more than one proxy, please photocopy the form of proxy indicating on each copy the name of the proxy to be appointed and the number of shares in respect of which the proxy is appointed. All pages must be deposited at the Registrar of the Company, Capita Registrars, Proxy Department, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR not later than 2.00 pm on 26 April 2008.
- (f) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's agent, Capita Registrars (whose CREST ID is RA10) by the specified latest time for receipt of proxy appointments. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. The CREST proxy appointment must be submitted to Capita Registrars not later than 2.00 pm on 26 April 2008.
- (g) In accordance with Section 325 of the Companies Act 2006, the right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the Companies Act 2006. Persons nominated to receive information rights under Section 146 of the Companies Act 2006 who have been sent a copy of this notice of AGM are hereby informed, in accordance with Section 149(2) of the Companies Act 2006, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else approved, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered members by whom they were nominated in respect of these arrangements.
- (h) Members should note that it is possible that, pursuant to requests made by Members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the Members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
- (i) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from these corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.