

ZETEX plc

SCHEDULE OF MATTERS RESERVED FOR THE BOARD

The following represents a schedule of matters on which decisions are reserved for the Board.

Items marked * are not considered suitable for delegation to a committee of the board, e.g. because of Companies Act requirements or because under the recommendations of the Combined Code they are the responsibility of an audit, nomination or remuneration committee, with the final decision required to be taken by the whole board.

Companies Act Requirements

- 1* Approval of interim and final financial statements and annual report and accounts..
- 2* Approval of the interim dividend and recommendation of the final dividend.
- 3* Approval of any significant change in accounting policies or practices.
- 4* Appointment or removal of company secretary.
- 5* Remuneration of auditors and recommendations for appointment or removal of auditors.

Stock Exchange

- 6* Approval of all circulars and listing particulars (approval of routine documents such as periodic circulars re scrip dividend procedures or exercise of conversion rights could be delegated to a committee).
- 7* Approval of press releases concerning matters decided by the board.
- 8 Approval of control procedures and codes of conduct regarding Director's dealings, London Stock Exchange regulations and company law.
- 9 Changes relating to the Company's capital structure or its status as a listed company.

Strategy

- 10 Approval of the group's long term strategy and the annual operating budget.
- 11 Approval of all new business ventures, including joint ventures or any change in the nature of trade.
- 12 Major loans or investments in any non-Group entity (including the acquisition or disposal of interests of shares of any company or the making of any take-over bid).

Zetex Board membership and board committees

- 13 Board appointments and removals.
- 14 Terms of reference of chairman, senior independent non-executive director, chief executive and other executive directors.
- 15 Terms of reference, chairmanship and membership of board committees.
- 16 Appointment of Managing Directors to subsidiaries.
- 17 Terms and conditions of directors, members of the Zetex Semiconductors plc Operating Board and the Company Secretary.
- 18* Remuneration of non-executive directors in accordance with the Articles of Association of the Company.

Risk Management

- 19 Capital projects in excess of £1m.
- 20 Material contracts of the company (or any subsidiary) in the ordinary course of business, e.g. trading contracts (above £1m). The approval limits for the acquisition and disposal of fixed assets are as follows:

>£1m	:	Zetex Board
>£251k < £1m	:	Zetex Budget Committee

- <£250k : Any 2 Zetex Executive Directors*
- 21 *Contracts of the company (or any subsidiary) not in the ordinary course of business in excess of £100k.*
- 22 *Approval of the framework for internal control systems.*
- 23 *Risk management strategy including approval of the Group's insurances.*
- 24 *Treasury policies (including approval of strategy and policies regarding foreign exchange exposures).*
- 25 *Approval of banking or financing facilities in excess of £1m.*
- 26 *Granting of any guarantees, debentures, legal charges or security by any Group company.*
- 27 *Determination of the levels of financial and corporate authority delegated to Executive Directors.*
- 28 *Determination of the Intellectual Property Policy including approval of the licencing, sale or disposal of any rights to the Group's intellectual property.*
- 29 *Prosecution, defence or settlement of litigation (involving above £100k or being otherwise material to the interests of the company).*
- 30 *Directors' and officers' liability insurance.*

Corporate Social Responsibility

- 31 *Health and Safety policy.*
- 32 *Environmental policy.*
- 33 *Social and Ethical policy.*
- 34 *Public Interest Disclosure policy ("Whistleblowing").*

Miscellaneous

- 35* *Major changes in the rules of the Company pension schemes, or changes of and payment of trustees or (when this is subject to the consideration of the company) changes in the fund management arrangements, or borrowing of money by the Trustees of the Company pension scheme, and approval of the overall costs of running the pension schemes (including administration and investment management fees) .*
- 36 *Approval of all employee share option or long term incentive schemes including the allocation of share options/awards under employee incentive schemes.*
- 37 *Approval of all executive bonus schemes.*
- 38 *Approval of the remuneration and benefits of the executive directors, senior executives earning in excess of £100,000 per annum and the Company Secretary.*
- 39 *Formulation of policy regarding charitable donations.*
- 40 *Political donations.*
- 41 *Approval of the appointment and terms and conditions of the Board's advisors (including the Board's principal legal advisors, tax advisors, actuary, Corporate PR advisors and the Company's principal advisors).*

It is recognised that on occasion matters may arise of such urgency that they cannot be deferred until the next scheduled Meeting. In such circumstances a Director may, and the Company Secretary on the requisition of a Director shall, at any time summon an emergency Meeting of the Board; such Meeting being validly held notwithstanding that such Directors may not be in the same place, provided that they are in constant communication with each other throughout by telephone, video with voicelink or other form of communication. (Article 162 of the Company's Articles of Association). If more appropriate to the circumstances, a resolution in writing signed by all Directors for the time being entitled to receive notice of a meeting of the Board would be utilised to confer the Board's authority. (Article 161 of the Company's Articles of Association).