

Zetex plc

**TERMS OF REFERENCE OF
THE PENSION COMMITTEE
OF THE BOARD APPOINTED UNDER ARTICLE 133**

1 Objective

The Committee shall be a committee of the Board and whose principal responsibility shall be to manage the relationship between the Company and the Board of Trustees of the Zetex Group Pension Scheme and to recommend to the Board appropriate actions and strategies.

2 Terms of Reference

- *To manage the relationship between the Company and the Board of Trustees of the Zetex Group Pension Scheme.*
- *To manage the relationship between the Company and the Pensions Regulator.*
- *To monitor the Company's regulatory compliance in pensions matters.*
- *To recommend to the Board the Company nominated members of the Board of Trustees.*
- *To review and monitor the governance procedures operated by the Board of Trustees.*
- *To review and monitor the financial position of the Pension Scheme and the related liabilities of the Company.*
- *To review and monitor the risk control procedures operated by the Board of Trustees.*
- *To recommend to the Board appropriate actions to safeguard the Company's position in relation to the Pension Scheme.*
- *To consider and recommend strategies designed to reduce the Company's exposure to potential Pension Scheme liabilities.*

3 Constitution

<i>E P Airey (Chairman)</i>	<i>- non-executive director</i>
<i>Prof M J Norton</i>	<i>- non-executive director</i>
<i>N Hawkins</i>	<i>- Executive director</i>
<i>D Benstead</i>	<i>- H R Director</i>

- 3.1 *A meeting of the Committee may be called by any member of the Committee or by the Secretary.*
- 3.2 *If the Chairman of the Committee is not present at a meeting the members present shall elect one of their members as Chairman of the meeting.*
- 3.3 *A member of the Committee other than the Chairman of the meeting shall act as secretary to the Committee.*
- 3.4 *The Committee shall have power to invite such other persons as it deems necessary or expedient to attend its meetings.*
- 3.5 *No person who is a Trustee of the Pension Scheme shall act as a member of the Committee.*
- 3.5 *The power of appointing and removing members of the Committee shall be exercised by the Board.*

4 Transaction of Business

4.1 *The quorum for meetings shall be two of whom at least one must be a non-executive director. The Chairman shall not have a second or casting vote.*

4.2 *In accordance with Article 161 of the Articles of Association of the Company, a Meeting of the Pension Committee may be validly held notwithstanding that such Committee Members may not be in the same place provided that:*

a) *they are in constant communication with each other throughout by telephone, voice with video link or other form of communication.*

4.3 *In accordance with Article 162 of the Articles of Association of the Company, a resolution in writing signed by all the members of the Committee for the time being shall be as valid and effectual as a resolution passed at a Meeting of the Committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Members of the Committee.*

4.4 *The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on The Committee's activities.*

5 Minutes

The Committee shall cause minutes to be kept of the names of the members of the Committee present and of the resolutions and proceedings at each of its meetings

6 Report

The Committee shall prepare a report of its activities, in either written or oral form, for consideration by the Board, arising from its regular meetings. Additionally, the Committee shall prepare a report for inclusion in the Company's Annual Report describing the work of the Committee including the process it has used in relation to Board appointments, in accordance with Provision A.4.6 of the Combined Code.

7 Frequency

The Committee shall meet as frequently as it considers necessary to fulfil its terms of reference but at least twice in every year.