

Dated 26 November 2009

Abcam plc

Matters reserved for the Board

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Schedule

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## 1. **Strategy and management**

- 1.1 Responsibility for the overall management of the group.
- 1.2 Approval of the group's long-term objectives and commercial strategy.
- 1.3 Approval of the annual operating and capital expenditure budgets.
- 1.4 Review of performance in the light of the group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.5 Approval of any material variations from the group's strategy, objectives, business plans and budgets where previously approved by the Board, including but not limited to:-
  - 1.5.1 The extension of the group's activities into new business or geographic areas.
  - 1.5.2 Any decision to cease to operate all or any material part of the group's business.
- 1.6 Oversight of the group's operations ensuring:
  - 1.6.1 competent and prudent management;
  - 1.6.2 sound planning;
  - 1.6.3 an adequate system of internal control;
  - 1.6.4 adequate accounting and other records; and
  - 1.6.5 compliance with statutory and regulatory obligations.

## 2. **Structure and capital**

- 2.1 Changes to capital structure.
- 2.2 Major changes to the group's corporate structure.
- 2.3 Changes to the group's management and control structure.
- 2.4 Any changes to the company's listing or its status as a plc.

## 3. **Financial reporting and controls**

- 3.1 Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results.
- 3.2 Approval of the annual report and accounts, (including the corporate governance statement and remuneration report).
- 3.3 Approval of the dividend policy.
- 3.4 Declaration of the interim dividend and recommendation of the final dividend.
- 3.5 Approval of any significant changes in accounting policies or practices.

3.6 Approval of treasury policies (including foreign currency exposure and the use of financial derivatives).

4. **Internal controls**

4.1 Ensuring maintenance of a sound system of internal control and risk management including:

4.1.1 receiving reports on, and reviewing the effectiveness of, the group's risk and control processes to support its strategy and objectives;

4.1.2 undertaking an annual assessment of these processes; and

4.1.3 approving an appropriate statement for inclusion in the annual report.

5. **Contracts**

5.1 Major projects (capital and revenue) not included in the annual budget approved by the Board involving total expenditure in excess of £250,000. Note that capital or revenue expenditure approved by the Board as part of the annual budgeting process will not require further Board approval when subsequently committed to during the budget year.

5.2 All contract commitments with a value of over £1 million or which represent a departure from normal terms and conditions of business.

5.3 Contracts relating to bank borrowings above £25,000.

5.4 All investments (including the acquisition or disposal of interests in the voting shares of any company or the making of any takeover offer).

6. **Communication**

6.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.

6.2 Approval of all circulars, prospectuses and listing particulars.

6.3 Approval of press releases concerning matters decided by the Board.

6.4 Approval of announcements released to the Regulatory News Service or equivalent, except those issued to meet regulatory obligations relating to transactions in shares by individual shareholders, Directors and PDMR's, the dates of forthcoming results or meetings, in connection with the issue of shares arising from the exercise of share options or LTIP awards under plans adopted by the Company, and any other matters approved by the Board. The manner of such approval shall be determined by the Board.

## 7. **Board membership and other appointments**

- 7.1 Changes to the structure, size and composition of the Board, following recommendations from the nomination committee.
- 7.2 Ensuring adequate succession planning for the Board and senior management.
- 7.3 Appointments to the Board, following recommendations by the nomination committee.
- 7.4 Selection of the chairman of the Board and the chief executive.
- 7.5 Appointment of the senior independent director.
- 7.6 Membership and chairmanship of board committees.
- 7.7 Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
- 7.8 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the company, subject to the law and their service contract.
- 7.9 Appointment or removal of the company secretary.
- 7.10 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee.
- 7.11 Appointments to boards of subsidiaries.

## 8. **Remuneration and Expenses**

- 8.1 Determining the remuneration policy for the directors, company secretary and other senior executives.
- 8.2 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
- 8.3 Approval of expense claims. The Chairman will approve all executive and non-executive expense claims and the CFO will approve the Chairman's expenses.

## 9. **Delegation of authority**

- 9.1 Approval of terms of reference of board committees.
- 9.2 Receiving reports from board committees on their activities.

## 10. **Corporate governance matters**

- 10.1 Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.
- 10.2 Determining the independence of directors.
- 10.3 Considering and authorising any conflicts or potential conflicts of directors and imposing any limitations, qualifications or restrictions following recommendations by the nomination committee.
- 10.4 Considering the balance of interests between shareholders, employees, customers and the community.
- 10.5 Review of the group's overall corporate governance arrangements.
- 10.6 Receiving reports on the views of the company's shareholders.

## 11. **Policies**

### 11.1 Approval of policies including:

- Share dealing code
- Health and safety policy
- Communications policy, (including procedures for the release of price sensitive information)
- Corporate social responsibility policy (including Environmental policy)
- Charitable donations policy

## 12. **Other**

- 12.1 The making of political donations.
- 12.2 Approval of the appointment of the group's principal professional advisers.
- 12.3 Prosecution, defence or settlement of litigation (involving above £100,000 or being otherwise material to the interests of the group).
- 12.4 Approval of the overall levels of insurance for the group including directors' and officers' liability insurance and indemnification of directors.
- 12.5 Major changes to the rules of the group's pension scheme arrangements.

This schedule of matters reserved for board decisions.

## 13. **Directors' Duties**

13.1 Each member of the Board will be required to comply with his duties and responsibilities as a director in force from time to time pursuant to common law and equitable principles, the Companies Act 1985 and/or the Companies Act 2006. In particular, the Companies Act 2006 introduced a statutory statement of the general duties of directors which replaces the corresponding common law duties and equitable principles as follows:

13.1.1 to act within powers, ie in accordance with the Company's constitution and to only exercise powers for the purposes for which they are conferred;

13.1.2 to act in a way the director considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have regard to the following (non-exhaustive) factors:

13.1.2.1 the likely consequences of any decision in the long term;

13.1.2.2 the interests of the Company's employees;

13.1.2.3 the need to foster the Company's business relationships with suppliers, customers and others;

13.1.2.4 the impact of the Company's operations on the community and the environment;

13.1.2.5 the desirability of the Company maintaining a reputation for high standards of business conduct; and

13.1.2.6 the need to act fairly as between members of the Company;

13.1.3 to exercise independent judgment;

13.1.4 to exercise reasonable care, skill and diligence;

13.1.5 to avoid conflicts of interest; and

13.1.6 to declare to the Board interests in existing or proposed transactions or arrangements with the Company.

13.2 Each member of the Board should also note that the purpose of the business review in relevant financial statements is to inform members of the Company and help them assess how the directors have performed their duty to promote the success of the Company (see **paragraph 13.1.2** above).

Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the group.