



Solid State Group

The Board Schedule of Matters Reserved to the Board

TECHNOLOGY FOR DEMANDING APPLICATIONS

The Board Schedule of Matters Reserved to the Board

General

This document sets out the matters reserved for decision by the Board of directors of Solid State PLC (the "Company"), and are applicable to the Company and its subsidiaries (the "Group").

All directors must act in what they consider to be in the best interests of the Company and consistent with their statutory duties as set out in the Companies Act 2006 sections 171-177.

Having regard to the duty of all directors to promote the success of the Company for the benefit of its members as a whole, and in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Board has reserved the following matters for its direct stewardship and decision making in conjunction with the Audit and Remuneration committees and any other committee appointed by the Board.

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 strategy.

1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.

1.4 Oversight of the Group's operations ensuring:

- Competent and prudent management;
- Sound planning;
- An adequate system of internal control;
- Adequate accounting and other records; and
- Compliance with statutory and regulatory obligations.

1.5 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.

1.6 Extension of the Group's activities into new business or geographic areas outside the UK.

1.7 Any decision to cease to operate all or any material part of the Group's business.

2. Structure and Capital

- 2.1 Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans), share buy backs including the use of treasury shares.
- 2.2 Major changes to the Group's corporate structure.
- 2.3 Material changes to the Group's senior 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 the final results announcement.
- 3.2 Approval of the annual report and financial statements, including the directors report, corporate governance statement and remuneration report.
- 3.3 Approval of the dividend policy, declaration of the interim dividend and recommendation of the final dividend.
- 3.4 Approval of any significant changes in accounting policies or practices, which the auditors have advised are a material change.
- 3.5 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:-
 - Receiving reports on, and reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives;
 - Undertaking an annual assessment of these processes; and
 - Approving an appropriate statement for inclusion in the annual report.

5. Contracts

- 5.1 Proposed major capital projects.
- 5.2 Proposed contracts above the limits of authority delegated by the Board, which are material strategically, or by reason of size and acquisitions or disposals of fixed assets.
- 5.3 Proposed contracts of the Company or any subsidiary not in the ordinary course of business, including major acquisitions or disposals.
- 5.4 Proposed major investments including the acquisition or disposal of interests of more than 5 percent 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.

7. Board membership and other appointments

7.1 Changes to the structure, size and composition of the Board.

7.2 Ensuring adequate succession planning for the Board.

7.3 Appointments to the Board

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.

8. Remuneration

8.1 Determining the remuneration policy for the chairman, executive directors and company secretary following recommendation from the Remuneration Committee.

8.2 Determining the remuneration of the non-executive directors subject to the articles of association and shareholder approval as appropriate.

8.3 The introduction of any share and long-term incentive plans or major changes to existing plans, to be put to shareholders for approval.

9. Delegation of Authority

- 9.1 The division of responsibilities between the Chairman, the Group Chief Executive, Senior Independent Director and other executive directors which should be in writing.
- 9.2 The financial approval levels are set out in a formal delegation of authority matrix for approval for financial commitments.
- 9.3 Approval of terms of reference of board committees.
- 9.4 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 the balance of interests between shareholders, employees, customers and the community.
- 10.4 Review of the Company's overall corporate governance arrangements.
- 10.5 Receiving reports on the views of the Company's shareholders.
- 10.6 Reviewing recommendations made in respect of existing and prospective director's conflicts of interest authorisations required by the Companies Act 2006.

11. Policies

- 11.1 Approval of core policies including but not limited to:

- Ethics and Anti-Bribery Policies
- Equal Opportunities Policy
- Health and Safety Policy
- Accounting Policy and Procedure
- Dealing with price sensitive information

12. Other

- 12.1 Approval of any proposed political donations.
- 12.2 Approval of the appointment of the Company's principal professional advisers.
- 12.3 Prosecution, defence or settlement of material litigation outside the scope of authority delegated by the board.
- 12.4 Approval of the overall levels of insurance for the Company including Directors & Officers liability insurance.

12.5 Major changes to the rules of the Company's pension scheme, or changes of trustees or changes in the fund arrangements.

12.6 This schedule of matters reserved for board decisions.

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 Company.

Approved by:

Tony Frere
Chairman

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Solid State Group | 2 Ravensbank Business Park | Hedera Road | Redditch | B98 9EY | UK
Registered in England and Wales no. 771335
T: 01527 830 666 | E: investor.information@solidstateplc.com | W: www.solidstateplc.com