

## **Zebra Technologies Corporation Corporate Governance Guidelines**

Zebra's primary objective is to optimize stockholder value over the long term. Zebra's business is managed under the direction of its Board of Directors, which is elected by the stockholders. The basic responsibility of the Board is to exercise its business judgment to act in what it believes to be the best interest of Zebra and its stockholders. Zebra's Board believes that sound governance practices and policies provide an important framework to assist it in fulfilling its duty to stockholders. The Board will rely on the following guidelines to provide that framework. These guidelines are not absolute rules; they can be modified to reflect changes in Zebra's organization or business environment.

### **Composition of the Board of Directors**

**Majority of Outside Directors.** It is Zebra's policy that the Board consist of a majority of outside directors who are independent (as that term is defined under applicable SEC and NASDAQ standards) and that the number of directors not exceed a number that can function efficiently.

**Chairman or Lead Director.** It is Zebra's policy that the Board shall elect a Chairman, who may be the Chief Executive Officer of Zebra, or a non-executive independent director. The Chairman shall have the duties assigned by the Board from time to time. Whether the Chairman shall be the Chief Executive Officer or a non-executive independent director, and whether the Board shall have a lead director, shall be determined from time to time by the Board of Directors based upon the Board's assessment at the time of the best governance for the Board. If the Chairman is a non-executive independent director, then no lead director is necessary.

**Limitation of Service on Other Boards.** It is Zebra's policy that its directors are permitted to serve on the boards of directors of only three other for-profit companies (public or private) and its corporate officers (vice presidents and above) are permitted to serve on the boards of directors of only one other for-profit company (public or private). Prior to accepting any such position, a director or executive officer shall provide notice to and receive the approval of the Chairman of the Board. Prior to accepting any such position, non-executive corporate officers shall provide notice to and receive the approval of the Chief Executive Officer. Individuals who serve on other boards of directors shall notify the Chief Compliance Officer of such service on an annual basis, not later than end of the first calendar quarter of each year. These limitations may be exceeded only upon the affirmative vote of a majority of directors. The provisions of this paragraph do not apply to not-for-profit organizations.

**Change of Responsibility of Directors.** It is Zebra's policy that a director who retires from his or her major non-Zebra employment position, or whose position of employment materially changes, must volunteer to resign from the Board. This will provide an opportunity for the Board to review the continued appropriateness of Board membership under the changed circumstance.

### **Functions of the Board of Directors**

**Board Materials.** Board materials related to meeting agenda items will be provided to directors sufficiently in advance of Board meetings to allow the directors to prepare for discussion of the items at the meeting.

**Executive Sessions of the Board.** Executive sessions of outside directors without management present will be held regularly to discuss and review any relevant matter.

**Executive Session Chairs.** If the Chief Executive Officer is serving as the Chairman, the chair of the Audit, Compensation or Nominating Committee will preside as the chair at executive sessions of outside directors at which the principal items to be considered are within the scope of the authority of his or her committee. This practice will provide effective leadership at all executive sessions of outside directors without the need to designate a lead outside director.

**CEO Succession Plan.** At the request of the Board, the CEO will report annually to the Board on Zebra's program for succession and management development. The CEO will provide to the Board his or her recommendations and evaluations of potential successors.

**Director Education Programs.** It is Zebra's policy to assist the Board by providing appropriate orientation programs for new directors, which should be designed both to familiarize new directors with the full scope of Zebra's business and to assist them in developing and maintaining skills necessary and appropriate for the performance of their responsibilities. It is also Zebra's policy to develop, implement and fund continuing education programs for directors for the same purposes.

### **Stock Ownership**

**Stock Ownership by Directors.** It is Zebra's policy that all directors, consistent with their responsibilities to Zebra stockholders, hold a significant equity interest in Zebra. Therefore, the Board expects that all directors own shares of Zebra common stock having a market value of at least \$200,000. Directors are expected to acquire such Zebra common stock within two years of first becoming a director or within two years of the date these guidelines are first adopted, whichever is later.

**Expensing of Stock-Based Compensation.** Zebra began expensing stock options in the first quarter of 2006. All options starting with 2005 are valued by actuarial consultants using a binomial model. Zebra applied the modified retrospective approach when implementing option expensing. Therefore, historical financials have been restated to include option expense.

### **Periodic Review**

These guidelines will be reviewed by the Board from time to time and may be modified as the Board considers necessary or advisable in accordance with sound corporate governance policies and practices.