

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should immediately seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser, authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents at once to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

# **Electrocomponents plc**

**(incorporated and registered in England under number 647788)**

## **NOTICE OF ANNUAL GENERAL MEETING 2016**



Notice of the Annual General Meeting (AGM) of Electrocomponents plc (the Company) to be held at the Company's premises, International Management Centre, 8050 Oxford Business Park North, Oxford OX4 2HW, at 12 noon on Wednesday 20 July 2016, is set out on page 3 of this circular.

Whether or not you propose to attend the AGM, please complete and submit a form of proxy in accordance with the instructions printed on the enclosed form. The form of proxy must be received not less than 48 hours before the time of the holding of the AGM.



# Electrocomponents plc

(incorporated and registered in England under number 647788)  
(the **Company**)

16 June 2016

*To the holders of Ordinary Shares*

## Notice of the Annual General Meeting (AGM) 2016

www.electrocomponents.com

Dear Shareholder,

I am pleased to be writing to you with details of our AGM which we are holding at the Company's premises on Wednesday, 20 July 2016 at 12 noon. The formal Notice of the AGM is set out on page 3 of this circular.

If you would like to vote on the resolutions but cannot attend the AGM, please fill in the proxy form sent to you with this circular and return it to our registrars as soon as possible. They must receive it by 12 noon on Monday 18 July 2016.

### **Annual Report and Accounts, Directors' remuneration and final dividend (Resolutions 1 - 4)**

Shareholders are being asked to receive the Company's Annual Report and Accounts for the year ended 31 March 2016 (the 2016 Annual Report).

This year, we are again asking shareholders to vote on our Directors' remuneration policy. The Remuneration Committee (Committee) has reviewed the remuneration and incentive framework in the context of the Performance Improvement Plan announced at the end of last year. A revised policy has been developed in order to align incentives with the KPIs, rebalance Executive Directors' remuneration packages in favour of longer term variable incentives and set more challenging targets. The Committee consulted widely with key investors and shareholder bodies and received generally positive feedback and considerable support for the proposals. The Committee took the feedback it received into account when developing the final proposals. Details of the proposals can be found in the 2016 Annual Report on pages 53 to 61. If it is approved, the policy will take immediate effect and will remain in place for three years, unless the Directors decide to change it sooner. The shareholder vote is binding, and once the policy comes into effect, all payments by the Company to the Directors (and any former Directors) must be made in accordance with the policy, unless a payment has been separately approved by a shareholder resolution.

We are also asking shareholders to vote on the statement made by the Chairman of the Remuneration Committee and the Annual Report on Remuneration on pages 50 and 52 and 62 to 73 respectively of the 2016 Annual Report. As in previous years, this will be an advisory vote.

We are proposing a final dividend of 6.75p per ordinary share for the year. If the recommended final dividend is approved, this will be paid on 26 July 2016 to all ordinary shareholders who were on the Register of Members on 17 June 2016.

### **Director elections and re-elections (Resolutions 5 – 11)**

I am delighted that David Egan has joined the Board as our Group Finance Director, and will be standing for election as a Director of the Company at the AGM. With the exception of Rupert Soames, each of the other Directors will stand for re-election. As previously announced, Rupert, having served nine years with the Company as a Non-Executive Director, many of these as our Senior Independent Director, will be stepping down after the AGM. The biographies of those Directors standing for election or re-election are set out on pages 32 to 34 of the 2016 Annual Report, and on pages 5 and 6 of this circular. All of the Directors have been subject to formal performance evaluation in the last year and continue to be effective.

### **Auditor's re-appointment and remuneration (Resolutions 12 and 13)**

We are asking shareholders to re-appoint PricewaterhouseCoopers LLP (PwC) as our auditor and to authorise the Directors to determine the auditor's remuneration for the current financial year.

### **Authority for the Company to allot shares and disapply pre-emption rights (Resolutions 14 and 15)**

The Company's existing authorities expire on 20 July 2016, and shareholders are being asked to renew them. We are requesting that shareholders authorise the Directors to allot an amount equal to 10% of share capital, and disapply pre-emption rights up to 5% of share capital. The authorities will be renewed on an annual basis. Please see the Explanatory notes on page 7 of this circular for further details.

### **Authority for the Company to purchase its own shares (Resolution 16)**

We are again requesting shareholders to renew our authority to make market purchases of our own shares. Details are set out in the Explanatory notes on page 7 of this circular.

### **General meetings (Resolution 17)**

It is a requirement that all general meetings must be held on 21 days' notice unless shareholders agree to a shorter notice period. We are again proposing a resolution at the AGM so that, if necessary, we can continue to call meetings (other than annual general meetings) on a minimum of 14 clear days' notice.

### **Approval of the Electrocomponents Long Term Incentive Plan 2016 (Resolution 18)**

A key proposal of the new Remuneration Policy involves the Long Term Incentive Plan (Plan), where the Committee is proposing to divide awards into two elements. Further details of how the Plan would operate are set out in the 2016 Annual Report on page 55. The Plan has also been updated for developments in best practice. To effect these proposals, we are asking shareholders to approve the Long Term Incentive Plan 2016. The principal terms of the Plan are set out in the Explanatory notes on pages 7 and 8 of this circular.

Explanatory notes on the special business to be considered at this year's AGM appear on pages 7 and 8 of this circular.

**The Directors consider that all the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. Your Board intends to vote in favour of them and unanimously recommends that you do so as well.**

Yours sincerely,  
**Peter Johnson**  
Chairman

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Electrocomponents plc will be held at the Company's premises, International Management Centre, 8050 Oxford Business Park North, Oxford OX4 2HW on Wednesday, 20 July 2016 at 12 noon to consider the business set out below.

Resolutions 1 to 14 (inclusive) and 18 are proposed as ordinary resolutions. This means that for each of these resolutions to be passed, more than half the votes cast must be in favour of the resolution.

Resolutions 15 to 17 (inclusive) are proposed as special resolutions. This means that for each of these resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

## Ordinary business

### Annual Report and Accounts

1. To receive the accounts and the reports of the Directors and the auditor for the year ended 31 March 2016.

### Directors' Remuneration Report

2. To approve the Directors' remuneration policy set out on pages 53 to 61 of the 2016 Annual Report.
3. To approve the Statement by the Chairman of the Remuneration Committee and the Annual Report on Remuneration for the year ended 31 March 2016 as set out on pages 50 to 52, and 62 to 73 respectively of the 2016 Annual Report.

### Declaration of dividend

4. To declare a final dividend of 6.75 pence per ordinary share for the year ended 31 March 2016.

### Retiring Directors

5. To elect David Egan as a Director
6. To re-elect Bertrand Bodson as a Director.
7. To re-elect Karen Guerra as a Director.
8. To re-elect Paul Hollingworth as a Director.
9. To re-elect Peter Johnson as a Director.
10. To re-elect John Pattullo as a Director.
11. To re-elect Lindsley Ruth as a Director.

### Auditor's re-appointment and remuneration

12. To re-appoint PricewaterhouseCoopers LLP as auditor of the Company from the conclusion of the Annual General Meeting.
13. To authorise the Directors to agree the remuneration of the auditor.

## Special business

### Renewal of Directors' authority to allot shares

14. That the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 2006 Act) to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares (as defined in Section 551 of the 2006 Act) up to a nominal amount of £4,408,000; such authority to apply in substitution for all previous authorities pursuant to Section 551 of the 2006 Act, and to expire at the end of the next Annual General Meeting or on 30 September 2017, whichever is the earlier but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted after the authority ends.

### Renewal of Directors' authority to disapply pre-emption rights

15. That subject to the passing of Resolution 14 above, the Directors be empowered to allot equity securities (as defined in Section 560(1) of the 2006 Act) wholly for cash pursuant to the authority given by Resolution 14 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the 2006 Act in each case:
  - a) in connection with a pre-emptive offer; and
  - b) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £2,204,000,

as if Section 561(1) of the 2006 Act did not apply to any such allotment; such power to expire at the end of the next Annual General Meeting or on 30 September 2017, whichever is the earlier, but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends.

For the purposes of this Resolution:

- a) "pre-emptive offer" means an offer of equity securities open for acceptance for a period fixed by the Directors to (i) holders (other than the Company) on the register on a record date fixed by the Directors of ordinary shares in proportion to their respective holdings and (ii) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;
- b) references to an allotment of equity securities shall include a sale of treasury shares; and
- c) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

### Renewal of Directors' authority for the purchase by the Company of its own shares

16. That the Company be and is generally and unconditionally authorised for the purposes of Section 701 of the 2006 Act to make market purchases (within the meaning of Section 693 of the 2006 Act) of ordinary shares of 10p each in the Company (ordinary shares) provided that:
  - a) the maximum number of ordinary shares hereby authorised to be purchased is 22,042,700;
  - b) the minimum price which may be paid for each ordinary share is 10p;
  - c) the maximum price which may be paid for an ordinary share is an amount equal to the higher of (i) 105% of the average of the closing price of the Company's ordinary shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such ordinary share is contracted to be purchased or (ii) the higher of the price of the last independent trade and the highest current bid as stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of the Market Abuse Regulation;
  - d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or on 30 September 2017, whichever is earlier, unless such authority is renewed prior to such a time; and
  - e) the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares in pursuance of such contract.

### Notice period for general meetings

17. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

### Approval of Long Term Incentive Plan 2016

18. That
  - a) the rules of the Electrocomponents plc Long Term Incentive Plan 2016 (Plan), the principal terms of which are summarised in the Explanatory notes to this Notice of Meeting (pages 7 and 8), be approved and the Directors of the Company be authorised to adopt the Plan and do all acts and things which they may, in their discretion, consider necessary or expedient to give effect to the Plan; and
  - b) the Directors of the Company be and are hereby authorised to adopt further plans based on the Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against any limits on individual or overall participation in the Plan.

**The Directors consider that the passing of each of the resolutions proposed at the Annual General Meeting is in the best interests of the Company and its shareholders as a whole and recommend all shareholders to vote in favour of all the resolutions, as the Directors intend to do in respect of their own beneficial holdings.**

By Order of the Board

Ian Haslegrave, Company Secretary  
16 June 2016

## Notes

- (i) A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint one or more proxies to attend, speak and vote instead of him/her provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending or voting at the AGM if he/she subsequently wishes to do so.
- (ii) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and Section 360B(2) of the Companies Act 2006 (the 2006 Act), the Company has specified that only those shareholders registered in the Register of Members of the Company as at 6.30pm on Monday 18 July 2016 will be entitled to attend or vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after 6.30pm on Monday 18 July 2016 will be disregarded in determining the rights of any person to attend or vote at the AGM.
- (iii) A form of proxy is enclosed. To be effective a form of proxy and the authority (if any) under which it is signed or a notarially certified copy of such authority must be deposited at the offices of the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by not later than 12 noon on Monday 18 July 2016.
- (iv) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on Wednesday 20 July 2016 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy, the revocation of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in note (iii) above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at [www.euroclear.com](http://www.euroclear.com).

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- (v) If this Notice of the AGM is sent to you as a person nominated to receive copies of Company communications, the proxy rights described above do not apply to you. The rights described in these paragraphs only apply to shareholders. You may have a right under an agreement with the registered member to be appointed (or have someone else appointed) as a proxy for the AGM, and you are advised to contact them.
- (vi) Shareholders should note that, under section 527 of the 2006 Act, shareholders meeting the threshold requirements in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company

appointed for the financial year ceasing to hold office since the previous AGM at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 (requirements as to website availability) of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

- (vii) Under sections 338 and 338A of the 2006 Act, shareholders meeting the threshold requirements in those sections have the right to require the Company: (i) to give to shareholders of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with the Company's constitution or otherwise) (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 6 June 2016, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
- (viii) A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the 2006 Act (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.
- (ix) As at 14 June 2016, the latest practicable date prior to the printing of this Notice, the Company's total capital consisted of 440,854,646 Ordinary Shares with a total of 440,854,646 voting rights.
- (x) Copies of the service contracts and terms of appointment of the Directors are available for inspection during business hours at the registered office of the Company and will be available for inspection at the place of the AGM from 15 minutes prior to its commencement until its conclusion.
- (xi) Biographical details of the Directors who are proposed for re-election or election at the AGM are set out on pages 32 to 34 of the 2016 Annual Report and on pages 5 and 6 of this circular.
- (xii) The rules of the Long Term Incentive Plan 2016 are available for inspection during business hours at the registered office of the Company and at the offices of Deloitte LLP (Company Secretarial Department), 2, New Street Square, London, EC4A 3BZ, and will be available for inspection at the place of the AGM from 30 minutes prior to its commencement until its conclusion.
- (xiii) In accordance with section 311A of the 2006 Act, the contents of this Notice of AGM, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website [www.electrocomponents.com](http://www.electrocomponents.com).
- (xiv) Pursuant to section 319A of the 2006 Act, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including: (i) if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered; (ii) if to do so would interfere unduly with the preparation of the meeting or involve the disclosure of confidential information; or (iii) the answer has already been given on a website in the form of an answer to a question.
- (xv) You may not use any electronic address provided either in this Notice of the AGM or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

## Directors' biographies

### David Egan

Group Finance Director  
Joined in March 2016

#### External roles

David is a Non-Executive Director of Tribal Group plc and Chairman of its Audit Committee.

#### Past roles

Previously, David was Group Finance Director at Alent plc and also held a variety of senior finance positions at ESAB Holdings and Hanson plc.

#### Skills and experience

- Finance
- Mergers and acquisitions
- International operations
- Emerging markets
- Recent financial experience
- Distribution
- Manufacturing
- Service industry

#### Committee membership

Chairman of the Treasury Committee .

### Bertrand Bodson

Independent Non-Executive Director  
Joined in June 2015

#### External roles

Bertrand is Chief Digital Officer at Home Retail Group (the owner of Argos and Habitat).

#### Past roles

Previously, Bertrand has held a number of senior eCommerce positions, including leading global and digital marketing responsibilities at EMI Music and Amazon. He was also Chief Executive Officer at Bragster, which is now part of Guinness World Records.

#### Skills and experience

- Digital
- eCommerce
- International operations
- Product development
- Sales and marketing
- Supply chain and logistics

#### Committee membership

Member of the Audit, Nomination and Remuneration Committees.

### Karen Guerra

Independent Non-Executive Director  
Joined in January 2013

#### External roles

Karen is a Non-Executive Director of Amcor Limited and Davide Campari-Milano S.p.A.

#### Past roles

Previously, Karen was a Non-Executive Director at Swedish Match AB, Inchcape plc, More Group plc and Samlerhuset Group BV. She has also held senior executive positions at Colgate-Palmolive, including Managing Director and Chairman of both their UK and French businesses.

#### Skills and experience

- International operations
- Sales and marketing
- Manufacturing
- Service industry

#### Committee membership

Member of the Audit, Nomination and Remuneration Committees.

### Paul Hollingworth

Independent Non-Executive Director  
Joined in May 2008

#### External roles

Paul is a Non-Executive Director of Volution Group plc and Chairman of its Audit Committee.

#### Past roles

Previously, Paul was Group Chief Financial Officer of Thomas Cook Group plc and prior to that he was Chief Financial Officer of Mondi Group. He has also held positions as Group Finance Director of BPB plc, De La Rue plc and Ransomes plc.

#### Skills and experience

- International operations
- Emerging markets
- Recent financial experience
- Mergers and acquisitions
- Corporate law and governance
- Manufacturing
- Service industry

#### Committee membership

Chairman of the Audit Committee. Member of the Nomination and Remuneration Committees.

## Directors' biographies

### Peter Johnson

Chairman  
Joined in October 2010

#### External roles

Peter is Vice-Chairman of the Supervisory Board of Wienerberger AG, having been a Member since 1995.

#### Past roles

Previously, Peter was Chairman of DS Smith plc, a Non-Executive Director of SSL International plc, Chief Executive of George Wimpey plc and Chief Executive of The Rugby Group plc.

#### Skills and experience

- International operations
- Emerging markets
- Mergers and acquisitions
- Distribution
- Sales and marketing
- Manufacturing
- Service industry
- Chairman
- Chief Executive Officer

#### Committee membership

Chairman of the Nomination Committee.

### Lindsley Ruth

Chief Executive Officer  
Joined in April 2015

#### External roles

None

#### Past roles

Previously, Lindsley was Executive Vice President of the Future Electronics Group of companies, the fourth largest electronics distributor in the world. He joined them in 2002 and was a key member of their core leadership team. Lindsley has also held senior positions with TTI Inc and Solectron Corporation.

#### Skills and experience

- Management
- Leadership
- Mergers and acquisitions
- International operations
- Emerging markets
- Distribution
- Sales and marketing
- Manufacturing
- Supply chain and procurement

#### Committee membership

Member of the Treasury Committee.

### John Pattullo

Independent Non-Executive Director  
Joined in January 2013

#### External roles

John is Chairman of NHS Blood and Transplant, Non-Executive Chairman of Marken Group, Chair of In Kind Direct (a Prince's Charity) and on the Board of GWR UK Acquisition Company Limited (owner of the Freightliner Group).

#### Past roles

Previously, John was on the Board of CEVA Group plc and also served as Chief Executive Officer of CEVA Logistics. He was also Chief Executive Officer of the Europe, Middle East and Africa division of Exel and when Exel was acquired by Deutsche Post/DHL he went on to run the combined Exel and DHL contract logistics business in EMEA. He spent most of his early career working in supply chain management roles with Procter & Gamble.

#### Skills and experience

- International operations
- Emerging markets
- Supply chain and logistics
- Manufacturing
- Service industry
- Chief Executive Officer

#### Committee membership

Chairman of the Remuneration Committee. Member of the Audit and Nomination Committees.



## Explanatory notes to the special business to be considered at the AGM

### Resolution 14: Renewal of Directors' authority to allot shares

The purpose of Resolution 14 is to renew the Directors' power to allot shares.

The authority in Resolution 14 will allow the Directors to allot new shares and to grant rights to subscribe for, or convert other securities into, shares up to a nominal value of £4,408,000 which is equivalent to approximately 10% of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 14 June 2016.

At 14 June 2016, the Company did not hold any shares in treasury.

There are no present plans to allot new shares other than in connection with employee share and incentive plans. The Directors consider it desirable to have flexibility to respond to market developments and to enable allotments to take place to finance business opportunities as they arise.

If the Resolution is passed, the authority will expire on the earlier of 30 September 2017 and the end of the AGM in 2017.

### Resolution 15: Renewal of Directors' authority to disapply pre-emption rights

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme) company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

The purpose of Resolution 15 is to authorise Directors to allot new shares pursuant to the authority given by Resolution 14, or sell treasury shares, for cash (a) in connection with a pre-emptive offer or rights issue or (b) otherwise up to a nominal value of £2,204,000 (equivalent to 5% of the total issued ordinary share capital of the Company as at 14 June 2016), in each case without the shares first being offered to existing shareholders in proportion to their existing holdings.

The Board considers the authority in Resolution 15 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions.

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles not to allot shares for cash on a non pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company within a rolling three-year period without prior consultation with shareholders.

### Resolution 16: Renewal of Directors' authority for the purchase by the Company of its own shares

At the 2015 AGM, shareholders gave the Company renewed authority to make market purchases of up to approximately 5% at that time of the Company's issued ordinary share capital. As at the date of this circular, the Company has made no such purchases under this authority. Nevertheless, the Directors believe it advisable to seek renewal of an authority to make market purchases of shares at each AGM.

This resolution is proposed as a special resolution and will authorise market purchases of up to 22,042,700 ordinary shares (being approximately 5% of the issued share capital as at 14 June 2016) and the Company's exercise of this authority is subject to the stated upper and lower limits on the price payable. The Directors will only exercise this authority when satisfied it is in the best interests of shareholders and that any purchase will have a beneficial impact on earnings per share, having first considered other investment opportunities open to the Company. As at 14 June 2016, a maximum of 6,400,000 shares would be required to satisfy all outstanding options to subscribe for equity shares and conditional awards of shares. This represents 1.45% of the issued share capital. If this resolution is passed and the full authority to buy back shares were used, then shares required for such purposes would represent 1.53% of the issued share capital.

Listed companies are permitted, subject to certain restrictions, to hold their own shares which they purchase in treasury for resale or transfer at a later date, rather than being obliged to cancel them. If the Company were to purchase any of its own shares pursuant to the authority referred to above, it would consider holding them as treasury stock, provided that the number does not at any time exceed 5% of the Company's issued share capital. This would provide the Company with additional flexibility in the management of its capital base. As at 14 June 2016, the Company held no ordinary shares in treasury.

### Resolution 17: Resolution to permit Directors to call a general meeting other than an AGM at not less than 14 days' notice

Under the 2006 Act, as amended, the notice period required for all general meetings of the Company is 21 days. Shareholders can, however, approve a shorter notice period for general meetings other than annual general meetings, which cannot be less than 14 clear days. Having passed a similar resolution last year, the Company is currently able to call general meetings (other than its AGM) on 14 clear days' notice and would like to preserve this ability. In order to be able to do so, shareholders must approve the renewal of this authority. Resolution 17 seeks such approval. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The Company will also need to meet the requirements for electronic voting under the Shareholders' Rights Directive in order to be able to call a general meeting on 14 clear days' notice.

### Resolution 18: Approval of the Electrocomponents plc Long Term Incentive Plan 2016

The Company's existing long term incentive plan was approved by shareholders in July 2014 (2014 LTIP). In order to effect the changes in the executive incentive framework referred to in the Chairman's letter, the Remuneration Committee (Committee) now proposes to introduce the Electrocomponents Long Term Incentive Plan 2016 (Plan). The Plan will be operated in place of the 2014 LTIP for awards made in the financial years ending in 2017, 2018 and 2019, after which time it will expire.

The rules of the Plan provide for the grant of two award 'elements', namely a base award element (Base Award) and, if the Committee so determines, a multiplier element (Multiplier).

Base Awards will be structured on substantially the same terms as awards under the existing 2014 LTIP (i.e. awards of free shares over up to 150% of basic salary which vest after three years). Base Awards granted to Executive Directors will always be subject to the satisfaction of a performance condition (Base Condition).

The second element (Multiplier) provides the opportunity to increase the number of shares vesting under the Base Award by a factor of up to 1.5 times (i.e. taking the maximum Award to 225% of basic salary) to the extent that an additional, and more challenging, performance condition is satisfied (Multiplier Condition).

The principal terms of the Plan are summarised below.

#### 1 Eligibility

Employees of the Company or of any subsidiaries or associated companies may be eligible to participate in the Plan. Executive Directors and senior executives may participate at the discretion of the Committee.

#### 2 Grant of Awards

Awards may be granted by the Committee to selected employees, normally within 42 days of the announcement of the Company's results for any period. Awards are not pensionable. Awards are not generally transferable.

Under the Plan, the Committee may grant conditional awards of shares, forfeitable shares or options (Awards). The current intention is that Awards will take the form of conditional awards of shares.

#### 3 Performance Conditions

The Committee will, in relation to Awards granted to Executive Directors, set performance conditions the aim of which is to help align the interests of participants and shareholders. The performance conditions must be satisfied before the Awards can vest.

The proportion of an Award, if any, that will vest, will depend upon the Company's performance during a three-year period (Performance Period). The Performance Period will be the financial year in which the grant is made and the following two financial years.

The Base Condition for Executive Directors will be a combination of (i) the Company's earnings per share performance (EPS) (ii) the Company's average return on capital employed (ROCE) and (iii) the Company's three-year total shareholder return (TSR) against a selected peer group.

The extent to which the Multiplier may increase the number of Shares which vest under the Base Award depends on the extent to which the Multiplier Condition is satisfied. The Multiplier Condition will be based on EPS performance targets set in excess of the upper end of the EPS targets in the Base Condition.

Further details of the performance conditions for the forthcoming year can be found in the 2016 Annual Report on page 64.

#### 4 Individual limits

The Committee may make Base Awards in any year up to a maximum of 150% of basic salary. The Base Award may be increased by a factor of up to 1.5 times (such that the maximum award is equivalent to 225% of basic salary).

#### 5 Acquisition of shares

A participant will only acquire the shares subject to Awards on vesting to the extent that any performance conditions are satisfied and provided normally that the participant remains in employment. When shares are acquired, the participant may also receive a cash amount equal to the net dividends that would have been paid on that number of shares between the award date and the date of vesting.

#### 6 Malus and clawback

If the Committee considers that the participant or the participant's team has engaged in misconduct justifying such action, or where there is a materially adverse misstatement of the Company's financial statements, the Committee may decide that:

- a) an Award which has not vested (or a vested option which has not been exercised) will lapse wholly or in part; and/or
- b) a participant should transfer some or all of the shares received on the vesting of an Award (or the exercise of an option) back to the Company, or repay a cash amount in respect of those shares, on such terms as the Committee determines.

#### 7 Holding period

Shares received by participants may be subject to a further holding period, during which they may not be sold or otherwise transferred. It is the Committee's policy currently that shares received by Executive Directors will be subject to a further holding period of at least two years.

#### 8 Leaving employment

Awards will normally lapse when a participant leaves employment.

If a participant leaves employment due to ill health, disability, injury, retirement, redundancy, or sale of the participant's employer out of the Group, Awards will vest and shares will be acquired to the extent that any performance conditions have been met, normally at the end of the Performance Period. The number of shares acquired will also usually be reduced pro-rata to take account of the period between the date of grant and the date of leaving.

If a participant dies, Awards will vest, but the number of shares acquired may be reduced pro-rata as explained above. Any performance conditions may be applied.

If a participant is dismissed for misconduct, Awards will not vest.

Awards may vest if a participant leaves employment for any other reason only if the Committee so decides at its discretion.

#### 9 Change of control, merger or other reorganisations

Generally, Awards will vest on a takeover, scheme of arrangement or merger, to the extent that the performance conditions have been satisfied at the date of the event. The number of shares acquired will generally also be time pro-rated as explained above. If the Committee so decides, participants may be required instead to exchange their Awards for equivalent awards over shares in the acquiring company.

#### 10 Variation in share capital

Awards may be adjusted following any rights issue, demerger, special dividend or distribution or variation in the share capital of the Company.

#### 11 Issue of shares

Any shares issued under the Plan will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

#### 12 Dilution limits

In any ten year period, not more than 10% of the issued ordinary share capital of the Company may be issued or issuable under the Plan and all other employee share plans operated by the Company. In addition, in any ten-year period, not more than 5% of the issued ordinary share capital of the Company may be issued or issuable under all discretionary share plans adopted by the Company. These limits do not include rights which have lapsed or have been surrendered.

Treasury shares transferred to satisfy Awards will be counted as if new shares had been issued for as long as it is considered best practice to do so.

#### 13 Amendments

The Committee may amend the Plan as it considers appropriate. However, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to: eligibility, individual and plan limits, rights attaching to Awards, adjustment of Awards on variation in the Company's share capital, and the amendment powers. Shareholder approval is not required for minor changes intended to benefit the administration of the Plan, or to comply with or take account of existing or proposed legislation or any changes in legislation or to secure favourable tax treatment for the Company, members of its group or participants.

#### 14 Termination

The Plan may be terminated by the Committee at any time and will expire on 31 March 2019.