

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



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 Thursday 24 July 2014, is set out on page 4 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**)

13 June 2014

**International Management Centre
8050 Oxford Business Park North
Oxford
OX4 2HW**

To the holders of Ordinary Shares
Notice of the Annual General Meeting (AGM) 2014

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 Thursday 24 July 2014 at 12.00 noon. The formal Notice of the AGM is set out on page 4 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 22 July 2014.

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 2014 (2014 Annual Report and Accounts).

This year, in line with new regulations on directors' remuneration, we are asking shareholders to vote on our Directors' remuneration policy. 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, in which case they will need to seek shareholder approval for any such change. 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). The policy can be found in the 2014 Annual Report and Accounts, on pages 69 to 77. We are also asking shareholders to vote on the statement made by the Chairman of the Remuneration Committee and the Annual Report on Remuneration. As in previous years, this will be an advisory vote. The Remuneration Committee Chairman's statement and the Annual Report on Remuneration can be found on pages 67 to 68 and 78 to 87 respectively of the 2014 Annual Report.

You are also requested to approve a final dividend of 6.75p per ordinary share for the year. If the recommended final dividend is approved, this will be paid on 29 July 2014 to all ordinary shareholders who were on the register of members on 27 June 2014.

Director re-elections (Resolutions 5-11)

Each of the Directors will stand for re-election at the AGM, as required by the UK Corporate Governance Code. The biographies of all the Directors are set out on pages 42 to 44 of the 2014 Annual Report and Accounts, it has been announced that Ian Mason is to join the Board of QinetiQ plc as an independent Non-Executive Director. His appointment took effect on 3 June 2014.

Auditor's appointment and remuneration (Resolutions 12 and 13)

During the year we have conducted an audit tender, and details of this are given in the Audit Committee Report on page 63 of the 2014 Annual Report and Accounts. As a result of the tender, the Directors are now asking shareholders to approve the appointment of PricewaterhouseCoopers LLP (PwC) as our statutory auditor. Their appointment would take effect immediately following the AGM. KPMG Audit Plc, as our statutory auditor for the year under review, have provided us with the required Statement of Circumstances upon ceasing to be our auditor, and this is set out for shareholders in the Explanatory notes on page 6 of this circular.

We are also asking shareholders 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 24 July 2014, 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 6 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 6 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 2014 (Resolution 18)

We propose to update the existing long term incentive plan, which was approved by shareholders in 2006, with the Electrocomponents Long Term Incentive Plan 2014. Minor amendments have been made to the rules to bring them into line with prevailing market practice and the principal terms of the plan are set out in the Explanatory notes on page 7 of this circular.

Explanatory notes on Resolution 12 and on the special business to be considered at this year's AGM appear on pages 6 and 7 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 Thursday 24 July 2014 at 12.00 noon to consider the business set out below.

Resolutions 1 to 14 (inclusive) 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 18 (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

- To receive the accounts and the reports of the Directors and the auditors for the year ended 31 March 2014.

Directors' Remuneration report

- To approve the Directors' Remuneration Policy set out on pages 69 to 77 in the 2014 Annual Report and Accounts.
- To approve the Statement by the Chairman of the Remuneration Committee and the Annual Report on Remuneration for the year ended 31 March 2014 set out on pages 67 and 68, and 78 to 87 respectively of the 2014 Annual Report and Accounts.

Declaration of dividend

- To declare a final dividend of 6.75 pence per ordinary share for the year ended 31 March 2014.

Retiring Directors

- To re-elect Simon Boddie as a Director.
- To re-elect Karen Guerra as a Director.
- To re-elect Paul Hollingworth as a Director.
- To re-elect Peter Johnson as a Director.
- To re-elect Ian Mason as a Director.
- To re-elect John Pattullo as a Director.
- To re-elect Rupert Soames as a Director.

Auditor's appointment and remuneration

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

Special business

Renewal of Directors' authority to allot shares

- 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 £4,395,000; 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 2015, 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

- 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:

- in connection with a pre-emptive offer; and
- otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £2,197,900,

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 2015, 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:

- "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;

- references to an allotment of equity securities shall include a sale of treasury shares; and
- 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

- 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:

- the maximum number of ordinary shares hereby authorised to be purchased is 21,979,600;
- the minimum price which may be paid for each ordinary share is 10p;
- 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 Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No 2273/2003);
- the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or on 30 September 2015, whichever is earlier, unless such authority is renewed prior to such a time; and
- 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

- 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

- That the Electrocomponents Long Term Incentive Plan 2014 (LTIP) summarised on page 7 of this Notice of the Annual General Meeting and to be constituted by the draft rules produced to the Annual General Meeting (and, for the purpose of identification, initialled by the Chairman) be approved and that the directors be authorised:

- to make such modifications as they consider necessary to take account of the requirements of the Financial Conduct Authority and best practice and to adopt the LTIP as so modified and do all acts and things necessary to operate the LTIP; and
- to implement and establish for the benefit of employees overseas further plans based on the LTIP subject to such modifications as may be necessary to take account of local tax, exchange controls or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting towards the limits on overall participation in the LTIP.

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
 13 June 2014

Registered Office: International Management Centre, 8050 Oxford Business Park North, Oxford OX4 2HW. Registered Number: 647788

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 6.00pm on 22 July 2014 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 6.00pm on 22 July 2014 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 12.00 noon on Tuesday 22 July 2014.
- (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 24 July 2014 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 to 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.

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 10 June 2014, 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 11 June 2014, the latest practicable date prior to the printing of this Notice, the Company's total capital consisted of 439,592,807 Ordinary Shares with a total of 439,592,807 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 42 to 44 of the Annual Report and Accounts for the year ended 31 March 2014.
- (xii) The rules of the LTIP are available for inspection during business hours at the registered office of the Company and at the offices of Linklaters LLP, One Silk Street, London, EC2Y 8QH 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.
- (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.

Explanatory notes to Resolution 12 and the special business to be considered at the AGM

Resolution 12: Appointment of Auditors

It is proposed that PricewaterhouseCoopers LLP (PwC) be appointed as the Company's statutory auditor, following the audit tender carried out during the year. Pursuant to section 519 of the Companies Act 2006 (the 2006 Act), KPMG Audit Plc has provided the Company with a statutory statement of circumstances upon ceasing to hold office.

In accordance with section 520 of the Act, a copy of this statement is set out below:

Dear Sirs

Statement to Electrocomponents plc (no. 647788) on ceasing to hold office as auditors pursuant to section 519 of the Companies Act 2006

The circumstances connected with our ceasing to hold office are the holding of a competitive tender for the audit, in which we were unsuccessful in retaining the audit.

We request that any correspondence in relation to this statement be sent to our registered office 15 Canada Square, London, E14 5GL marked for the attention of the Audit Regulation Department.

Yours faithfully,

KPMG Audit Plc

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 £4,395,000 which is equivalent to approximately 10% of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 11 June 2014.

At 11 June 2014, 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 2015 and the end of the AGM in 2015.

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 £2,197,900 (equivalent to 5% of the total issued ordinary share capital of the Company as at 11 June 2014), 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 2013 AGM, shareholders gave the Company renewed authority to make market purchases of up to approximately 10% 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 21,979,600 ordinary shares (being approximately 5% of the issued share capital as at 11 June 2014). 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 11 June 2014, a maximum of 6,100,000 shares would be required to satisfy all outstanding options to subscribe for equity shares and conditional awards of shares. This represents 1.4% 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 1.5% 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 11 June 2014, 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 Long Term Incentive Plan 2014

The Remuneration Committee (the Committee) proposes to replace the existing long term incentive plan, which was approved by shareholders in 2006, with the Electrocomponents Long Term Incentive Plan 2014 (the LTIP). Under the LTIP, participants will be granted free share awards which will vest after three years. Awards received by Executive Directors and members of the Group Executive Committee (GEC) will vest subject to the satisfaction of a Performance Condition. Shares awarded to Executive Directors will be subject to a further holding period of at least six months following vesting. The principal terms of the LTIP are summarised below.

1.1 Eligibility

Employees of the Company or of any subsidiaries or associated companies may be eligible to participate in the LTIP. Executive Directors and members of the GEC may participate at the discretion of the Committee.

1.2 Grant of Awards

Under the LTIP 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.

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.

1.3 Performance conditions

The Committee will, in relation to Awards granted to Executive Directors and members of the GEC, set a performance condition the aim of which is to help align the interests of participants and shareholders. The performance condition must be satisfied before the Awards can vest. The proportion of the Award, if any, that will vest, will depend upon the Company's performance during a three-year period (the Performance Period). The Performance Period will be the financial year in which the grant is made and the following two financial years.

The performance condition for the Executive Directors for this year's awards will be based on a combination of three-year total shareholder return (TSR) percentage out-performance of the benchmark, and growth in the Company's earnings per share (EPS). Further details of the current performance condition are given in the Policy table and in the Annual Report on Remuneration, both found in the 2014 Annual Report and Accounts, on pages 71 and 83 respectively.

1.4 Individual limits

The Committee may make Awards in any year up to a maximum of 1.5 times basic salary.

1.5 Acquisition of shares

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

1.6 Malus

The Committee may decide that an Award which has not vested will lapse wholly or in part if the Committee considers that the participant or the participant's team has engaged in conduct which justifies such lapsing, or if there is a materially adverse misstatement of the Company's accounts.

1.7 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 holding period of at least six months.

1.8 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 part of the business out of the Group, Awards will vest and shares will be acquired to the extent that any performance condition has been met normally at the end of the Performance Period. The number of shares acquired will also normally be reduced pro-rata to take account of the period between the date of grant and the date of leaving as a proportion of the whole Performance Period.

If a participant dies, Awards will vest immediately but the number of shares acquired may be reduced pro-rata as explained above. The performance condition may apply.

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

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

1.9 Change of control, merger or other reorganisations

Generally, Awards will vest on a takeover, scheme of arrangement or merger, to the extent that any 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.

1.10 Variation in share capital

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

1.11 Issue of shares

Any shares issued under the LTIP 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.

1.12 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 LTIP 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.

1.13 Amendments

The Committee may amend the LTIP 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 LTIP, 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.

1.14 Termination

The LTIP may be terminated by the Committee at any time. Awards may not be granted after the tenth anniversary of the approval of the LTIP by shareholders.

Electrocomponents plc

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