

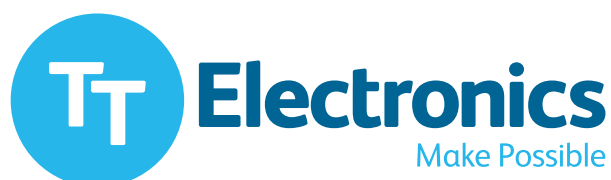
---

**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 seek your own advice from a stockbroker, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your ordinary shares, please pass this document together with the accompanying Form of Proxy 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 ordinary shares.

---



## **Annual General Meeting 2014 Notice of Meeting and Explanatory Notes**

This document contains Notice of the Annual General Meeting of TT Electronics plc ("the Company") to be held at the offices of Hudson Sandler Financial and Corporate Communications, 2nd Floor, 29 Cloth Fair, London EC1A 7NN on Friday 9 May 2014 at 11.30 am, together with explanatory notes regarding the business of the meeting.

Whether or not you propose to attend the Annual General Meeting, 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 by the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as soon as possible, and in any event no later than 11.30 am on Wednesday 7 May 2014. For further details please see the Notes set out on pages 4 to 5 of this document. Completion and return of a Form of Proxy will not preclude you from attending and voting at the Annual General Meeting.

---

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of TT Electronics plc will be held at the offices of Hudson Sandler Financial and Corporate Communications, 2nd Floor, 29 Cloth Fair, London EC1A 7NN on 9 May 2014 at 11.30 am for the following purposes:

### Ordinary Resolutions

- 1 To receive the audited accounts for the year ended 31 December 2013, the Directors' Report and the Auditors' Report on the accounts.
- 2 To approve the Directors' Remuneration Report for the year ended 31 December 2013 (other than the part containing the Directors' Remuneration Policy).
- 3 To approve the Directors' Remuneration Policy contained in the Directors' Remuneration Report for the year ended 31 December 2013.
- 4 To declare a final dividend of 3.8p per ordinary share.
- 5 To re-elect Sean Watson as a Director.
- 6 To re-elect Geraint Anderson as a Director.
- 7 To re-elect Shatish Dasani as a Director.
- 8 To re-elect Tim Roberts as a Director.
- 9 To re-elect John Shakeshaft as a Director.
- 10 To re-elect Michael Baunton as a Director.
- 11 To re-elect Stephen King as a Director.

Biographical details for all Directors can be found on pages 48 and 49 of the Annual Report which accompanies this document. Following formal performance evaluation, the performance of each Director continues to be effective and to demonstrate commitment to the role.

- 12 To appoint KPMG LLP as Auditors of the Company.
- 13 To authorise the Directors to determine the Auditors' remuneration.
- 14 To authorise the Directors generally and unconditionally pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £26,437,023.00 comprising:

(a) an aggregate nominal amount of £13,218,511.50 (whether in connection with the same offer or issue as under (b) below or otherwise); and

(b) an aggregate nominal amount of £13,218,511.50, in the form of equity securities (as defined in section 560 of the Companies Act 2006) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the Directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever.

This authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of 15 months from the date this resolution is passed and the conclusion of the Annual General Meeting of the Company to be held in 2015, except that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or such rights to be granted after such expiry and the Directors may allot shares or grant such rights pursuant to any such offer or agreement as if such authority had not expired.

- 15 To approve the establishment of the TT Electronics plc Long Term Incentive Plan 2014 (the "LTIP"), the principal terms of which are summarised in the explanatory note to this resolution set out on pages 6 to 8 of this document, and to authorise the Directors to:
  - (a) make such modifications to the LTIP as they may consider appropriate to take account of the requirements of best practice and for the implementation of the LTIP and to adopt the LTIP as so modified and to do all such other acts and things as they may consider appropriate to implement the LTIP; and
  - (b) establish further plans based on the LTIP 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 the limits on individual or overall participation in the LTIP.

---

## Special Resolutions

- 16 To empower the Directors pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the general authority conferred on them by resolution 14 above and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of that Act, in each case as if section 561 of that Act did not apply to any such allotment or sale, provided that this power shall be limited to:
- (a) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the Directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
  - (b) any such allotment and/or sale, otherwise than pursuant to paragraph (a) above, of equity securities having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not exceeding the sum of £1,982,776.72.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the Directors by resolution 14 above expires, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the Directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

- 17 That the Company be and is generally and unconditionally authorised to make market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 25 pence each provided that in doing so it:
- (a) purchases no more than 15,862,213 ordinary shares of 25 pence each in aggregate;
  - (b) pays not less than 25 pence (excluding expenses) per ordinary share of 25 pence each; and
  - (c) pays a price per ordinary share that is not more (excluding expenses) per ordinary share than the higher of: (i) 5% above the average of the middle market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately before the day on which it purchases that share; and (ii) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC 2273/2003).

This authority shall expire 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2015, except that the Company may, if it agrees to purchase ordinary shares under this authority before it expires, complete the purchase wholly or partly after this authority expires.

- 18 To authorise the Directors to call a general meeting of the Company, other than an Annual General Meeting, on not less than 14 clear days' notice.

By order of the Board

**Lynton Boardman**

Group Company Secretary

### Registered Office

Clive House  
12–18 Queens Road  
Weybridge  
Surrey KT13 9XB

7 April 2014

---

## Notes:

1. A shareholder who is an individual is entitled to attend, speak and vote at the meeting or to appoint one or more other persons as his proxy to exercise all or any of his rights on his behalf. Further details of how to appoint a proxy, and the rights of proxies, are given in the paragraphs below. A shareholder that is a company can appoint one or more corporate representatives (such as a director or employee of the company) whose attendance at the meeting is treated as if the company were attending in person, or it can appoint one or more persons as its proxy to exercise all or any of its rights on its behalf. In each case, a person attending the meeting will need to provide the Company or its registrars, Equiniti Limited, with evidence of their identity and, if applicable, their appointment as a proxy or corporate representative with authority to vote on behalf of a shareholder.
2. A shareholder may appoint more than one proxy in relation to the Annual General Meeting 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 shareholder of the Company. To appoint a proxy or proxies shareholders must: (a) submit a proxy electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk); or (b) complete a Form of Proxy, sign it and return it, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such authority, to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or (c) complete a CREST Proxy Instruction (as set out in paragraph 11 below), in each case so that it is received no later than 11.30 am on 7 May 2014. To appoint more than one proxy, you will need to complete a separate Form of Proxy in relation to each appointment. A Form of Proxy for use in connection with the Annual General Meeting is enclosed with this document. Full details of the procedure to submit a proxy electronically are given on the website [www.sharevote.co.uk](http://www.sharevote.co.uk). To use this service, you will need your Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy. If you do not have a Form of Proxy and believe that you should, please contact the Company's registrars, Equiniti Limited on 0871 384 2396\* (or +44 121 415 7047 if calling from outside the United Kingdom) or at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.
3. You will need to state clearly on each Form of Proxy the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares to which each proxy appointment relates or specifying a number of shares in excess of those held by the shareholder will result in the proxy appointment being invalid.
4. The return of a completed Form of Proxy or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he wishes to do so.
5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
6. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him and the shareholder by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1, 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders included in the register of members of the Company at 6.00 pm on 7 May 2014 or, if the meeting is adjourned, in the register of members at 6.00 pm on the day which is two days before the day of any adjourned meeting, will be entitled to attend and to vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 6.00 pm on 7 May 2014, or, if the meeting is adjourned, in the register of members after 6.00 pm on the day which is two days before the day of any adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
9. As at 17 March 2014, the Company's issued share capital comprised 158,622,138 ordinary shares of 25 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 17 March 2014 is 158,622,138.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a 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.
11. 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 UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 Company's agent (IDRA19), by the latest time for receipt of proxy appointments set out in paragraph 2 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 Company'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.

- 
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited 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 any 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.
  13. Under section 527 of the Companies Act 2006 shareholders meeting the threshold requirements set out 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 Annual General Meeting; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
  14. Any shareholder attending the meeting has the right to ask questions. The Company must answer any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
  15. You may not use any electronic address provided in this Notice, or any related documents including the Form of Proxy, to communicate with the Company for any purposes other than those expressly stated.
  16. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at the Investor Relations section of the Company's website, [www.ttelectronics.com](http://www.ttelectronics.com).

#### **Inspection of documents**

*The following documents will be available for inspection at Clive House, 12–18 Queens Road, Weybridge, Surrey KT13 9XB from the date of this Notice until the day of the AGM (excluding Saturdays, Sundays and public holidays) and at the offices of Hudson Sandler Financial and Corporate Communications, 2nd Floor, 29 Cloth Fair, London EC1A 7NN from 15 minutes before the AGM until it ends:*

- *copies of the executive Directors' service contracts;*
- *copies of letters of appointment of the non-executive Directors; and*
- *a copy of the draft rules of the TT Electronics plc Long Term Incentive Plan 2014.*

*The draft rules will also be available for inspection at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD from the date of this Notice (excluding Saturdays, Sundays and public holidays) until the close of the Annual General Meeting.*

---

## Explanatory notes

**Resolutions 1 and 4 to 13 inclusive deal with the usual AGM business and are self-explanatory.**

### **Resolutions 2 and 3 – Approval of Directors’ remuneration report and policy**

In accordance with new regulatory requirements, the Directors’ remuneration report now comprises:

- a statement by John Shakeshaft, the Chairman of the Remuneration Committee, starting at page 60 of the Annual Report, and an annual report on remuneration, starting at page 66 of the Annual Report (together the “Annual Remuneration Report”); and
- the Directors’ remuneration policy, starting at page 62 of the Annual Report (the “Directors’ Remuneration Policy”).

The Annual Remuneration Report details payments made during the year ended 31 December 2013. As in previous years, resolution 2 is an advisory resolution and does not affect the remuneration paid to any Director.

Resolution 3 is the approval of the Directors’ Remuneration Policy which sets out the parameters under which future payments by way of remuneration or for loss of office will be made to Directors and will be subject to a binding shareholder vote every three years (or sooner if changes to the Directors’ Remuneration Policy are proposed at an earlier date). Passing resolution 3 will mean that all future payments made to Directors (and, if applicable, former Directors) must be made in accordance with the Directors’ Remuneration Policy, unless a payment has been separately approved by shareholders. If approved, the Directors’ Remuneration Policy will take effect from the end of the Annual General Meeting. If the Company wishes to change the Directors’ Remuneration Policy, shareholders will be required to approve the revised Directors’ Remuneration Policy before it is implemented.

### **Resolution 12 – Appointment of Auditors**

KPMG Audit Plc has instigated an orderly wind down of business. It is proposed that KPMG LLP (an intermediate parent company) be appointed as auditor of the Company and will hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company. KPMG Audit Plc have therefore resigned as the Company’s auditors with effect from the conclusion of this meeting and, as required by section 519(3) of the Companies Act 2006, have deposited a statement of circumstances connected with their resignation. A copy of this statement is included as an appendix to this Notice of Meeting as required by section 520(2) of the Companies Act 2006.

### **Resolution 14 – Authority to the Directors to allot shares**

The Companies Act 2006 provides that the Directors may only allot shares if authorised by shareholders to do so. Resolution 14 will, if passed, authorise the Directors to allot new shares up to a maximum nominal amount of £26,437,023.00, which represents an amount which is approximately equal to two-thirds of the issued share capital of the Company as at 17 March 2014, the latest practicable date prior to the publication of this document.

As provided in paragraph (a) of the resolution, up to half of this authority (equal to one-third of the issued ordinary share capital of the Company) will enable Directors to allot and issue new shares in whatever manner (subject to pre-emption rights) they see fit. Paragraph (b) of the resolution provides that the remainder of the authority (equal to a further one-third of the issued share capital of the Company) may only be used in connection with a rights issue in favour of ordinary shareholders. As paragraph (a) imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with paragraph (b) so as to enable the whole two-thirds authority to be used in connection with a rights issue.

The authority will expire at the earlier of the date that is 15 months after the date of the passing of the resolution and the conclusion of the next Annual General Meeting of the Company.

Passing resolution 14 will ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes.

As at 17 March 2014, the latest practicable date prior to the publication of this document, the Company had 158,622,138 ordinary shares of 25 pence each in issue.

### **Resolution 15 – Establishment of TT Electronics plc Long Term Incentive Plan 2014 (the “LTIP”)**

Resolution 15 will, if passed, establish the TT Electronics plc Long Term Incentive Plan 2014 (the “LTIP”) to replace the existing Long Term Incentive Plan which will expire in 2015. No further awards will be made under the original LTIP scheme. The aim of the plan is to motivate and retain senior managers. A summary of the principal terms of the LTIP are as follows:

#### *Status*

The LTIP will provide for conditional awards of, or nil cost options over, ordinary shares (“LTIP Awards”) to be granted to selected employees of the Company and any of its subsidiaries (the “Group”), including executive directors of the Company.

The LTIP will be operated by the Remuneration Committee under delegated authority from the Board.

---

### *Eligibility*

The executive directors of the Company and any other employees of the Group shall be eligible to participate in the LTIP selected at the discretion of the Remuneration Committee.

### *Grant of awards*

The Remuneration Committee will decide in its discretion which eligible employees will be granted LTIP Awards under the LTIP and over how many ordinary shares, subject to the limits set out below.

LTIP Awards will normally only be granted within 42 days of the announcement of the Company's results for any period. LTIP Awards may also be granted within 42 days of shareholder approval of the LTIP or on any day on which the Remuneration Committee resolves that exceptional circumstances exist which justify the grant of an LTIP Award, which may include when a person becomes an executive director or eligible employee of the Group.

It is currently intended that the first LTIP Awards will be made shortly following adoption of the LTIP.

An LTIP Award may not be granted more than 10 years after shareholder approval of the LTIP.

### *Performance conditions*

LTIP Awards will be subject to performance conditions set by the Remuneration Committee at the time of grant, which will be tested over such period as the Remuneration Committee may determine (in the case of executive directors, the performance period shall not be less than three years). The performance conditions set will be stretching and designed to promote the long-term success of the Company.

The details of the performance conditions for the first grant of LTIP Awards will be determined by the Remuneration Committee shortly before such LTIP Awards are granted.

The Remuneration Committee may vary the performance conditions applying to existing LTIP Awards if an event has occurred which causes the Remuneration Committee to determine that it would be appropriate to amend the performance conditions, provided the Remuneration Committee considers the varied conditions are fair and reasonable and not materially less difficult to satisfy than the original conditions would have been but for the event in question.

### *Individual limits*

In any financial year, the aggregate market value (at the time of the grant) of the ordinary shares subject to LTIP Awards granted to any one participant under the LTIP will not exceed 100% of that participant's annual basic salary unless the Remuneration Committee determines in exceptional circumstances (such as recruitment or retention) that a higher limit of up to 200% of annual basic salary will apply.

### *Plan limits*

The LTIP may operate over newly issued ordinary shares, treasury shares or shares purchased in the market.

In any 10 calendar year period, not more than 10% of the issued ordinary share capital of the Company may be issued or be issuable under the LTIP and any other employees' share plans adopted by the Company. This limit does not include awards which have lapsed.

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

### *Clawback*

The Remuneration Committee can reduce or cancel LTIP Awards which have not been released and/or, in the event LTIP Awards have been released, require a participant to transfer back shares (or their cash equivalent) to the Company or reduce or cancel any other unvested or unpaid bonus and/or awards held by the participant if the Remuneration Committee determines that there has been a material misstatement of the Company's financial results, an error in determining the number of ordinary shares released under an LTIP Award, if assessment of a performance condition has been based on an error or inaccurate or misleading information or if the participant has been guilty of misconduct.

### *Vesting and release*

When the Company grants an LTIP Award it shall determine the vesting date (which shall normally be not less than three years from the date of grant). LTIP Awards normally vest to the extent that the applicable performance conditions have been satisfied and provided the participant is still employed in the Group.

Any shares which are the subject of an LTIP Award will be issued or transferred to the participant (or, if the Remuneration Committee decides to satisfy share-based awards in cash, the cash will be paid to the participant) shortly after the release date, which will be a date determined by the Remuneration Committee following the vesting date.

---

### *Cessation of employment*

As a general rule, an LTIP Award will normally lapse if the participant leaves employment with the Group before vesting.

However, if the participant leaves because of his death, disability, injury, redundancy, retirement, the sale of his employing company or the business for which he works being sold out of the Group or for any other reason determined by the Remuneration Committee in its discretion, his LTIP Award will continue in effect and will vest on the date when it would have vested if he had not ceased employment or office. The extent to which an LTIP Award will vest in these situations will depend on: (i) the extent to which the performance conditions have been satisfied at that time; and (ii) the pro-rating of the LTIP Award to reflect the reduced period of time between its grant and vesting, although the Remuneration Committee can decide not to pro-rate an LTIP Award if it regards it as inappropriate to do so in the particular circumstances.

The Remuneration Committee can decide that an LTIP Award will vest on leaving in the "good leaver" circumstances described above instead of continuing in effect. Where this happens, the number of ordinary shares which vest will be determined by the extent to which the performance conditions have been satisfied to that point and the pro-rating of the LTIP Award by reference to the time of cessation as described above.

### *Takeovers and reorganisations*

LTIP Awards will generally vest early on a takeover or other corporate reorganisation. The Remuneration Committee will determine the level of vesting subject to the extent to which the performance conditions have then been satisfied and the pro-rating of the LTIP Awards to reflect the reduced period of time between their grant and vesting, although the Remuneration Committee can decide not to pro-rate an LTIP Award if it regards it as inappropriate to do so in the particular circumstances.

Alternatively, participants may be allowed or required to exchange their LTIP Awards for awards over shares in the acquiring company.

### *Rights issues, demergers, etc*

The number of shares subject to an LTIP Award may be adjusted by the Remuneration Committee to reflect a rights issue, demerger or any other variation in the share capital of the Company.

### *Awards not transferable, etc*

Awards are not transferable (except to personal representatives on death) and are not pensionable and participants do not pay for the grant of an LTIP Award.

### *Rights attaching to shares*

Prior to the receipt of shares, participants will not be entitled to exercise any shareholder rights.

Any shares issued following the vesting or exercise of LTIP Awards 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.

### *Dividend equivalents*

If the Remuneration Committee so determines, participants may receive an additional payment (in cash and/or ordinary shares) at the time that their vested ordinary shares are transferred to them, of an amount equivalent to the dividends that would have been paid on those shares during the period from grant until vesting.

### *Amendments*

The Remuneration Committee may, in its discretion, amend, vary or add to the rules of the LTIP in any way. However, shareholders in general meeting must approve proposed changes which are to the advantage of participants and which relate to eligibility, individual and plan limits or the rights attaching to LTIP Awards and shares in the event of any variation of capital.

The Remuneration Committee can, without shareholder approval, make minor changes to benefit the administration of the plan, to comply with or take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment.

The Board can, without shareholder approval, establish further plans or sub-plans to apply in overseas territories governed by rules similar to the LTIP but modified to take account of local tax, exchange control or securities laws, regulation or practice. Any shares made available under any such scheme will be treated as counting against any limits on overall or individual participation in the LTIP.

The Board may also amend, vary or add to the provisions of the rules of the LTIP as it considers necessary to take account of overseas taxation, securities or exchange control laws.

The Board has discretion to terminate the LTIP at any time, without prejudice to subsisting LTIP Awards.

---

## **Resolution 16 – Partial disapplication of statutory pre-emption rights**

The Companies Act 2006 requires that, if the Company issues new shares for cash or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. It is proposed that the Directors be authorised to issue new shares for cash and/or sell shares from treasury (if any are so held) up to an aggregate nominal amount of £1,982,766.72 (representing approximately 5% of the Company's issued share capital as at 17 March 2014, the latest practicable date prior to the publication of this document) without offering them to shareholders first, and to modify statutory pre-emption rights to deal with legal, regulatory or practical problems that may arise on a rights or other pre-emptive offer or issue. The Board does not intend to issue more than 7.5% of the issued share capital of the Company on a non-pre-emptive basis in any rolling three-year period. If resolution 16 is passed, this authority will expire at the same time as the authority to allot new shares given pursuant to resolution 14.

The Directors consider this authority necessary in order to give them flexibility to deal with opportunities as they arise, subject to the restrictions contained in the resolution.

## **Resolution 17 – Purchase of own shares by the Company**

If passed, this resolution will grant the Company authority for a period of up to 15 months after the date of passing of the resolution to buy its own shares in the market. The resolution limits the number of shares that may be purchased to 10% of the Company's issued share capital as at 17 March 2014, the latest practicable date prior to the publication of this document. The price per ordinary share that the Company may pay is set at a minimum amount (excluding expenses) of 25 pence per ordinary share and a maximum amount (excluding expenses) of the higher of: (i) 5% above the average of the previous five days' middle market prices; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. This authority will only be exercised if market conditions make it advantageous to do so.

The Directors' present intention is that shares purchased pursuant to this authority will be cancelled immediately on purchase. Alternatively, the shares may be held in treasury, sold for cash or (provided Listing Rule requirements are met) transferred to an employee share scheme. The effect of any cancellation would be to reduce the number of shares in issue. For most purposes, while held in treasury, shares are treated as if they have been cancelled (for example, they carry no voting rights and do not rank for dividends). The Directors will only make purchases under this authority if they believe that to do so would result in an increased earnings per share and would be in the interests of shareholders generally.

As at 17 March 2014, the latest practicable date prior to the publication of this document, options and LTIP awards to subscribe for ordinary shares were outstanding over 4,970,395 ordinary shares of 25 pence each in the Company, representing approximately 3.2% of the issued share capital of the Company at that date. If the proposed market purchase authority were used in full and the repurchased shares cancelled, shares over which options and LTIP awards were outstanding would, as at that date, represent approximately 3.5% of the Company's issued share capital.

## **Resolution 18 – Notice of General Meetings**

In order to preserve its flexibility to call general meetings (other than an Annual General Meeting) on 14 clear days' notice, the Company must offer all shareholders the opportunity to appoint a proxy electronically (via the website of the Company or its registrars) and must obtain the approval of its shareholders by means of a special resolution passed each year. Resolution 18 seeks such approval. It is intended that this flexibility will only be used for non-routine business and where merited in the interests of shareholders as a whole. A similar resolution will be proposed at future Annual General Meetings.

## Appendix



**KPMG Audit Plc**  
15 Canada Square  
Canary Wharf  
London E14 5GL  
United Kingdom

**Private & confidential**

The Company Secretary  
TT Electronics Plc  
Clive House  
12 – 18 Queens Road  
Weybridge  
Surrey  
KT13 9XB

6<sup>th</sup> April 2014

Dear Sir

**Statement to TT Electronics Plc (no. 00087249) on ceasing to hold office as auditors - with effect from the conclusion of the Annual General Meeting to be held on 9<sup>th</sup> May 2014 - pursuant to section 519 of the Companies Act 2006**

In accordance with section 519 of the Companies Act 2006, we confirm that there are no circumstances connected with our ceasing to hold office as auditors that need to be brought to the attention of members or creditors. The reason for ceasing to hold office is that our company, KPMG Audit Plc, has instigated an orderly wind down of business. KPMG LLP, an intermediate parent, will immediately be seeking appointment as statutory auditor.

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

KPMG Audit Plc, a UK public limited company, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity.

Registered in England No 3110745  
Registered office: 15 Canada Square, London, E14 5GL





TT Electronics plc  
Clive House  
12-18 Queens Road  
Weybridge  
Surrey  
KT13 9XB  
England

---