

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 advisor, authorised under the Financial Services and Markets Act 2000.

If you have recently sold or otherwise transferred all of your shares in Electrocomponents plc, 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 AND WALES UNDER NUMBER 647788)

NOTICE OF ANNUAL GENERAL MEETING 2019

Notice of the Annual General Meeting (AGM) of Electrocomponents plc (the Company) to be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ at 10.30am on Wednesday, 17 July 2019, is set out on pages 2 to 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 AND WALES UNDER NUMBER 647788) (THE COMPANY)

20 May 2019



To the holders of ordinary shares

Notice of the Annual General Meeting (AGM) 2019

Dear Shareholder,

I am pleased to invite you to the AGM of the Company which will be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on Wednesday, 17 July 2019 commencing at 10.30am. The formal Notice of the AGM and details of the Resolutions to be put to shareholders are set out in this circular.

If you cannot attend the AGM but wish to vote on the AGM resolutions, please fill in the proxy form sent to you with this circular and return it to our Registrars as soon as possible. In any event, they must receive it by 10.30am on Monday, 15 July 2019.

Annual Report and Accounts (Resolution 1)

Shareholders are being asked to receive our Company's Annual Report and Accounts for the year ended 31 March 2019 (the 2019 Annual Report).

Directors' policy and remuneration (Resolutions 2 – 3)

This year, we are asking shareholders to vote on our Directors' Remuneration Policy (Remuneration Policy) as set out on pages 81 to 88 of the 2019 Annual Report. In line with the three-year cycle, the Remuneration Committee (Committee) has reviewed the remuneration and incentive framework. A revised Remuneration Policy has been developed in order to continue to drive long-term shareholder value creation. The Committee consulted widely with key investors and shareholder bodies and received broadly positive feedback and support for the proposals. The Committee took the feedback it received into account when developing the final proposals. If it is approved, the Remuneration 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 Remuneration Policy comes into effect, all payments by the Company to the Directors (and any former Directors) must be made in accordance with the Remuneration Policy, unless a payment has been separately approved by a shareholder resolution.

In addition, we are also asking shareholders to vote on the Directors' Remuneration Report, which is set out on pages 89 to 96 of the 2019 Annual Report. This will be an advisory vote.

Final dividend (Resolution 4)

We are proposing a final dividend of 9.5p per ordinary share for the year. If the recommended final dividend is approved, it will be paid on 25 July 2019 to all ordinary shareholders who were on the Register of Members on 14 June 2019, the record date.

Director elections and re-elections (Resolutions 5 – 14)

I am delighted that Bessie Lee and David Sleath have joined the Board and they will both be standing for election as Directors of the Company at the AGM. All of our existing Directors will stand for re-election as required by the UK Corporate Governance Code. The biographies of all Directors are set out on pages 56 and 57 of the 2019 Annual Report, and summaries on page 7 of this circular. All existing Directors were subject to formal performance evaluation during the period which concluded that they continue to be effective and demonstrate commitment to the role.

Auditor's reappointment and remuneration (Resolutions 15 and 16)

We are asking shareholders to reappoint 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 17 – 19)

The Company's existing authorities expire on 17 July 2019 and shareholders are being asked to approve new authorities.

Again this year, the Board is recommending that shareholders approve these standard resolutions that will align the Company with market practice. The Board continues to consider that it is not in the best interests of shareholders as a whole to seek authorities at lower limits which place the Company at a disadvantage to the majority of other listed companies. Consequently, we are requesting that shareholders authorise the Directors to allot an amount equal to two-thirds of share capital, and disapply pre-emption rights up to 10% of share capital. These authorities will be subject to renewal on an annual basis. Please see the explanatory notes on page 8 of this circular for further details.

Authority for the Company to purchase its own shares (Resolution 20)

We are requesting shareholders to authorise the Directors to make market purchases of the Company's shares of up to 10% of share capital which, if approved, will afford the Company maximum flexibility, keeping it aligned with accepted market practice. Details are set out in the explanatory notes on page 9 of this circular.

General meetings (Resolution 21)

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 UK Share Incentive Plan (UK SIP) and the Global Share Purchase Plan (GSPP) (Resolutions 22 and 23)

The Company is seeking shareholder approval to adopt the UK SIP and GSPP. The UK SIP is a plan designed to be a tax advantaged share incentive plan for our employees in the UK. For operation outside the UK, the Company proposes to adopt the GSPP. The GSPP will be a co-investment share plan based on the UK SIP but amended to take into account non-UK rules in respect of tax, securities laws and administration. The principal terms of the UK SIP and GSPP are set out in the explanatory notes on pages 9 to 12 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

Chair

Electrocomponents plc
Fifth Floor, Two Pancras Square, London N1C 4AG, United Kingdom
Registered in England and Wales No: 647788

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (AGM) of Electrocomponents plc (Company) will be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on Wednesday, 17 July 2019 at 10.30am to consider the business set out below.

Resolutions 1 to 17 (inclusive) and Resolutions 22 and 23 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 18 to 21 (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.

Annual Report and Accounts

1. To receive the Company's accounts and the reports of the Directors and the Auditor for the year ended 31 March 2019.

Directors' Remuneration Report

2. To approve the Directors' Remuneration Policy as set out on pages 81 to 88 of the 2019 Annual Report.
3. To approve the Directors' Remuneration Report for the year ended 31 March 2019 as set out on pages 79 to 80 and 89 to 96 of the 2019 Annual Report.

Declaration of dividend

4. To declare a final dividend recommended by the Directors of 9.5p per ordinary share for the year ended 31 March 2019.

Election and re-election of Directors

5. To elect Bessie Lee as a Director.
6. To elect David Sleath as a Director.
7. To re-elect Bertrand Bodson as a Director.
8. To re-elect Louisa Burdett as a Director.
9. To re-elect David Egan as a Director.
10. To re-elect Karen Guerra as a Director.
11. To re-elect Peter Johnson as a Director.
12. To re-elect John Pattullo as a Director.
13. To re-elect Simon Pryce as a Director.
14. To re-elect Lindsley Ruth as a Director.

Auditor's reappointment and remuneration

15. To reappoint PricewaterhouseCoopers LLP as Auditor of the Company from the conclusion of the AGM.
16. To authorise the Directors to agree the remuneration of the Auditor.

Directors' authority to allot shares

17. To authorise the Directors generally and unconditionally 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 convert any security into shares of the Company:
 - (i) up to a nominal amount of £14,795,702 (such amount to be reduced by the nominal amount allotted or granted under paragraph (ii) below);
 - (ii) comprising equity securities (as defined in section 560(1) of the 2006 Act) up to a nominal amount of £29,591,405 (such amount to be reduced by any allotments or grants made under paragraph (i) above) in connection with an offer by way of a rights issue:

- a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- b) to holders of other equity securities as required by the rights of those securities or, as Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements which they may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of any territory or any other matter, such authorities to apply until the end of the next AGM or at close of business on 30 September 2020, whichever is 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 or rights to subscribe for or to convert securities into shares to be granted after the authority expires and the Directors may allot shares (and sell treasury shares) or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not expired;

(iii) that, subject to paragraph (iv), all existing authorities given to the Directors pursuant to section 551 of the 2006 Act be revoked by this Resolution; and

(iv) that paragraph (iii) shall be without prejudice to the continuing authority of the Directors to allot shares and to grant rights to subscribe for or convert any security into shares (or relevant securities), pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

Directors' authority to disapply pre-emption rights

18. Subject to the passing of Resolution 17 above, to authorise the Directors to allot equity securities (as defined in the 2006 Act) for cash under the authority given by that Resolution and / or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the 2006 Act did not apply to any such allotment or sale, such authority to be limited:
 - (i) to allotments for rights issues and other pre-emptive issues; and
 - (ii) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) above) up to a nominal amount of £2,219,355, such authority to expire at the end of the next AGM of the Company or at the close of business on 30 September 2020 whichever is earlier, but in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.
19. Subject to the passing of Resolution 17 above and in addition to any authority granted under Resolution 18 above, to authorise the Directors to allot equity securities (as defined in the 2006 Act) for cash under the authority given by that Resolution and / or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the 2006 Act did not apply to any such allotment or sale, such authority to be:

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

- (i) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £2,219,355; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of Directors determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice, such authority to expire at the end of the next AGM or on 30 September 2020, whichever is the earlier, but in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Authority to purchase own shares

20. To generally and unconditionally authorise the Company 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:

- (i) the maximum number of ordinary shares which may be purchased is 44,387,107, representing less than 10% of the Company's issued ordinary share capital as at 20 May 2019;
- (ii) 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 date of purchase and (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; the minimum price which may be paid for each ordinary share is 10p, in both cases exclusive of expenses;
- (iii) the authority hereby conferred shall expire at the conclusion of the next AGM of the Company or on 30 September 2020, whichever is earlier, unless such authority is renewed prior to such a time; and
- (iv) 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 other than AGM

21. To authorise the Directors to call a general meeting of the Company, other than an AGM, on not less than 14 clear days' notice.

Approval of UK Share Incentive Plan 2019

22. To approve:

- (i) the rules of the Electrocomponents plc UK Share Incentive Plan 2019 (UK SIP) (the principal features of which are summarised on pages 9 to 11 of this document and a copy of which will be produced to the meeting and initialled by the Chair for the purposes of identification) and that the Directors be authorised to make such modifications to the UK SIP as they may consider necessary to maintain its tax advantaged status and to take account of best practice and to adopt the UK SIP as so modified;
- (ii) the Directors to be authorised to do all acts and things which they may consider necessary or expedient for the purposes of implementing and giving effect to the UK SIP; and
- (iii) the Directors to be authorised to establish such further plans for the benefit of employees overseas based on the UK SIP subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation provided that any ordinary shares of the Company made available under such plans are treated as counting against any limits on individual participation or overall participation in the UK SIP.

Approval of Global Share Purchase Plan 2019

23. To approve:

- (i) Rules of the Electrocomponents plc Global Share Purchase Plan 2019 (GSPP) (the principal features of which are summarised on pages 11 and 12 of this document and a copy of which will be produced to the meeting and initialled by the Chair for the purposes of identification) and that the Directors be authorised to make such modifications to the GSPP as they may consider necessary and to take account of best practice and to adopt the GSPP as so modified;
- (ii) the Directors be authorised to do all acts and things which they may consider necessary or expedient for the purposes of implementing and giving effect to the GSPP; and
- (iii) the Directors to be authorised to establish such further plans for the benefit of employees overseas based on the GSPP subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation provided that any ordinary shares of the Company made available under such plans are treated as counting against any limits on individual participation or overall participation in the GSPP.

The Directors consider that the passing of each of the Resolutions proposed at the AGM 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 they intend to do in respect of their own beneficial holdings.

By Order of the Board

Ian Haslegrave
Company Secretary
20 May 2019

NOTES

- (i) A member entitled to attend and vote at the 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 such member 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, 15 July 2019 will be entitled to attend and 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, 15 July 2019 will be disregarded in determining the rights of any person to attend and 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, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, United Kingdom by not later than 10.30am on Monday, 15 July 2019.
- (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, 17 July 2019 and any adjournment(s) thereof by following 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 3RA50) 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 holding shares on your behalf 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 Auditor 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 the date six 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 20 May 2019, the latest practicable date prior to the printing of this Notice, the Company's total capital consisted of 443,871,074 ordinary shares with a total of 443,871,074 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 election and re-election at the AGM are set out on pages 56 and 57 of the 2019 Annual Report and summaries on page 7 of this circular.
- (xii) A copy of the proposed new rules of the UK SIP and GSPP (Resolution 22 and 23), will be available for inspection during business hours each week at the registered office of the Company from the date of this document up to and including the date of the AGM and at the place of the AGM from 15 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.

DIRECTORS' SUMMARY BIOGRAPHIES

Bessie Lee

Independent Non-Executive Director
Joined in March 2019
Member of the Nomination Committee

External roles

- Chief executive officer of Withinlink
- Non-executive director of Ecovacs Robotics and United Group
- Advisor to Didi Chuxing and Greater Pacific Capital

Bertrand Bodson

Independent Non-Executive Director
Joined in June 2015
Member of the Nomination Committee

External roles

- Chief digital officer at Novartis International AG

David Egan

Chief Financial Officer
Joined in March 2016
Member of the Treasury Committee

External roles

- Member of the CBI Economic Growth Board

Peter Johnson

Chair
Joined in October 2010
Chair of the Nomination Committee

External roles

- Member of the supervisory board of Wienerberger AG

Simon Pryce

Independent Non-Executive Director
Joined in September 2016
Chair of the Remuneration Committee and member of the Audit and Nomination Committee

External roles

- Chief executive officer of Ultra Electronics Holdings plc
- Member of the Council, chair of the Investment Committee and a member of the Strategy and Finance Committee of The University of Reading

David Sleath

Independent Non-Executive Director
Joined in June 2019
Member of the Nomination Committee

External roles

- Chief executive officer of SEGRO plc

Louisa Burdett

Independent Non-Executive Director
Joined in February 2017
Chair of the Audit Committee and member of the Remuneration and Nomination Committee

External roles

- Chief financial officer of Meggitt PLC

Karen Guerra

Independent Non-Executive Director
Joined in January 2013
Member of the Audit, Remuneration and Nomination Committee

External roles

- Non-executive director of Amcor Limited

John Pattullo

Senior Independent Director
Joined in January 2013
Member of the Audit, Remuneration and Nomination Committee

External roles

- Chair of V Group
- Non-executive director of Northgate PLC

Lindsley Ruth

Chief Executive Officer
Joined in April 2015
Member of the Treasury Committee

External roles

- Member of the CBI International Trade Council
- Non-executive director of Ashtead Group plc

Further information on each Directors is set out on pages 56 and 57 of the 2019 Annual Report.

Full biographies can be found at:
electrocomponents.com

EXPLANATORY NOTES TO THE SPECIAL BUSINESS TO BE CONSIDERED AT THE AGM

Resolution 17: Directors' authority to allot shares

The purpose of Resolution 17 is to renew the Directors' power to allot shares. The authority in paragraph (i) of Resolution 17 will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a nominal value of £14,795,702 which is equivalent to approximately one-third of the total issued ordinary share capital of the Company as at 20 May 2019.

The authority in paragraph (ii) of Resolution 17 will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares only in connection with a rights issue up to a further nominal value of £14,795,702, which is equivalent to approximately one-third of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 20 May 2019. This is in line with the Investment Association's Share Capital Management Guidelines issued in July 2016.

At 20 May 2019, 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 2020 and the end of the next AGM.

Resolutions 18 and 19: 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.

Parts (i) and (ii) of Resolution 18 seek shareholder approval to allot a limited number of ordinary shares or other equity securities, or sell treasury shares, for cash on a pre-emptive basis but subject to such exclusions or arrangements as the Directors may deem appropriate to deal with certain legal, regulatory or practical difficulties. For example, in a pre-emptive rights issue, there may be difficulties in relation to fractional entitlements or the issue of new shares to certain shareholders, particularly those resident in certain overseas jurisdictions.

In addition, there may be circumstances when the Directors consider it in the best interests of the Company to allot a limited number of ordinary shares or other equity securities, or sell treasury shares, for cash on a non pre-emptive basis. The Pre-Emption Group's Statement of Principles, as updated in March 2015, supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than 5% of issued ordinary share capital (exclusive of treasury shares), without restriction as to the use of proceeds of those allotments.

Accordingly, the purpose of part (ii) of Resolution 18 is to authorise the Directors to allot new shares and other equity securities pursuant to the allotment authority given by Resolution 17, or sell treasury shares, for cash up to a nominal value of £2,219,355, equivalent to 5% of the total issued ordinary share capital of the Company as at 20 May 2019, without the shares first being offered to existing shareholders in proportion to their existing holdings. As at 20 May 2019, the Company did not hold any shares in treasury.

The Pre-Emption Group's Statement of Principles also supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than an additional 5% of issued ordinary share capital (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment. The Pre-Emption Group's Statement of Principles defines 'specified capital investment' as meaning one or more specific capital investment-related uses for the proceeds of an issue of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

Accordingly, the purpose of Resolution 19 is to authorise the Directors to allot new shares and other equity securities pursuant to the allotment authority given by Resolution 17, or sell treasury shares, for cash up to a further nominal amount of £2,219,355, equivalent to 5% of the total issued ordinary share capital of the Company as at 20 May 2019, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. If the authority given in Resolution 19 is used, the Company will publish details of the placing in its next annual report.

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles and not to allot shares or other equity securities or sell treasury shares for cash on a non pre-emptive basis pursuant to the authority in Resolutions 18 and 19 in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company, excluding treasury shares, within a rolling three-year period, other than:

- (i) with prior consultation with shareholders; or
- (ii) in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The Board has no current intention of exercising the authorities granted in Resolutions 18 and 19 but considers that they are appropriate in order to allow the Company maximum flexibility to take advantage of business opportunities as they arise.

If the Resolutions are passed the authorities will expire on the earlier of 30 September 2020 and the end of the next AGM.

Resolution 20: Authority to purchase own shares

At the 2018 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 44,387,107 ordinary shares (being approximately 10% of the issued share capital as at 20 May 2019) 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 for the purposes of employee share schemes, or 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 20 May 2019, a maximum of 7,800,001 shares would be required to satisfy all outstanding options to subscribe for equity shares and conditional awards of shares. This represents 1.76% 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 1.95% 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 10% of the Company's issued share capital. This would provide the Company with additional flexibility in the management of its capital base.

As at 20 May 2019, the Company held no ordinary shares in treasury.

Resolution 21: Notice period for general meetings other than an AGM

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 20 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 22: Approval of the Electrocomponents plc UK Share Incentive Plan 2019

The Company is seeking shareholder approval to adopt the Electrocomponents plc UK Share Incentive Plan 2019 (UK SIP). The UK SIP is an all employee share incentive plan designed to be a tax advantaged which complies with schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 (Schedule 2). The UK SIP will be administered by the Company's Board of Directors or a duly authorised committee of the Board.

The UK SIP, which will be registered with HM Revenue & Customs (HMRC), offers four ways to provide ordinary shares in the capital of the Company (shares) to employees based in the UK on a tax-favoured basis: free, partnership, matching and dividend share awards.

The Board has the power to decide which, if any, of the four elements should be offered. The UK SIP operates in connection with a special UK resident trust which will also be established at the time the UK SIP is set up and which will hold shares on behalf of participating employees.

Invitations will be made in respect of participating during a 'plan year'. Plan years will be determined by the Board.

The UK SIP will be operated on an 'evergreen' basis permitting qualifying employees to join at any time during the relevant plan year. Once employees have joined, they will remain in the UK SIP and continue to make deductions to acquire shares, unless they decide to cease participation.

Deductions will begin on the next pay date following the date employees join the plan. The UK SIP will be relaunched annually.

No invitations or new awards may be made more than 10 years after shareholder approval of the UK SIP.

Awards may be made over newly issued shares, treasury shares or shares purchased in the market.

1. Eligibility

All employees of the Company and any subsidiaries designated by the Board as participating companies are eligible to participate in the UK SIP, if the employees are UK tax payers and have been working for the Company or a participating company for such qualifying period of service as determined by the Company not exceeding 18 months. There is currently no intention to operate the UK SIP by reference to a qualifying period.

Non-UK resident employees of such participating companies who meet any qualifying period of employment may be invited to participate but do not have to be.

Only rights to whole shares will be awarded – there will no rights to fractional shares.

EXPLANATORY NOTES TO THE SPECIAL BUSINESS TO BE CONSIDERED AT THE AGM CONTINUED

2. Trust

The UK SIP operates through a trust, which will acquire shares by purchase, subscription or the acquisition of shares held in treasury and will hold the shares on behalf of the employees. The trustee of the trust must be resident in the UK.

3. Holding period

Free and / or matching shares must be held in trust for a period specified by the Company, which must not be less than three years nor more than five years from the date on which the shares are allocated to employees. Dividend shares must be held in trust for three years.

4. Restrictions on shares

Shares in the UK SIP may be subject to such other restrictions as may be imposed by the Board, including (in the case of free shares and matching shares) forfeiture restrictions, subject to the provisions of the applicable legislation.

No awards under the UK SIP will be subject to malus or clawback provisions.

5. Forms of awards

a) Free shares

Participants may be awarded shares worth up to a maximum set by the UK tax legislation (currently £3,600 per tax year) each year (Free Shares). Awards of Free Shares must generally be made on similar terms and may, but are not required to, be subject to pre-award performance targets. 'Similar terms' means the terms may only be varied by reference to remuneration, length of service or hours worked.

Free Shares must be subject to a holding period of between three and five years at the discretion of the Company and will be free of income tax and national insurance contributions (NICs) if they are held in the trust for five years.

If a participant leaves employment with the Group as a 'Bad Leaver' (see page 11) before the end of the holding period, the participant's Free Shares may be forfeited (see 'Leavers', page 11).

It is not currently intended to make Free Share awards under the UK SIP.

b) Partnership shares

Participants may purchase shares out of monthly savings contributions from pre-tax (gross) salary of up to the maximum set by the relevant UK legislation (currently £1,800 per tax year, or 10% of salary if less) (Partnership Shares). The Company may set a minimum monthly deduction which may not be greater than £10. Employees can stop saving at any stage. Restarting and varying contributions will be permitted but limited to once per year.

Employee contributions may be used to buy Partnership Shares on a monthly basis or accumulated for up to 12 months before they are used to buy Partnership Shares. The intention is that the UK SIP will be operated initially with monthly purchases of Partnership Shares with participant contributions of up to £40 per month.

Partnership Shares can be withdrawn from the UK SIP by the participant at any time, but there will be an income tax liability if they are withdrawn within five years of their acquisition.

c) Matching shares

Where employees buy Partnership Shares, they may be awarded additional free shares by the Company on a matching basis up to a statutory limit of two matching Shares for each Partnership Share (or such other limit set from time to time by HMRC) (Matching Shares).

It is currently intended that the Company will operate a match of two Matching Shares for every Partnership Share acquired.

Matching Shares will be subject to a holding period of between three and five years at the discretion of the Company and will be free of income tax and NICs if they are held in trust for five years.

It is currently intended that Matching Shares will be subject to a three year holding period. If a participant leaves employment with the Electrocomponents group as a Bad Leaver or a participant withdraws the corresponding Partnership Shares before the end of the holding period, the participant's Matching Shares will be forfeited (see 'Leavers', page 11).

The Matching Shares can therefore be withdrawn after the end of the holding period but, like Partnership Shares, there will be an income tax liability if they are withdrawn within five years of their award.

d) Dividend shares

Under UK SIP, the Board may permit some or all of the dividends paid on the UK SIP shares held in the trust on behalf of participants to be re-invested in the purchase of additional dividend shares, which must be held in the UK SIP for a period of three years (Dividend Shares). If held for the required three year holding period, the Dividend Shares can be withdrawn tax free.

The Board may impose a limit on the amount of dividends which may be reinvested to be held on behalf of any participant, although there is no statutory maximum currently.

6. Voting rights and corporate events

Participants who hold shares in the UK SIP may direct the trustee of the UK SIP on how to exercise the voting rights attributable to the shares held on their behalf, including rights in relation to a take-over, scheme of arrangement, merger or other corporate re-organisation or transaction. The trustee of the UK SIP will not exercise the voting rights unless it receives the participants' instructions.

7. Dilution limits

Commitments to issue new shares may not, on any day, exceed 10% of the issued share capital of the Company in issue immediately before that day when added to the total number of shares which have been allocated in the previous ten years under the UK SIP and any other employee share plan operated by the Company. This limit does not include rights to shares which have lapsed or been surrendered. The limit includes any shares transferred out of treasury but only for as long as required by institutional investor guidelines.

8. Leavers

If a participant ceases to be in relevant employment, the participant will be required to withdraw their shares from the UK SIP.

The Company can provide that Free Shares and / or Matching Shares are forfeited if employees cease employment with a member of the Group, other than because of certain 'good leaver' circumstances such as injury, disability, redundancy or retirement, or by reason of a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or if the relevant employment is employment by an associated company by reason of a change of control or other circumstances ending that company's status as an associated company of the Company.

Partnership Shares and Dividend Shares may not be forfeited on leaving employment with the Electrocomponents group.

As noted above, where a participant leaves the Electrocomponents group as a Bad Leaver, Free Share and Matching Share awards will be forfeited, otherwise, participants who leave employment with the Electrocomponents group will not forfeit their shares.

A 'Bad Leaver' is defined as a participant who ceases to be an employee of the Company during the holding period where his / her employment is terminated by reason of: (i) the employee being guilty of any dishonesty, gross misconduct or wilful neglect of any duty; (ii) the employee being convicted of a criminal offence (other than a minor motoring offence) which in the opinion of the Company may bring the employee or the Company into disrepute or which renders the employee unable to perform his / her duties for any period; (iii) the employee having a bankruptcy order made against him / her or entering into a voluntary; (iv) the employee failing to complete a probationary period; (v) poor performance (following a performance improvement process); or (vi) any material or repeated breach of a term of the employee's terms of employment or any of the Company's policies.

9. Amendment provisions

Although the Board will have the power to amend the provisions of the UK SIP in any way, the provisions relating to: the participants; the limits on the number of shares which may be issued under the UK SIP; the individual limit; the basis for determining a participant's entitlement to shares or cash under the UK SIP or the rights of participants in the event of a capitalisation or rights issue, open offer, sub-division or consolidation of shares, reduction of capital or any other variation of capital of the Company and the amendment rule, cannot be altered to the advantage of participants without prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the UK SIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the UK SIP or for the Company or any other members of the Group).

10. General

Benefits under the UK SIP are not pensionable.

11. Overseas

The Company may establish a similar plan to the UK SIP for non-UK employees which will be modified to take account of overseas tax, exchange control and securities laws and which includes operating it in conjunction with a non-UK resident trust or nominee.

A copy of the UK SIP rules and trust deed are available on request from the Company Secretary and these will be available for inspection at the Company's registered office address during normal business hours, Monday to Friday (except for public holidays) from the date of this Notice until 15 minutes prior to the start of the Meeting.

Resolution 23: Approval of the Electrocomponents plc Global Share Purchase Plan 2019

1. General

For operation outside the UK, the Company proposes to adopt the Electrocomponents plc Global Share Purchase Plan 2019 (GSPP). The GSPP will be a co-investment plan based on the UK SIP but amended to take into account non-UK rules in respect of tax, securities laws and administration. The key differences from the UK SIP are summarised below.

2. Forms of awards

a) Partnership Shares

The GSPP provides for employees to be offered the opportunity to purchase out of monthly or annual savings contributions during the relevant plan year (Partnership Shares).

Like the UK SIP, participants will save an amount limited to the equivalent in local currency of the statutory limit applying to the UK SIP (currently £1,800 per year). They will purchase the shares monthly, following each deduction during the relevant plan year. It is currently intended to limit the maximum contribution to £40 a month (£480 annually) (or local equivalent) in respect of savings during the first plan year.

b) Matching Shares

Conditional rights to further shares will be given as a match to Partnership Shares following the end of the plan year in which the relevant Partnership Shares are acquired by participants (Matching Shares).

As per the UK SIP, the initial intention is to award Matching Share rights at a ratio of two Matching Shares for every one Partnership Share acquired. The Board will have flexibility to set the matching ratio each plan year.

Matching Share rights are conditional rights to shares which vest and will be delivered to participants two years after the end of the relevant plan year.

EXPLANATORY NOTES TO THE SPECIAL BUSINESS TO BE CONSIDERED AT THE AGM CONTINUED

c) Dividend Shares

The Board may permit some or all of the dividends paid on Partnership Shares, vested Matching Shares and Dividend Shares to be re-invested in the purchase of additional Dividend Shares.

The Board may impose a limit on the amount of dividends which may be reinvested to be held on behalf of any participant, although none is proposed, currently.

3. Holding the shares

Unlike the UK SIP, the Company can specify how GSPP shares will be held. The shares may be held directly, in a nominee account or by a trustee.

Partnership Shares will be subject to a holding period which ends two years after the plan year in which they are acquired. They may be withdrawn at any time from the GSPP but this will result in forfeiture of the Matching Share rights where the Partnership Shares are withdrawn during the holding period.

Likewise, the Matching Share rights will be forfeited where the participant leaves Electrocomponents group as a Bad Leaver during the holding period (see 'Leavers' below).

4. Settlement of matching share rights

Awards and dividend equivalent rights (if awarded) may be settled in whole or in part in cash or shares.

Awards of Free and Matching Shares may be made with the right to dividend equivalents, which will be paid in cash on vesting of the awards. It is not currently anticipated that awards will be made subject to dividend equivalent rights.

5. Leavers

a) Bad leavers

If participants leave as a Bad Leaver (as defined in relation to the UK SIP above), unused contributions to purchase Partnership Shares are returned. Otherwise, Partnership Shares which have already been acquired are retained by the participant.

Where participants leave as a Bad Leaver during the holding period (before vesting) Matching Share rights are forfeited but any Dividend Shares are retained.

b) Other leavers

Participants who are not considered to be a Bad Leaver will be able to apply any unused contributions (if any) not yet used to purchase Partnership Shares on the next monthly purchase date. To the extent that these contributions are insufficient to buy shares, the contributions will be returned to participants.

Existing Partnership Shares and Dividend Shares are retained.

Participants who leave employment with the Electrocomponents group other than as a Bad Leaver will not forfeit their Matching Share rights. No further Matching Share rights will be awarded but vesting of existing rights will be accelerated to the relevant leaving date.

Shares will need to be removed from any trust / nominee as soon as is practicable (within six months) following leaving.

6. Voting rights and corporate events

On a corporate event, such as a takeover, scheme of arrangement or reconstruction or winding up, GSPP shares (Partnership Shares, vested Matching Shares and Dividend Shares) will be treated in the same way as any other share. Participants will be asked to give directions accordingly, as per UK SIP.

Unvested Matching Share rights will be accelerated.

On a share-for-share exchange, automatic rollover provisions will apply. Rights over Matching Shares will be exchanged for rights over new Matching Shares.

7. Other

The remaining terms of the GSPP will be as per the UK SIP terms summarised above.

A copy of the GSPP rules are available on request from the Company Secretary and these will be available for inspection at the Company's registered office address during normal business hours, Monday to Friday (except for public holidays) from the date of this Notice until 15 minutes prior to the start of the Meeting.