

**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 2020

The format of the Annual General Meeting 2020 (AGM) will be a closed meeting. Shareholders should therefore not attend the meeting and are encouraged to vote by proxy using the enclosed proxy form and return it to our registrar as soon as possible, no later than 11:00am on Tuesday 14 July. We also invite shareholders to submit any questions relating to the business of the meeting in advance by email to [RCompanySecretarial@electrocomponents.com](mailto:RCompanySecretarial@electrocomponents.com).



## **Notice of the Annual General Meeting (AGM) 2020**

Dear Shareholder,

The AGM of the Company will be held at the Company's registered office at Fifth Floor, Two Pancras Square, London N1C 4AG on Thursday, 16 July 2020 commencing at 11.00am. The formal Notice of the AGM and details of the Resolutions to be put to shareholders are set out in this circular.

### **COVID-19: Impact on the AGM**

In light of the COVID-19 pandemic and in response to the UK Government's restrictions on public gatherings and travel, the arrangements and format of this year's AGM will differ from previous years. In the interest of the health and safety of our employees, shareholders and other stakeholders, this year's AGM will take place as a closed meeting and shareholders should therefore not attend the AGM in person. The Company will ensure that the legal requirements of the AGM are satisfied and the format of the meeting will be purely functional.

We recognise the importance of the AGM for our shareholders and we want to ensure that shareholders are able to exercise their rights. Therefore, the Board strongly encourages shareholders to vote by proxy using the enclosed proxy form and return it to our Registrar as soon as possible, no later than 11:00am on Tuesday 14 July.

The Board also invites our shareholders to submit questions relating to the business to be conducted at the AGM in advance, by email to [RCompanySecretarial@electrocomponents.com](mailto:RCompanySecretarial@electrocomponents.com), and request that they are submitted by no later than 11:00am on Tuesday 14 July. The Board will consider all questions received and, if appropriate, publish the answers to them on our website.

Should the government relax the restrictions on public gatherings and travel, or other measures prior to the AGM, alternative arrangements will be considered. Shareholders are therefore advised to check the Company's website for up-to-date information in relation to the AGM.

### **Final Dividend**

As a result of the COVID-19 pandemic, the current operating environment for all businesses across the globe is one of heightened uncertainty. Notwithstanding the robust trading position and the Group's strong balance sheet, the Board believes it is prudent to defer the decision on the final dividend for the year ended 31 March 2020 until it has greater visibility and the impact of COVID-19 on activity levels and cash generation in our key markets have become clearer.

The Board recognises the importance of its progressive dividend policy to its shareholders and will therefore review making an additional interim dividend payment relating to the financial year ended 31 March 2020 at the Group's interim results in November 2020.

## **Resolutions**

Full details of the Resolutions to be put to shareholders are set out in the following pages. In summary, they relate to the Company's Annual Report and Accounts for the year ended 31 March 2020 (the 2020 Annual Report), Directors' elections and auditors' appointment, authority for the company to allot and purchase its own shares, and the notice period for general meetings.

**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 Company's registered office at Fifth Floor, Two Pancras Square, London N1C 4AG on Thursday, 16 July 2020 at 11.00am to consider the business set out below.

Resolutions 1 to 15 (inclusive) are proposed as ordinary resolutions. This means that for each of these Resolutions to be passed, more than half the votes cast must be in favour of the Resolution. Resolutions 16 to 19 (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 2020.

## Directors' Remuneration Report

2. To approve the Directors' Remuneration Report for the year ended 31 March 2020.

## Election and re-election of Directors

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

## Auditor's reappointment and remuneration

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

## Directors' authority to allot shares

15. 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 £14,877,017 (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 £29,754,035 (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 2021, 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

16. Subject to the passing of Resolution 15, 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 £2,231,553,

such authority to expire at the end of the next AGM of the Company or at the close of business on 30 September 2021 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.

17. Subject to the passing of Resolution 15 and in addition to any authority granted under Resolution 16, 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:

- (i) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £2,231,553; 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 2021, 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

18. 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 44,631,051, representing less than 10% of the Company's issued ordinary share capital as at 1 June 2020;
- (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 2021, 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

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

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  
1 June 2020

# Notes

- (i) A member entitled to 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. However, during the restrictions under COVID-19, shareholders should appoint the Chair of the meeting as their proxy as the AGM will be a closed meeting.
- (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 Tuesday, 14 July 2020 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 Tuesday, 14 July 2020 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 11.00am on Tuesday, 14 July 2020.
- (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 Thursday, 16 July 2020 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](http://www.euroclear.com).

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

- (v) If this Notice of the AGM is sent to you as a person nominated to receive copies of Company communications, the proxy rights described above do not apply to you. The rights described in these paragraphs only apply to shareholders. You may have a right under an agreement with the registered member 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 1 June 2020, the latest practicable date prior to the printing of this Notice, the Company's total capital consisted of 446,310,519 ordinary shares with a total of 446,310,519 voting rights.
- (x) Copies of the service contracts and terms of appointment of the Directors are available for inspection on request at the Company's registered office during normal business hours. During the restrictions under COVID-19, we will only allow for inspection of these documents as soon as the restrictions are lifted.
- (xi) Biographical details of the Directors who are proposed for election and re-election at the AGM are set out on pages 62 and 63 of the 2020 Annual Report and summaries on page 6 of this circular.
- (xii) In accordance with section 311A of the 2006 Act, the contents of this Notice of AGM, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website: [www.electrocomponents.com](http://www.electrocomponents.com).
- (xiii) 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, 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. However, during the restrictions under COVID-19, we will not expect shareholders to attend but to submit questions via email to: [RCompanySecretarial@electrocomponents.com](mailto:RCompanySecretarial@electrocomponents.com). Responses to questions will be made available after the AGM on the Company website: [www.electrocomponents.com](http://www.electrocomponents.com).
- (xiv) 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

## Joan Wainwright

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

### External roles

- Director of NJM Insurance Group

## 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

## 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

## 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

## 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  
Chair of the Treasury Committee

### External roles

- Member of the CBI Economic Growth Board

## Peter Johnson

Chair  
Joined in October 2010  
Member of the Nomination Committee

### External roles

- Chair 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

Senior Independent Director  
Joined in June 2019  
Chair of the Nomination Committee and member of the Audit and Remuneration Committee

### External roles

- Chief executive officer of SEGRO plc

Further information on each Director is set out on pages 62 and 63 of the 2020 Annual Report.

Full biographies can be found at: [electrocomponents.com](https://www.electrocomponents.com)

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

## **Resolution 15: Directors' authority to allot shares**

The purpose of Resolution 15 is to renew the Directors' power to allot shares. The authority in paragraph (i) of Resolution 15 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 £14,877,017 which is equivalent to approximately one-third of the total issued ordinary share capital of the Company as at 1 June 2020.

The authority in paragraph (ii) of Resolution 15 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 £14,877,017 which is equivalent to approximately one-third of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 1 June 2020. This is in line with the Investment Association's Share Capital Management Guidelines issued in July 2016.

At 1 June 2020, 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 2021 and the end of the next AGM.

## **Resolutions 16 and 17: 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 16 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 16 is to authorise the Directors to allot new shares and other equity securities pursuant to the allotment authority given by Resolution 15, or sell treasury shares, for cash up to a nominal value of £2,231,553, equivalent to 5% of the total issued ordinary share capital of the Company as at 1 June 2020, without the shares first being offered to existing shareholders in proportion to their existing holdings. As at 1 June 2020, 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 17 is to authorise the Directors to allot new shares and other equity securities pursuant to the allotment authority given by Resolution 15, or sell treasury shares, for cash up to a further nominal amount of £2,231,553, equivalent to 5% of the total issued ordinary share capital of the Company as at 1 June 2020, 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 17 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 16 and 17 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 16 and 17 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 2021 and the end of the next AGM.

#### **Resolution 18: Authority to purchase own shares**

At the 2019 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 44,631,051 ordinary shares (being approximately 10% of the issued share capital as at 1 June 2020) 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 1 June 2020, a maximum of 7,084,857 shares would be required to satisfy all outstanding options to subscribe for equity shares and conditional awards of shares. This represents 1.59% 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 1.76% 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 1 June 2020, the Company held no ordinary shares in treasury.

#### **Resolution 19: 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 19 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.

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