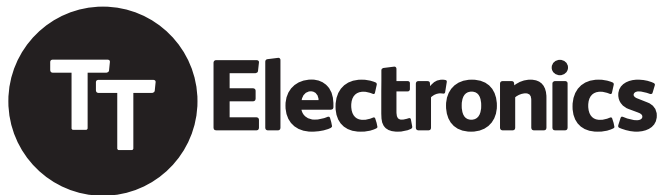


This document is important and requires your immediate attention.

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

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



Annual General Meeting 2020

Notice of Meeting and Explanatory Notes

This document contains Notice of the Annual General Meeting of TT Electronics plc (the "Company") to be held at Allen & Overy LLP, One Bishops Square, London, E1 6AD on Wednesday 6 May 2020 at 10.00am, together with explanatory notes regarding the business of the meeting.

The Board considers that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole and recommends that you vote in favour of all the resolutions.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. The Form of Proxy must be received by the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as soon as possible, and in any event no later than 10.00am on Monday 4 May 2020. For further details please see the Notes set out on pages 10 and 11 of this document. Completion and return of a Form of Proxy will not preclude you from attending and voting at the Annual General Meeting in person.

Contents

Chairman's letter	02
The Board	03
Notice of Annual General Meeting	05
Explanatory notes to the resolutions	07
Notes	10
Appendix 1 – S519 statement from KPMG LLP	12
Appendix 2 – Summary of the principal terms of the TT Electronics Deferred Share Bonus Plan	13
Appendix 3 – Summary of the principal terms of the TT Electronics plc Sharesave Scheme	15
Appendix 4 – Summary of the principal terms of the TT Electronics plc USA Employee Stock Purchase Plan	17
AGM information	19

Chairman's letter

27 March 2020

Dear Shareholder,

I am pleased to invite you to our Annual General Meeting (AGM) which we will be holding at Allen & Overy LLP, One Bishops Square, London, E1 6AD on Wednesday 6 May 2020. The AGM is an important opportunity for the Board of TT Electronics to engage with our shareholders and your vote is, as always, very important to us.

If you plan to join us at the meeting, an attendance card is enclosed and directions to the venue can be found on the last page of this booklet. If you are unable to attend the AGM then I would urge you to vote on each of the resolutions set out in this notice by either:

- i) Registering your vote online at www.sharevote.co.uk; or
- ii) Completing and returning the enclosed Form of Proxy to our registrar

in each case so it is received no later than 10.00am on 4 May 2020.

As in previous years, all of the Board Directors will stand for election or re-election at this year's AGM. A summary of the skills brought to the Board by the Directors can be found on pages 3 and 4 of this Notice. Following the outcome of the annual evaluation process, I have concluded that each Director continues to be effective and to demonstrate commitment to the role. You may have seen that at the end of 2019 it was announced that I would be standing down as Chairman as a result of my increasing external commitments. This year also represents Stephen King's ninth anniversary as a Director of the Company with the result that he too will step down from the Board during 2020. We are in the process of conducting an external search for my replacement and will provide further information on the appointment process in due course.

The Board considers that the resolutions contained in this Notice of Annual General Meeting 2020 are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote "FOR" the resolutions as they intend to do in respect of their own beneficial holdings.

The results of voting on all the resolutions will be announced via the Regulatory News Service and published on our website as soon as possible after the end of the AGM.

Yours faithfully,



Neil Carson
Chairman

The Board

Neil Carson, OBE **Chairman**

Joined: 2015

Committees: Nominations (Chair), Remuneration,

Relevant skills and experience: Neil has a proven track record of delivering growth as a leader of a FTSE 100 science/R&D based company, Johnson Matthey, reinforced by over 30 years' experience of operations management, technical innovation and strategic planning, which are highly complementary to the Company's needs. Neil has also had exposure to a wide range of industry sectors, having served on the boards of a variety of UK listed companies and Government bodies, including Amec Foster Wheeler plc, Paypoint plc, TI Fluid Systems plc and the Prince of Wales' Corporate Leaders Group on Climate Change, of which he was a founder member. Neil was also formerly the Honorary President of SCI (the Society of Chemical Industry).

Other current appointments: Non-executive chairman of Oxford Instruments plc and non-executive director of Royal Dutch Shell plc.

Richard Tyson **Chief Executive Officer**

Joined: 2014

Committees: People, Social, Ethics and Environment (Chair), Risk (Chair)

Relevant skills and experience: Richard has developed an extensive portfolio of managerial and operational capabilities over a 25 year career with a range of leading aerospace and defence and technology companies, including over six years as a member of the Executive Committee and President of the Aerospace & Security division of Cobham plc. Prior to that, he was responsible for TRW Aeronautical Systems' (formerly part of Lucas Industries) European aftermarket business. Richard has significant experience of leading large complex, global businesses coupled with M&A and business transformation activities, as well as driving growth and innovation in high technology businesses.

Other current appointments: Non-executive director of the Vitec Group plc and Governor of St Swithuns' Independent School for Girls in Hampshire.

Mark Hoad **Chief Financial Officer**

Joined: 2015

Committees: Risk

Relevant skills and experience: Mark has a deep understanding of finance and operational activities which he has acquired during a career spent in senior finance/management roles with FTSE listed companies, including as group finance director of BBA Aviation plc, a FTSE 250 company operating in the aerospace domain. A chartered accountant, Mark's experience includes several years working in a variety of management roles at RMC Group plc in Continental Europe and Australia, as well as a strong focus on driving business transformation in the US.

Stephen King **Senior Independent Non-executive Director**

Joined: 2011

Committees: Audit (Chair), Nominations

Relevant skills and experience: Having served as a CFO on several FTSE 250 boards, Stephen has a wealth of finance and corporate governance experience across a number of industry sectors. Stephen is a chartered accountant and his previous executive responsibilities on the board of an investment trust company provides the Board with particular insight in the areas of M&A/financing, risk, audit and regulation at a PLC level. Stephen was previously group finance director of Caledonia Investments plc and De La Rue plc, and a non-executive director of The Weir Group plc. He has also held senior finance positions with Aquila Networks plc, Lucas Industries plc and Seaboard plc, and was also a non-executive director of Camelot plc and Bristow Group Inc.

Other current appointments: Non-executive director on the board of BBA Aviation plc and Chemring plc, where he chairs both of their Audit Committees.

Alison Wood
Independent Non-executive Director

Joined: 2016

Committees: Remuneration (Chair), Audit, Nominations

Relevant skills and experience: Alison's background is in leading business development, M&A and strategic planning across blue-chip UK companies, particularly in the Defence sector. In addition, during her time as the Remuneration Committee chair of several FTSE listed companies, she has gained an invaluable insight into the development and execution of remuneration policy, which is a key component of the Company's growth ambitions. Alison was formerly global director corporate development & strategy for National Grid plc and before that, group strategic development director for BAE Systems plc. Alison has previously held non-executive directorships at Cobham plc, e2v technologies plc, BTG plc and THUS plc.

Other current appointments: Non-executive director of Costain Group plc, Cairn Energy plc and the British Standards Institution (BSI). In addition, Alison chairs the Remuneration Committees of Costain Group Plc and BSI.

Jack Boyer, OBE
Independent Non-executive Director

Joined: 2016

Committees: Audit, Nominations, Remuneration, People, Social, Environmental and Ethics

Relevant skills and experience: Jack has a background in corporate finance, investment and M&A, which he has applied in bringing a number of business ventures through to operational maturity in the engineering, telecommunications and biotechnology sectors. Jack's extensive experience of innovation and the exploitation of technology, in the private sector and through working with Government bodies, are highly relevant given the Company's transformational agenda. Awarded an OBE in 2015 for services to science and engineering, Jack was formerly a non-executive director of Mitie Group plc and Laird plc, and chairman of Ilika plc, AIM-listed Seeing Machines Limited and the Academies Enterprise Trust. He was also an investment banker at Goldman Sachs and strategy consultant at Bain & Co.

Other current appointments: Non-executive director of Ricardo plc, Chair of the University of Bristol, and Member of the Board of the Henry Royce Institute for Advanced Materials.

Anne Thorburn
Independent Non-executive Director

Joined: July 2019

Committees: Audit, Nominations

Relevant skills and experience: Anne has many years of experience gained from board level finance roles in listed international companies, including across life sciences, medical and industrial markets. Anne has particular expertise in financial management, risk, audit and M&A which complements the Company's strategy as it continues to transform. Anne is a member of the Institute of Chartered Accountants in Scotland and has formerly served as chief financial officer of Exova Group plc and group finance director at British Polythene Industries PLC. Anne was formerly a non-executive director of BTG plc.

Other current appointments: Non-executive director and chair of the Audit Committee of Diploma PLC.

Notice of Annual General Meeting

TT Electronics plc

(Incorporated and registered in England and Wales under number 87249)

Notice is hereby given that the Annual General Meeting of TT Electronics plc will be held at Allen & Overy LLP, One Bishops Square, London, E1 6AD on 6 May 2020 at 10.00am to consider and, if thought fit, pass the following resolutions:

Ordinary Resolutions

- 1 To receive the Annual report and accounts for the year ended 31 December 2019.
- 2 To approve the Directors' Remuneration report (excluding the Directors' Remuneration Policy set out on pages 81 to 90 of the report) for the year ended 31 December 2019, as set out on pages 74 to 98 of the 2019 Annual report and accounts.
- 3 To approve the Directors' Remuneration Policy set out on pages 81 to 90 of the Directors' Remuneration report for the year ended 31 December 2019.
- 4 To declare a final dividend of 4.9p per ordinary share.
- 5 To elect Anne Thorburn as a Director.
- 6 To re-elect Neil Carson as a Director.
- 7 To re-elect Richard Tyson as a Director.
- 8 To re-elect Mark Hoad as a Director.
- 9 To re-elect Stephen King as a Director.
- 10 To re-elect Jack Boyer as a Director.
- 11 To re-elect Alison Wood as a Director.
- 12 To appoint Deloitte LLP as Auditor of the Company.
- 13 To authorise the Audit Committee to determine the Auditor's remuneration.
- 14 To authorise the Directors generally and unconditionally pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £27,344,180 comprising:
 - (a) an aggregate nominal amount of £13,672,090 (whether in connection with the same offer or issue as under (b) below or otherwise); and
 - (b) an aggregate nominal amount of £13,672,090, in the form of equity securities (as defined in section 560 of the Companies Act 2006) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the Directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be practicable) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional

entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever.

This authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of 1 July 2021 and the conclusion of the Annual General Meeting of the Company to be held in 2021, except that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or such rights to be granted after such expiry and the Directors may allot shares or grant such rights pursuant to any such offer or agreement as if such authority had not expired.

- 15 To approve the TT Electronics Deferred Share Bonus Plan (the "DSBP"), a summary of the principal terms of which is set out in Appendix 2 (and a copy of the draft rules of which has been produced to the meeting and signed by the Chairman for the purposes of identification); and to authorise the Directors to do all such other acts and things as they may consider appropriate to implement the DSBP and to establish further plans, any such plans to be similar to the DSBP but modified to take account of local tax, exchange control or securities laws in overseas territories provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the DSBP.
- 16 To approve the TT Electronics plc Sharesave Scheme ("Sharesave"), a summary of the principal terms of which is set out in Appendix 3 (and a copy of the draft rules of which has been produced to the meeting and signed by the Chairman for the purposes of identification); and to authorise the Directors to do all such other acts and things as they may consider appropriate to implement the Sharesave.
- 17 To approve the TT Electronics plc USA Employee Stock Purchase Plan ("ESPP"), a summary of the principal terms of which is set out in Appendix 4 (and a copy of the draft rules of which has been produced to the meeting and signed by the Chairman for the purposes of identification); and to authorise the Directors to do all such other acts and things as they may consider appropriate to implement the ESPP.

Special Resolutions

- 18 To empower the Directors pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the general authority conferred on them by resolution 14 above and/or pursuant to section 573 of that Act to sell equity securities held as treasury shares for cash, in each case as if section 561 of that Act did not apply to any such allotment or sale, provided that this power shall be limited to:
 - (a) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the Directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as

may be practicable) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

- (b) any such allotment and/or sale, otherwise than pursuant to paragraph (a) above, of equity securities having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not exceeding the sum of £2,050,813.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2021, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the Directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

19 That:

- (a) in addition to any authority granted under resolution 18, the Directors be given power:
 - (i) subject to the passing of resolution 14, to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority conferred on them by that resolution under section 551 of that Act; and
 - (ii) to allot equity securities as defined in section 560(3) of that Act (sale of treasury shares) for cash,

in either case as if section 561 of that Act did not apply to the allotment or sale, but this power shall be:

- (A) limited to the allotment of equity securities up to a maximum nominal amount of £2,050,813; and
 - (B) 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 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;
- (b) this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2021; and

(c) the Company may, before this power expires, make an offer or enter into an agreement, which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

20 That, in accordance with section 701 of the Companies Act 2006, the Company be and is generally and unconditionally authorised to make market purchases (as defined in section 693(4) of that Act) of its ordinary shares of 25 pence each on such terms and in such manner as the Directors may determine provided that in doing so it:

- (a) purchases no more than 16,406,508 ordinary shares of 25 pence each in aggregate;
- (b) pays not less than 25 pence (excluding expenses) per ordinary share of 25 pence each; and
- (c) pays a price per ordinary share that is not more (excluding expenses) per ordinary share than the higher of: (i) 5% above the average of the middle market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately before the day on which it purchases that share; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

This authority shall expire on 1 July 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, except that the Company may, if it agrees to purchase ordinary shares under this authority before it expires, complete the purchase wholly or partly after this authority expires.

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

By order of the Board



Lynton Boardman
Group Company Secretary

Registered Office
Fourth Floor
St Andrews House
West Street
Woking
Surrey
GU21 6EB

27 March 2020

Explanatory notes to the resolutions

Resolution 1

Receipt of the Annual report and accounts

The Directors must present the Company's Annual report and accounts to the AGM.

Resolution 2

Approval of the Directors' Remuneration report

Shareholders are asked to approve the Directors' Remuneration report, which comprises the statement by Alison Wood (the Chair of the Remuneration Committee) on pages 74 to 77 of the Annual report and accounts, and the report on Directors' remuneration on pages 78 to 98 of the Annual report and accounts (but excluding the Directors' Remuneration Policy, set out on pages 81 to 90 of the Annual report and accounts, for which separate shareholder approval is being sought (see Resolution 3)).

The Directors' Remuneration report details payments made to Directors during the year ended 31 December 2019 and other information. As in 2019, Resolution 2 is an advisory vote and does not affect the remuneration paid to any Director.

Resolution 3

Approval of the Directors' Remuneration Policy

Resolution 3 is the approval of the Directors' Remuneration Policy which was last approved by shareholders at the 2017 AGM. The Policy sets out the parameters under which future payments by way of remuneration or for loss of office may be made to Directors and will be subject to a binding shareholder vote every three years (or sooner if changes to the Policy are proposed at an earlier date).

The proposed Directors' Remuneration Policy is set out on pages 81 to 90 of the Annual report and accounts.

All remuneration payments made to Directors (and, if applicable, former directors) must be made in accordance with the Directors' Remuneration Policy, unless a payment has been separately approved by shareholders. If approved, the Directors' Remuneration Policy will take effect from the end of the Annual General Meeting. If the Company wishes to change the Directors' Remuneration Policy or depart from it, shareholders will be required to approve the revised Directors' Remuneration Policy or relevant proposal before it is implemented.

Resolution 4

Declaration of final dividend

The Directors are recommending a final dividend of 4.9p per ordinary share for the year ended 31 December 2019. If approved by shareholders, the final dividend will be paid on 15 May 2020 to shareholders on the register as at close of business on 24 April 2020.

Resolution 5

Election of Director appointed to the board since the last AGM

Anne Thorburn joined the Board on 1 July 2019 and is seeking election by shareholders for the first time. The Board believes that Anne's expertise and experience, as described in her biography on page 4 of this Notice, is of great benefit to the Board and the Company.

Resolutions 6 to 11

Re-election of Directors

Each of the Directors referred to in these resolutions will offer himself or herself for re-election at the AGM in order to comply with best practice in the Company's application of corporate governance.

The Chairman has confirmed that, following the formal performance evaluation described on pages 66 and 67 of the Annual report and accounts, each Director's performance continues to be effective and to demonstrate commitment to the role. Whilst the Chairman's intention to step down has been announced, the process of appointing his replacement is ongoing and, as such, the Chairman himself is also seeking re-election to the Board. Stephen King, in his capacity as Senior Independent Non-executive Director, has confirmed that the Chairman continues to be an effective Chairman and demonstrates commitment to his role as Chairman.

Biographical details for each Director, including relevant skills and experience that demonstrate why their contribution is, and continues to be, important to the Company's long-term sustainable success, are set out on pages 3 and 4 in this Notice of Meeting.

Resolutions 12 and 13

Appointment and remuneration of the Auditor

Following a competitive tender process (as further described on pages 70 to 71 of the Annual report and accounts), the Board, on the recommendation of the Audit Committee, decided to appoint Deloitte LLP ("Deloitte") as the Company's new Auditor for the financial year commencing on 1 January 2020. KPMG LLP will cease to hold office as the Company's Auditor at the conclusion of the AGM and have provided a statement as required by company law, which is set out in Appendix 1 of this notice.

The Board recommends that Deloitte be appointed as auditor of the Company and that the Audit Committee be authorised to determine the Auditor's remuneration.

Resolution 14

Authority to allot shares

The Companies Act 2006 provides that the Directors may only allot shares if authorised by shareholders to do so. Resolution 14 will, if passed, authorise the Directors to allot new shares up to a maximum nominal amount of £27,344,180, which represents an amount which is approximately equal to two-thirds (66.66%) of the issued share capital of the Company as at 18 March 2020, the latest practicable date prior to the publication of this document.

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

The authority will expire at the conclusion of the next AGM or, if earlier, the close of business on 1 July 2021. Passing Resolution 14 will ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes.

As at 18 March 2020, the latest practicable date prior to the publication of this document, the Company had 164,065,082 ordinary shares of 25 pence each in issue and no shares were held in treasury.

Resolution 15

The TT Electronics Deferred Share Bonus Plan

Resolution 15 relates to the proposed introduction of a new employee share plan by the Company, the TT Electronics Deferred Share Bonus Plan ("DSBP"). The DSBP is being introduced to enable the deferral of a portion of annual bonus amounts in accordance with the Company's proposed Directors' Remuneration Policy for which shareholder approval is being sought at this meeting (see Resolution 3).

The principal terms of the DSBP are summarised in Appendix 2 to this Notice on page 13.

Resolution 16

Sharesave

The Company's existing Sharesave scheme is due to expire during the term of the Company's proposed Directors' Remuneration Policy (see Resolution 3). Shareholders are asked to approve the TT Electronics Plc Sharesave Scheme (the "Sharesave"), the terms of which are substantially the same as the previous sharesave scheme, but with amendments to take account of developments in market practice. The principal terms of the Sharesave are summarised in Appendix 3 of this Notice.

Resolution 17

USA Employee Stock Purchase Plan

The Company's existing USA employee stock purchase plan is due to expire during the term of the Company's proposed Directors' Remuneration Policy (see Resolution 3). Shareholders are asked to approve the TT Electronics Plc USA Employee Stock Purchase Plan ("ESPP"), the terms of which are substantially the same as the previous USA Employee Stock Purchase Plan, but with amendments to take account of developments in market practice. The principal terms of the ESPP are summarised in Appendix 4 of this Notice.

Resolution 18 (Special resolution)

General authority to disapply pre-emption rights

The Companies Act 2006 requires that, if the Company issues new shares for cash or sells any treasury shares for cash then, unless statutory pre-emption rights have been disapplied, it must first offer them to existing shareholders in proportion to their current holdings. It is proposed that the Directors be authorised to issue new shares for cash and/or sell shares from treasury (if any are so held) for cash up to an aggregate nominal amount of £2,050,813 (representing approximately 5% of the Company's issued share capital as at 18 March 2020, the latest practicable date prior to the publication of this document) without offering them to shareholders first, and to modify statutory pre-emption rights to deal with legal, regulatory or practical problems that may arise on a rights issue or other pre-emptive offer or issue. The Directors do not intend to issue more than 7.5% of the issued share capital of the Company for cash on a non pre-emptive basis in any rolling three-year period (other than in connection with an acquisition or specified capital investment as described in the Pre-Emption Group's Statement of Principles) without prior consultation with shareholders.

Resolution 18 will be proposed as a special resolution to renew this authority until the conclusion of the next AGM or, if earlier, the close of business on 1 July 2021.

Explanatory notes to the resolutions

continued

Resolution 19 (Special resolution)

Additional authority to disapply pre-emption rights

Resolution 19 requests further shareholder approval, by way of a separate special resolution in line with the best practice guidance issued by the Pre-Emption Group, for the Directors to allot equity securities or sell treasury shares for cash without first being required to offer such securities to existing shareholders. The proposed resolution reflects the Pre-Emption Group 2015 Statement of Principles for the disapplication of pre-emption rights (the "Statement of Principles") and will expire on 1 July 2021 or at the conclusion of the next AGM, whichever is the earlier.

The authority granted by this resolution, if passed:

- (a) will be limited to the allotment of equity securities and sale of treasury shares (if any are so held) for cash up to an aggregate nominal value of £2,050,813, which represents approximately 5% of the issued share capital of the Company as at 18 March 2020 (being the latest practicable date prior to publication of this document); and
- (b) will only be used in connection with an acquisition or other capital investment of a kind contemplated by the Statement of Principles, and which is announced contemporaneously with the allotment, or has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The authority granted by this resolution would be in addition to the general authority to disapply pre-emption rights under Resolution 18. The maximum nominal value of equity securities which could be allotted if both authorities were used would be £4,101,626, which represents approximately 10% of the issued share capital of the Company as at 18 March 2020 (being the latest practicable date prior to publication of this document).

Resolution 20 (Special resolution)

Purchase of own shares by the Company

If passed, this resolution will grant the Company authority for a period expiring on 1 July 2021 or at the conclusion of the next AGM, whichever is the earlier, to buy its own shares in the market. The resolution limits the number of shares that may be purchased to approximately 10% of the Company's issued share capital as at 18 March 2020, the latest practicable date prior to the publication of this document. The price per ordinary share that the Company may pay is set at a minimum amount (excluding expenses) of 25 pence per ordinary share and a maximum amount (excluding expenses) of the higher of: (i) 5% above the average of the previous five days' middle market prices; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out.

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

As at 18 March 2020, the latest practicable date prior to the publication of this document, options and LTIP awards to subscribe for ordinary shares were outstanding over 6,994,531 ordinary shares of 25 pence each in the Company, representing approximately 4.3% of the issued share capital of the Company at that date. If the full market purchase authority (both existing and sought) were used in full and the repurchased shares cancelled, shares over which options and LTIP awards were outstanding would, as at that date, represent approximately 5.4% of the Company's issued share capital.

Resolution 21 (Special resolution)

Notice of General Meetings

In order to preserve its flexibility to call general meetings (other than an Annual General Meeting) on 14 clear days' notice, the Company must offer all shareholders the opportunity to appoint a proxy for its general meetings electronically (via the website of the Company or its registrars) and must obtain the approval of its shareholders by means of a special resolution passed each year. Resolution 21 seeks such approval. It is intended that this flexibility will only be used for non-routine business and where merited in the interests of shareholders as a whole. It is intended that a similar resolution will be proposed at future Annual General Meetings.

Notes

- 1 A shareholder who is an individual is entitled to attend, speak and vote at the meeting or to appoint one or more other persons as his proxy to exercise all or any of his rights on his behalf. Further details of how to appoint a proxy, and the rights of proxies, are given in the paragraphs below. A shareholder that is a company can appoint one or more corporate representatives (such as a director or employee of the company) whose attendance at the meeting is treated as if the company were attending in person, or it can appoint one or more persons as its proxy to exercise all or any of its rights on its behalf. In each case, a person attending the meeting will need to provide the Company or its registrars, Equiniti Limited, with evidence of their identity and, if applicable, their appointment as a corporate representative with authority to vote on behalf of a shareholder.
- 2 A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. To appoint a proxy or proxies shareholders must: (a) submit a proxy appointment electronically at www.sharevote.co.uk; or (b) complete a Form of Proxy, sign it and return it, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such authority, to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or (c) complete a CREST Proxy Instruction (as set out in paragraph 11 below), in each case so that it is received no later than 10.00am on 4 May 2020. To appoint more than one proxy, you will need to complete a separate Form of Proxy in relation to each appointment. A Form of Proxy for use in connection with the Annual General Meeting is enclosed with this document. Full details of the procedure to submit a proxy electronically are given on the website www.sharevote.co.uk. To use this service, you will need your Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy. If you do not have a Form of Proxy and believe that you should, please contact the Company's registrars, Equiniti Limited on 0371 384 2396 (or +44 121 415 7047 if calling from outside the United Kingdom) or at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Lines are open from 8.30am to 5.30pm, Monday to Friday (except public holidays in England and Wales).
- 3 If appointing more than one proxy, you will need to state clearly on each Form of Proxy the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares to which each proxy appointment relates or specifying a number of shares in excess of those held by the shareholder will result in the proxy appointment being invalid.
- 4 The return of a completed Form of Proxy, online proxy appointment, or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he wishes to do so. You must inform the Company's registrars in writing of any termination of the authority of a proxy.
- 5 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- 6 Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him and the shareholder by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- 7 The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1, 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company. Nominated Persons are reminded that they should contact the registered holder of the shares (and not the Company) on matters relating to their investments in the Company.
- 8 Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders included in the register of members of the Company at 6.30pm on 4 May 2020 or, if the meeting is adjourned, in the register of members at 6.30pm on the day which is two days before the day of any adjourned meeting, will be entitled to attend and to vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 6.30pm on 4 May 2020, or, if the meeting is adjourned, in the register of members after 6.30pm on the day which is two days before the day of any adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
- 9 As at 18 March 2020, the Company's issued share capital comprised 164,065,082 ordinary shares of 25 pence each, with no shares held in treasury. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 18 March 2020 is 164,065,082.

Notes

continued

- 10 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 11 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA19), by the latest time for receipt of proxy appointments set out in paragraph 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 12 CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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.
- 13 Under section 527 of the Companies Act 2006 shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which Annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
- 14 Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- 15 You may not use any electronic address provided in this Notice, or any related documents including the Form of Proxy, to communicate with the Company for any purposes other than those expressly stated.
- 16 A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found on the Investor Relations section of the Company's website, www.ttelectronics.com.

Inspection of documents

The following documents will be available for inspection at Fourth Floor, St Andrews House, West Street, Woking, Surrey GU21 6EB and, in the case of the draft share plan rules, also at Allen & Overy LLP, One Bishops Square, London, E1 6AD during normal business hours from the date of this Notice until the day of the AGM (excluding Saturdays, Sundays and public holidays) and at Allen & Overy LLP, One Bishops Square, London, E1 6AD from 15 minutes before the AGM until it ends:

- Draft rules of share plans:
 - TT Electronics Deferred Share Bonus Plan
 - TT Electronics plc Sharesave Scheme
 - TT Electronics plc USA Employee Stock Purchase Plan;
- copies of the Executive Directors' service contracts; and
- copies of letters of appointment of the Non-executive Directors.

Appendix 1 – S519 statement from KPMG LLP



KPMG LLP
15 Canada Square
London
United Kingdom
E14 5GL

The Directors
TT Electronics Plc
Fourth Floor
St Andrews House
West Street
Woking
Surrey GU21 6EB

March 16 2020

Dear Sirs

Statement to TT Electronics Plc (no. 87249) on ceasing to hold office as auditor pursuant to section 519 of the Companies Act 2006

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

Yours faithfully

A handwritten signature in black ink, appearing to be 'S. ...'.

KPMG LLP
Audit registration number: 9188307
15 Canada Square
London
United Kingdom
E14 5GL

cc:
The Chairperson
Financial Reporting Council
8th Floor, 125 London Wall
Barbican, London.
EC2Y 5AS

Registrar of Companies
Companies House
80 Petty France
Westminster, London
SW1H 9EX

Appendix 2 – Summary of the principal terms of the TT Electronics Deferred Share Bonus Plan ("DSBP")

Operation

The Remuneration Committee of the Board of directors of the Company (the "Committee") will supervise the operation of the DSBP.

Eligibility

Any current or former employee (including an Executive Director) of the Company and any of its subsidiaries will be eligible to participate in the DSBP, at the discretion of the Committee. However, the Committee will make awards under the DSBP only to individuals who may be entitled to receive an annual bonus payment for the preceding financial year of the Company.

Grant of awards

Awards made under the DSBP will be in the form of a deferred right to receive ordinary shares in the Company ("**Shares**").

The Committee may grant an award in one of two forms:

- a) nil or nominal cost options, where a participant can decide when to exercise his award over Shares during a limited period of time after it has vested; or
- b) a conditional award, where a participant will receive Shares on the vesting of his award.

The Committee may normally grant awards within the period of six weeks following: (i) the date of adoption of the DSBP; (ii) the Company's announcement of its results for any period; or (iii) the lifting of restrictions on dealing in Shares that prevented the grant of awards under (i) or (ii). The Committee may also grant awards when there are exceptional circumstances which it considers justifies the granting of awards.

No awards will be granted after the tenth anniversary of the date of adoption of the DSBP.

No payment will be required for the grant of an award. Awards are not transferable (other than to the participant's personal representatives in the event of death). Awards are not pensionable.

Individual limit

The maximum number of Shares that may be awarded to a participant in any financial year will be limited to a proportion of the individual's total annual bonus outcome for the preceding financial year. The proportion of bonus outcome that is deferred into a DSBP award will be determined by the Committee from time to time.

The DSBP allows for deferral of amounts up to 100% of an employee's annual bonus outcome.

Overall DSBP limit

The DSBP may operate over new issue Shares, treasury Shares or Shares purchased in the market.

In any ten year period the Company may not issue (or have the possibility to issue) more than 10% of the issued ordinary share capital of the Company in respect of awards made in that period under the DSBP and any other employee share scheme adopted by the Company.

This limit does not include any rights to Shares which have been released or lapsed. Treasury Shares will count as new issue Shares for the purposes of this limit but they will also cease to count towards this limit if institutional investor bodies decide that they need not count.

Vesting of awards

Awards will normally vest over a two year period provided the participant is still a Director or employee in the Company's group.

The Committee may allow awards to be settled in cash (in whole or in part) where it is appropriate to do so.

Leaving employment

As a general rule, if a participant leaves employment with the Company's group he will retain his award which will vest on the normal vesting date with no acceleration of vesting. However, in exceptional cases, the Committee may, at its discretion, permit or require awards to vest at the date of cessation of employment (or at a date specified by the Committee following the date of cessation). If the reason for such cessation is the individual's misconduct his award will immediately lapse on the date of cessation.

On the death of a participant, an award shall vest immediately and an award in the form of an option will be exercisable for a period of 12 months from his death.

As is normal for deferred bonus plans, DSBP awards held by a leaver are not subject to pro-rata reductions (the rationale being that the awards have already been subject to performance vesting requirements in the annual bonus year, and the DSBP is accordingly a mechanism for the deferral of part of the achieved annual bonus outcomes).

Corporate events

In the event of a takeover, scheme of arrangement, cross-border merger, or voluntary winding up of the Company (not being an internal corporate reorganisation), all awards will normally vest early at the time of the event. Awards may also vest on the same basis if a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of the Shares to a material extent.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company.

Malus and clawback

The Committee retains a power to recoup the value of unvested and previously vested awards from an individual either before vesting or within a period of 3 years from the date of vesting of an award, if it considers it appropriate to do so. The Committee may choose to exercise this power in the following circumstances:

- a company in the Company's group becomes entitled to dismiss a participant for gross misconduct;
- the Company's consolidated accounts for any period are materially misstated;
- the performance condition(s) in respect to the bonus to which an award relates are decided to have been incorrectly determined;
- an error occurred in determining the number of Shares over which an award vested;
- a company in the Company's group suffers serious reputational damage; or
- a company in the Company's group suffers a material corporate failure.

Participants' rights

DSBP awards will not confer any shareholder rights on participants until the awards have vested and the participants have received their Shares.

The number of Shares comprised in an award will be increased in respect of an amount equivalent to the dividends that would have been paid on the Shares vesting under the award between the time when the award was granted and the time when it vests (and assuming reinvestment in Shares on the relevant ex-dividend dates).

In exceptional circumstances only, the Committee may determine that any additional Shares in respect of dividends that would have been paid on the Shares vesting under an award can instead be paid in cash.

Rights attaching to Shares

Any Shares allotted when an award vests (or for an award structured as an option, when it is exercised) will rank equally with all other Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Variation of capital

In the event of any variation of the Company's share capital, or in the event of a demerger, special dividend or other event having a material impact on the value of the Shares, the Committee may make such adjustments as it considers appropriate to the number of Shares subject to an award.

Alterations to the DSBP

The Committee may, at any time, alter the provisions of the DSBP in any respect, provided that the prior approval of shareholders must be obtained for any alterations that are in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Shares or the transfer of Shares held in treasury, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash to be provided under the DSBP and the adjustment of awards.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the DSBP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group.

If the proposed alterations are to the material disadvantage of participants the Board must invite participants to indicate if they approve the alterations and if so the alterations must be approved by a majority of the participants that respond.

Overseas plans

The Committee may at any time, without further shareholder approval, establish further plans in overseas territories, any such plan to be similar to the DSBP, but modified to take account of local tax, exchange control or securities laws.

Appendix 3 – Summary of the principal terms of the TT Electronics plc Sharesave Scheme (the “Sharesave”)

Introduction

The Sharesave will be administered by the board of directors of the Company or a duly authorised committee of the board (the “Board”).

Eligibility

All employees who have worked for the Company or a participating subsidiary (the “Group”) for a qualifying period as determined by the Board (but not to exceed five years) and any other employees nominated by the Board will be eligible to participate in the Sharesave.

Grant of Options

Options granted under the Sharesave (the “Options”) will enable participants to acquire ordinary shares of the Company (the “Shares”) at an exercise price which is not less than 80 per cent. (or such other percentage as permitted by the relevant legislation) of the middle market quotation of a Share on the London Stock Exchange dealing day before the day invitations are sent out, or 80% of the average middle market quotation of a Share over the five London Stock Exchange dealing days before the day the invitations are sent out. If Shares are to be issued to satisfy the Option, the exercise price will not be lower than the nominal value of a Share.

Invitations for the grant of Options will normally only be issued within the 42 day period following the announcement of the Company’s results for any period. Options will be granted no later than 30 days of the last London Stock Exchange dealing day by reference to which the exercise price of the Option was fixed.

Savings Contract and the Right to Acquire Shares

Participants granted an Option under the Sharesave must enter into a savings contract with a designated savings carrier under which they make monthly savings, usually by means of salary deduction for a period of three or five years. The amount saved each month must fall within the specified limits imposed by the relevant legislation (currently not less than £5 and not more than £500 per month).

Options are normally exercisable during a six month period following the bonus date under the relevant savings contract. Options not exercised within this six month period will lapse.

Employment

Options will normally lapse when a participant ceases to be employed by the Group. However, if a participant ceases employment with the Group by reason of death, injury or disability, redundancy, retirement or on the sale of their employing company or business out of the Group, options may be exercised during a six month period following cessation of employment, or a 12 month period following death. Exercise of an Option is also allowed where a participant leaves employment for any other reason (other than dismissal for gross misconduct), provided that the Option has been held for at least three years.

Corporate Events

Options may be exercised in the event of a takeover, scheme of arrangement or winding-up of the Company, to the extent of the savings accumulated under the participant’s savings contract (together with any interest due).

If another company acquires control of the Company, participants may, in certain circumstances, be allowed to exchange their Options for options of equivalent value over shares in the acquiring company.

Variation in Ordinary Share Capital

If there is any variation in the share capital of the Company, the exercise price and number of Shares over which Options have been granted may be adjusted to maintain the Options’ value.

Rights Attaching to Options and Shares

Options are not transferable (other than to a participant’s personal representatives if the participant dies) and do not form part of participants’ pensionable earnings.

Options will not confer any shareholder rights on participants until the Options have been exercised and the participant has received their Shares.

Shares allotted under the Sharesave will rank equally with other shares of the same class then in issue, but will not qualify for dividends or other rights arising by reference to a prior record date.

Notes

Limit on the Issue of Shares

The exercise of Options granted under the Sharesave may be satisfied by the issue of new shares, treasury shares or shares purchased in the market.

In any ten year period the Company may not issue more than 10% of the issued ordinary share capital of the Company from time to time under the Sharesave and any other employees' share scheme adopted by the Company.

Treasury shares will count as newly-issued shares for the purposes of these limits for so long as institutional investor bodies consider that they need to be so counted.

Amendment and Termination

The Board may, at any time, amend the rules of the Sharesave, provided that the prior approval of shareholders is obtained for any amendments which are to the advantage of participants or potential participants in respect of eligibility, the limits on participation, the maximum entitlements for individuals, the rights attached to Options and Shares, the determination of the Option exercise price, the rights of participants in the event of an issue or re-organisation (i.e. the adjustment provisions), or the terms of the alterations provisions.

Any amendment to the Sharesave which would abrogate or adversely affect the rights of a participant, requires either (a) the written consent of the number of participants that hold Options under the Sharesave to acquire 75% of the Shares which would be delivered if all outstanding Options were exercised; or (b) a resolution of a meeting of participants who hold Options, passed by not less than 75% of those participants who attend and vote (in person or proxy).

The requirement to obtain the prior approval of shareholders or participants will not, however, apply to any minor alteration made to benefit the administration of the Sharesave, any alteration to take account of a change in legislation or any alteration required to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Group.

For any amendment to a 'key feature' of the Sharesave (as defined in the relevant legislation), or for any variation of share capital, the tax return for the relevant tax year must contain a declaration made by the persons HMRC requires.

The Sharesave will terminate on the tenth anniversary of the date of adoption, unless previously terminated by the Board.

This summary of the principal features of the rules of the Sharesave does not form part of the rules and will not affect their interpretation.

Appendix 4 – Summary of the principal terms of the TT Electronics plc USA Employee Stock Purchase Plan (the "ESPP")

Introduction

The ESPP will be administered by the board of directors of the Company or a duly authorised committee of the board (the "Board").

The ESPP gives US employees of the Company and its subsidiaries the opportunity to acquire TT Electronics plc ordinary shares ("Shares") and is designed to attract the tax benefits available under Section 423 of the US Internal Revenue Code of 1986 (the "Code").

Eligibility

All employees of the Company and its subsidiaries are eligible to participate in the ESPP subject to certain minimum service requirements, but it is expected that only US employees will participate.

Offering

The ESPP will be implemented by offering periods within which the options granted under it must be exercised. The length of the offering periods will be determined by the Board, but will not exceed 27 months.

Participation

An eligible employee who wishes to participate in the ESPP must authorise savings contributions collected through payroll deductions pursuant to the ESPP. The payroll deductions may not exceed the individual limits specified below. At the end of the applicable offering period the savings contributions together with any accumulated interest as at that date are used to acquire Shares under the ESPP.

Options granted under the ESPP are not transferable (other than to a participant's personal representatives in the event of their death) and do not form part of pensionable earnings.

Overall Limit

The aggregate number of Shares available under the ESPP may not exceed 6,000,000, although it is unlikely that the Company would ever be able to grant options up to this level given the number of its US employees. In any event, the aggregate number of Shares issued or committed to be issued under the ESPP and all other employee share schemes established by the Company in any ten year period may not exceed 10 per cent of the issued ordinary share capital of the Company from time to time.

Individual Limit

Acquisitions under the ESPP are limited to \$15,000 annually for each employee. This limit may be adjusted from time to time provided the adjustment is broadly consistent with the Sharesave Scheme in the UK. Additionally, an employee cannot acquire Shares under the ESPP which would, when added to the fair market value of Shares acquired by the employee pursuant to all other employee share schemes established by the Company, have a fair market value exceeding \$25,000 in any calendar year.

Shares acquired by employees will be held on trust on their behalf and can be so held for as long as they remain employed by the Company or its subsidiaries.

Purchase Price

The purchase price for Shares acquired under the ESPP will be an amount that is not less than 85% of the fair value of the Shares at the time of acquisition.

Cessation of Employment

If a participant's employment with the Company or any subsidiary ceases for any reason, including death, they will cease to participate in the ESPP immediately, and the contributions credited to the participant's account will be returned to the participant (or, in the case of death, to the person or persons entitled to those contributions) without interest.

Amendment and Termination

The Board may amend the ESPP in any respect, except that (a) if shareholder approval of the amendment is required by Section 423 of the Code or an amendment is made to the advantage of eligible persons under the plan, the individual or plan limits, the maximum individual entitlement and the basis for determining adjustments on a variation of capital, the amendment will not be effected without prior shareholder approval; and (b) no amendment may be made which would cause the ESPP to cease to comply with Section 423 of the Code. Shareholder approval is not required for minor amendments to benefit the administration of the plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or any subsidiary.

The ESPP will terminate on the tenth anniversary of its date of adoption unless previously terminated by the Board.

Notes

This summary of the main features of the rules of the ESPP does not form part of the rules and will not affect their interpretation.

