

**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 2016 Notice of Meeting and Explanatory Notes**

This document contains Notice of the Annual General Meeting of TT Electronics plc (the "Company") to be held at The City Centre, 80 Basinghall Street, EC2V 5AR on Wednesday 11 May 2016 at 11.30 am, 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 11.30 am on Monday 9 May 2016. For further details please see the Notes set out on pages 4 and 5 of this document. Completion and return of a Form of Proxy will not preclude you from attending and voting at the Annual General Meeting in person.

Notice is hereby given that the Annual General Meeting of TT Electronics plc will be held at The City Centre, 80 Basinghall Street, London EC2V 5AR on 11 May 2016 at 11.30 am 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 2015.
- 2 To approve the Directors' remuneration report (excluding the Directors' remuneration policy set out on pages 58 to 62 of the report) for the year ended 31 December 2015.
- 3 To declare a final dividend of 3.8p per ordinary share.
- 4 To elect Neil Carson as a Director.
- 5 To re-elect Richard Tyson as a Director.
- 6 To re-elect Mark Hoad as a Director.
- 7 To re-elect John Shakeshaft as a Director.
- 8 To re-elect Michael Baunton as a Director.
- 9 To re-elect Stephen King as a Director.
- 10 To re-appoint KPMG LLP as Auditors of the Company.
- 11 To authorise the Audit Committee to determine the Auditors' remuneration.
- 12 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 £27,020,016 comprising:
  - (a) an aggregate nominal amount of £13,510,008 (whether in connection with the same offer or issue as under (b) below or otherwise); and
  - (b) an aggregate nominal amount of £13,510,008, in the form of equity securities (as defined in section 560 of the Companies Act 2006) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the Directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever.

This authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of 1 July 2017 and the conclusion of the Annual General Meeting of the Company to be held in 2017, 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.

### Special Resolutions

- 13 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 12 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) 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 £4,053,002.40.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the Directors by resolution 12 above expires, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the Directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

- 14 That the Company be and is generally and unconditionally authorised to make market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 25 pence each on such terms and in such matter as the Directors may determine provided that in doing so it:
- (a) purchases no more than 16,212,009 ordinary shares of 25 pence each in aggregate;
  - (b) pays not less than 25 pence (excluding expenses) per ordinary share of 25 pence each; and
  - (c) pays a price per ordinary share that is not more (excluding expenses) per ordinary share than the higher of: (i) 5% above the average of the middle market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately before the day on which it purchases that share; and (ii) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC 2273/2003).

This authority shall expire on 1 July 2017 or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2017, 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.

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

By order of the Board

**Lynton Boardman**  
Group Company Secretary

#### Registered Office

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

7 April 2016

- 1 A shareholder who is an individual is entitled to attend, speak and vote at the meeting or to appoint one or more other persons as his proxy to exercise all or any of his rights on his behalf. Further details of how to appoint a proxy, and the rights of proxies, are given in the paragraphs below. A shareholder that is a company can appoint one or more corporate representatives (such as a director or employee of the company) whose attendance at the meeting is treated as if the company were attending in person, or it can appoint one or more persons as its proxy to exercise all or any of its rights on its behalf. In each case, a person attending the meeting will need to provide the Company or its registrars, Equiniti Limited, with evidence of their identity and, if applicable, their appointment as a proxy or corporate representative with authority to vote on behalf of a shareholder.
- 2 A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. To appoint a proxy or proxies shareholders must: (a) submit a proxy electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk); or (b) complete a Form of Proxy, sign it and return it, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such authority, to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or (c) complete a CREST Proxy Instruction (as set out in paragraph 11 below), in each case so that it is received no later than 11.30 am on 9 May 2016. To appoint more than one proxy, you will need to complete a separate Form of Proxy in relation to each appointment. A Form of Proxy for use in connection with the Annual General Meeting is enclosed with this document. Full details of the procedure to submit a proxy electronically are given on the website [www.sharevote.co.uk](http://www.sharevote.co.uk). To use this service, you will need your Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy. If you do not have a Form of Proxy and believe that you should, please contact the Company's registrars, Equiniti Limited on 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 8.30 am to 5.30 pm, Monday to Friday (except English public holidays).
- 3 You will need to state clearly on each Form of Proxy the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares to which each proxy appointment relates or specifying a number of shares in excess of those held by the shareholder will result in the proxy appointment being invalid.
- 4 The return of a completed Form of Proxy or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he wishes to do so. 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 6.00 pm on 9 May 2016 or, if the meeting is adjourned, in the register of members at 6.00 pm on the day which is two days before the day of any adjourned meeting, will be entitled to attend and to vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 6.00 pm on 9 May 2016, or, if the meeting is adjourned, in the register of members after 6.00 pm on the day which is two days before the day of any adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
- 9 As at 14 March 2016, the Company's issued share capital comprised 162,120,096 ordinary shares of 25 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 14 March 2016 is 162,120,096.

- 10 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 11 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company’s agent (IDRA19), by the latest time for receipt of proxy appointments set out in paragraph 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 12 CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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 answer any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- 15 You may not use any electronic address provided in this Notice, or any related documents including the Form of Proxy, to communicate with the Company for any purposes other than those expressly stated.
- 16 A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at the Investor Relations section of the Company’s website, [www.ttelectronics.com](http://www.ttelectronics.com).

#### *Inspection of documents*

*The following documents will be available for inspection at Clive House, 12–18 Queens Road, Weybridge, Surrey KT13 9XB during normal business hours from the date of this Notice until the day of the AGM (excluding Saturdays, Sundays and public holidays) and at The City Centre, 80 Basinghall Street, London EC2V 5AR from 15 minutes before the AGM until it ends:*

- copies of the executive Directors’ service contracts; and*
- copies of letters of appointment of the non-executive Directors.*

## Explanatory notes

### **Resolutions 1 and 3 to 11 inclusive deal with the usual AGM business and are self-explanatory**

Biographical details for all Directors can be found on pages 44 and 45 of the Annual Report which accompanies this document. Following formal performance evaluation, the performance of each Director continues to be effective and to demonstrate commitment to the role.

### **Resolution 2 – Approval of the Directors’ remuneration report**

The Directors’ remuneration report in the Annual report comprises:

- a statement by John Shakeshaft, the Chairman of the Remuneration Committee, starting at page 56 of the Annual report;
- a report on Directors’ remuneration, starting at page 63 of the Annual report (together the “Directors’ remuneration report”); and
- the Directors’ remuneration policy, starting at page 58 of the Annual report (the “Directors’ remuneration policy”).

The Directors’ remuneration report details payments made to Directors during the year ended 31 December 2015 and other information. As in 2015, resolution 2 is an advisory vote and does not affect the remuneration paid to any Director.

The Directors’ remuneration policy was approved by shareholders at the Annual General Meeting held on 9 May 2014 and is subject to a binding shareholder vote every three years (or sooner if changes are to be made to the policy). The Remuneration Committee believes the Directors’ remuneration policy continues to incentivise the delivery of strong and sustainable financial performance and the creation of shareholder value and so no changes are proposed to the Directors’ remuneration policy. Accordingly it is not being put to a shareholder vote in 2016.

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.

In accordance with the UK Corporate Governance Code, each of the Directors will offer himself for election or re-election at the AGM. Biographical details of all Directors can be found on pages 44 and 45 of the Annual report which accompanies this document.

Neil Carson joined the Board as Chairman on 12 May 2015 and is seeking election by shareholders for the first time. The Board believes that his expertise and experience, as described in his biography, is of great benefit to the Board and the Company.

The Chairman has confirmed that, following the formal performance evaluation described on page 49 of the Annual report, each of the Directors’ performance continues to be effective and to demonstrate commitment to the role.

### **Resolution 12 – Authority to the Directors to allot shares**

The Companies Act 2006 provides that the Directors may only allot shares if authorised by shareholders to do so. Resolution 12 will, if passed, authorise the Directors to allot new shares up to a maximum nominal amount of £27,020,016, which represents an amount which is approximately equal to two-thirds (66.66%) of the issued share capital of the Company as at 14 March 2016, the latest practicable date prior to the publication of this document.

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

The authority will expire at the earlier of 1 July 2017 and the conclusion of the next Annual General Meeting of the Company.

Passing resolution 12 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 14 March 2016, the latest practicable date prior to the publication of this document, the Company had 162,120,096 ordinary shares of 25 pence each in issue and no shares were held in treasury.

### Resolution 13 (Special resolution) – Partial disapplication of statutory pre-emption rights

The Companies Act 2006 requires that, if the Company issues new shares for cash or sells any treasury shares 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 £4,053,002.40 (representing approximately 10% of the Company's issued share capital as at 14 March 2016, 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. This figure of 10% (increased from 5% last year) is in line with the Pre-Emption Group's 2015 Statement of Principles for the disapplication of pre-emption rights (the "Statement of Principles"). The Board confirms that (in accordance with the Statement of Principles):

- to the extent the authority in resolution 13(b) is used for an issue of ordinary shares with a nominal value in excess of £2,026,501.20 (ie. more than 5% of the Company's issued share capital), it will only be used in connection with an Acquisition or Specified Capital Investment (as defined in the Statement of Principles) which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue; and
- it does 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, save as permitted in connection with an Acquisition or Specified Capital Investment (as defined in the Statement of Principles), without prior consultation with shareholders.

If resolution 13 is passed, this authority will expire at the same time as the authority to allot new shares given pursuant to resolution 12.

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

### Resolution 14 (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 2017\* to buy its own shares in the market. The resolution limits the number of shares that may be purchased to 10% of the Company's issued share capital as at 14 March 2016, the latest practicable date prior to the publication of this document. The price per ordinary share that the Company may pay is set at a minimum amount (excluding expenses) of 25 pence per ordinary share and a maximum amount (excluding expenses) of the higher of: (i) 5% above the average of the previous five days' middle market prices; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. This authority will only be exercised if market conditions make it advantageous to do so.

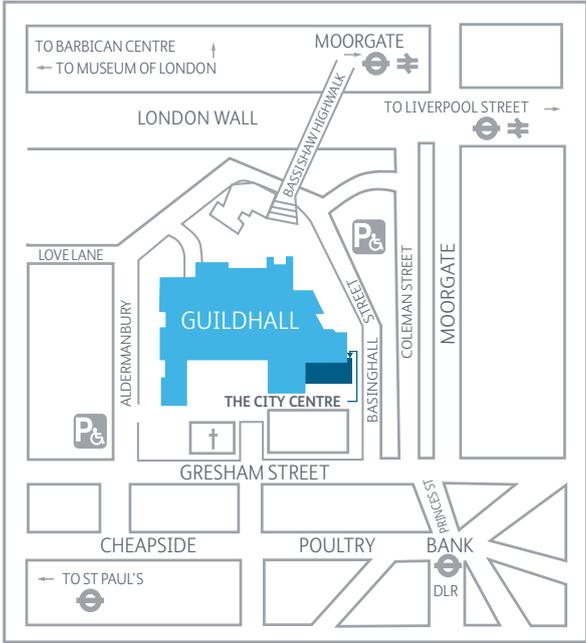
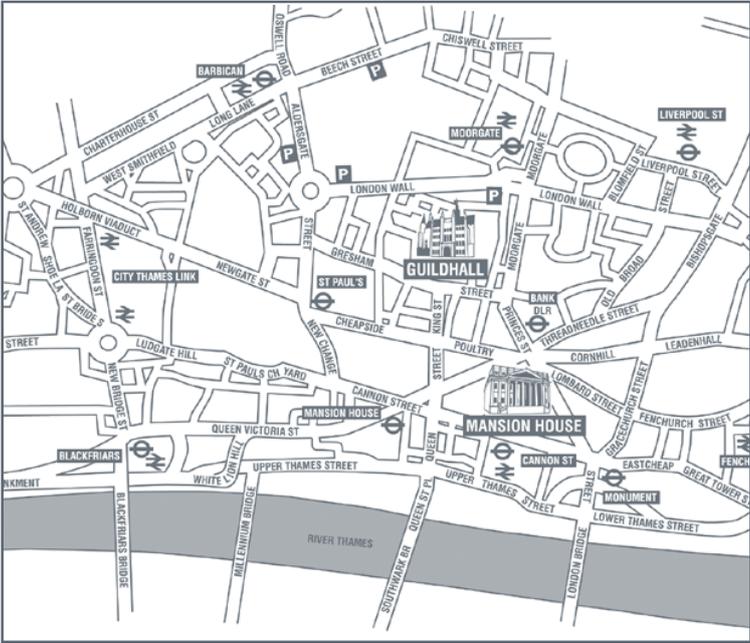
The Directors' present intention is that shares purchased pursuant to this authority will be cancelled immediately on purchase. Alternatively, the shares may be held in treasury, sold for cash or (provided Listing Rule requirements are met) transferred to an employee share scheme. The effect of any cancellation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

As at 14 March 2016, the latest practicable date prior to the publication of this document, options and LTIP awards to subscribe for ordinary shares were outstanding over 7,030,401 ordinary shares of 25 pence each in the Company, representing approximately 4.4% of the issued share capital of the Company at that date. If the proposed market purchase authority were used in full and the repurchased shares cancelled, shares over which options and LTIP awards were outstanding would, as at that date, represent approximately 4.9% of the Company's issued share capital.

\*Article 5(1) of the Buy-Back and Stabilisation Regulation 2003 will be superseded, and it is expected that the Listing Rules will be amended, when Article 5 of the Market Abuse Regulation (EU) No.596/2014 comes into force on 3 July 2016. Any share buy-backs on or after 3 July 2016 would comply with the terms of resolution 14 and with the Listing Rules in force at the relevant time.

### Resolution 15 (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 15 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.



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