THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA, if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or otherwise transfer, or have sold or otherwise transferred, all of your Ordinary Shares, please forward this document, but not the accompanying personalised Form of Proxy, as soon as possible to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or the transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected. If you receive this document from another Shareholder, as a purchaser or transferee, please contact the Registrar for a personalised Form of Proxy.

TT Electronics

TT Electronics plc

(*Incorporated in England and Wales with registered number 00087249*)

Proposed Disposal of the Transportation Sensing and Control Division
Circular to Shareholders
and
Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 (Letter from the Chairman of TT Electronics) of this document and which contains a recommendation from the TT Electronics Directors that you vote in favour of the Disposal Resolution to be proposed at the General Meeting. The Disposal will not take place unless the Disposal Resolution is passed at the General Meeting.

Notice of the General Meeting, to be held at the offices of Allen & Overy LLP at One Bishops Square, London E1 6AD at 10.30 a.m. on 10 August 2017, is set out in Part 8 (Notice of General Meeting) of this document. Whether or not you intend to be present at the General Meeting, you are asked to complete and return the Form of Proxy in accordance with the instructions printed on it to the Company's Registrar, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible and, in any event, so as to be received by no later than 10.30 a.m. on 8 August 2017 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Shareholders wishing to appoint a proxy online should visit www.sharevote.co.uk and follow the instructions. To use this service, you will need your Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy.

If you hold your Ordinary Shares in CREST, and you wish to appoint a proxy or proxies through the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear'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 Equiniti Limited, ID RA19 not later than 10.30 a.m. on 8 August 2017.

The completion and return of a Form of Proxy or any CREST Proxy Instruction will not prevent you from attending the General Meeting and voting in person should you so wish and be so entitled.

Gleacher Shacklock LLP (**Gleacher Shacklock**), which is authorised and regulated in the United Kingdom by the FCA, is acting solely for TT Electronics plc as financial adviser and for no one else in connection with the Disposal and will not be responsible to anyone other than TT Electronics plc for providing the protections afforded to its clients or for providing advice to any other person in relation to the Disposal, the content of this document or any other matters described in this document.

Numis Securities Limited (**Numis**), which is authorised and regulated in the United Kingdom by the FCA, is acting solely for the Company as sponsor and for no one else in relation to the Disposal, the content of this document and other matters described in this document, and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of Numis or for providing advice to any other person in relation to the Disposal, the content of this document or any other matters described in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed upon Gleacher Shacklock or Numis by FSMA or the regulatory regime established thereunder, Gleacher Shacklock and Numis do not accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Disposal, and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Each of Gleacher Shacklock and Numis accordingly disclaim, to the fullest extent permitted by law, all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to herein) which it might otherwise have in respect of this document or any such statement.

This document is a circular relating to the Disposal which has been prepared in accordance with the Listing Rules and approved by the FCA. For a discussion of the risks relating to the Disposal, please see the discussion of risks and uncertainties set out in Part 2 (Risk Factors) of this document.

Capitalised terms have the meaning ascribed to them in Part 7 (Definitions) of this document.

A summary of action to be taken by Shareholders is set out on page 11 of this document and in the Notice of General Meeting set out in Part 8 (Notice of General Meeting) of this document.

This document is dated 24 July 2017.

IMPORTANT NOTICES

Information regarding forward looking statements

This document contains statements which are, or may be deemed to be, "forward-looking statements" which are prospective in nature. All statements other than statements of historical fact are forward-looking statements. They are based on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "goals", "intends", "anticipates", "believes", "targets", "aims" or "projects". Words or terms of similar substance or the negative thereof, are forward-looking statements, as well as variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

Forward-looking statements include statements relating to: (a) future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (b) business and management strategies and the expansion and growth of the Company's operations; and (c) the effects of global economic conditions on the Company's business.

Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results, performance or achievements of the Company to differ materially from the expectations of the Company include, among other things, general business and economic conditions globally, industry trends, competition, changes in government and changes in regulation and policy, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, interest rates and currency fluctuations, changes in its business strategy, political and economic uncertainty and other factors discussed in Part 2 (Risk Factors) of this document. Such forward-looking statements should therefore be construed in light of such factors.

Neither the Company nor any of its Directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date of this document.

Other than in accordance with its legal or regulatory obligations (including under the Listing Rules and the Disclosure Guidance and Transparency Rules), the Company is not under any obligation and the Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecast

No statement in this document is intended as a profit forecast or a profit estimate and no statement in this document should be interpreted to mean that earnings per Ordinary Share for the current or future financial years will necessarily match or exceed the historical published earnings per Ordinary Share.

Unless otherwise stated, figures provided in this document in respect of exchange rates have been provided to one decimal place.

Shareholder helpline

If you have **any questions about this document**, the General Meeting or the completion and return of the Form of Proxy, **please call** the Equiniti shareholder helpline between 8.30 a.m. and 5.30 p.m. (London (UK) time) Monday to Friday (except UK public holidays) on 0371 384 2396 (calls to this number from the UK are charged at the standard national rate plus network extras) or on +44 (0) 121 415 7047 from outside the UK.

Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Disposal.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and/or Date
Announcement of Disposal	19 July 2017
Publication of this document, the Notice of General Meeting and the Form of Proxy	24 July 2017
Posting of this document, the Notice of General Meeting and the Form of Proxy	25 July 2017
Latest time and date for receipt of Form of Proxy and CREST Proxy Instructions in respect of the General Meeting	10.30 a.m. on 8 August 2017
General Meeting	10.30 a.m. on 10 August 2017
Expected date of completion of the Disposal (subject to approval)	during Q4 2017
Long Stop date	30 June 2018

Notes:

(1) All references in this document to time are to London (UK) time unless otherwise stated.

(2) The timetable may be subject to change. If any of the above times and/or dates should change, the new times and/or dates will be announced to Shareholders through a Regulatory Information Service.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Neil Carson OBE (Chairman) Richard Tyson (Chief Executive Officer) Mark Hoad (Chief Financial Officer) Stephen King (Senior Independent Non-Executive Director) Michael Baunton CBE (Independent Non-Executive Director) Jack Boyer OBE (Independent Non-Executive Director) Alison Wood (Independent Non-Executive Director)
Group Company Secretary	Lynton Boardman
Registered and Head Office	Fourth Floor, St Andrews House West Street Woking, Surrey GU21 6EB Tel: +44 (0) 1932 825300
Financial Adviser	Gleacher Shacklock LLP Cleveland House 33 King Street London SW1Y 6RJ
Sponsor and Corporate Broker	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Legal Adviser	Allen & Overy LLP One Bishops Square London E1 6AD
Auditors and Reporting Accountants	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL
Registrar	Equiniti Limited Aspect House Spencer Road Lancing, West Sussex BN99 6DA

PART 1

LETTER FROM THE CHAIRMAN OF TT ELECTRONICS

TT Electronics plc

Directors:
Neil Carson OBE (Chairman)
Richard Tyson (Chief Executive Officer)
Mark Hoad (Chief Financial Officer)
Stephen King (Senior Independent Non-Executive Director)
Michael Baunton CBE (Independent Non-Executive Director)
Jack Boyer OBE (Independent Non-Executive Director)
Alison Wood (Independent Non-Executive Director)

Registered and head office:
Fourth Floor, St Andrews House
West Street
Woking, Surrey
GU21 6EB

24 July 2017

Dear Shareholder,

Proposed Disposal of its Transportation, Sensing and Control Division
and
Notice of General Meeting

1. Introduction

On 19 July 2017, TT Electronics plc (the **Company**) announced that it had entered into a conditional agreement with AVX Limited (the **Purchaser**) and its parent company AVX Corporation with respect to the sale of its Transportation Sensing and Control division (the **TS&C Division**) for a consideration of £118,800,000 on a cash free, debt free basis, payable in cash on Completion, subject to customary adjustments in respect of the actual working capital and actual net debt of the TS&C Division at Completion. This represents a valuation of approximately 11.1x the TS&C Division's underlying EBIT as at 31 December 2016.

In accordance with the Listing Rules, due to the size of the Disposal in relation to the size of the Company, the Disposal constitutes a Class 1 transaction (as defined in the Listing Rules) and requires the approval of the Company's Shareholders under the Listing Rules. A notice convening the General Meeting, at which the Disposal Resolution will be proposed, is set out in Part 8 (Notice of General Meeting) of this document.

The General Meeting is to be held at the offices of Allen & Overy LLP at One Bishops Square, London E1 6AD at 10.30 a.m. on 10 August 2017 for the purpose of seeking your approval.

This document sets out the proposed terms of the Disposal. This document describes the background to and reasons for the Disposal, and explains why the Board unanimously considers the Disposal to be in the best interests of TT Electronics and its Shareholders as a whole and recommends that Shareholders vote in favour of the Disposal Resolution.

2. Background to and reasons for the Disposal

TT Electronics' strategy is to build leading positions in markets with structural growth drivers where there is increasing electronic content. TT Electronics is focused on areas of the market where its industry expertise and focused research and development (**R&D**) investment create strong and differentiated capabilities which are valued by TT Electronics' customers to solve their most complex challenges. The Directors believe that this, in turn, will create profit growth and will position TT Electronics to create long term value for Shareholders. TT Electronics' business has been repositioned and has delivered operational efficiency improvements, driving strong organic profit growth and good cash generation. This performance has been supplemented by the positive contribution from Aero Stanrew, a business that TT Electronics acquired in December 2015 and has since successfully integrated.

Under strong leadership, the TS&C Division has made significant progress, delivering strong sales growth and positive operating margins in 2016. The TS&C Division has:

- turned-around and returned to profit;
- re-focused R&D efforts on sensing and control for safety, fuel efficiency and emission control;
- achieved sales success in faster growing geographies; and
- broadened its customer base.

The Directors believe that the market offers strong growth potential for the products provided by the TS&C Division and the improved prospects for the TS&C Division should continue in the medium term. Nevertheless, the Directors believe that the TS&C Division would have significantly improved prospects to enhance its potential by working with a partner like AVX Limited that can expand access in particular to the US and Far East markets.

The Directors further believe that the opportunities for the TS&C Division, its management and employees, will benefit from belonging to a larger participant with significant financial resources.

Prospects of the Continuing Group following the Disposal

The Directors believe that TT Electronics has positioned itself as a global provider of highly engineered electronics focused on areas of the market that have attractive structural growth drivers, as follows:

- **industrial**: electronics future-proofing next generation technology including 'smarter home', 'factory 4.0' and higher specification consumer products;
- **aerospace and defence**: more electrical components and power systems on aircraft, leading to a demand for electrical components with reduced size, weight and power consumption;
- **transportation**: increasing electronic content in the rail, truck and selected areas of the automotive market, as a result of the market trend towards electric and hybrid electric vehicles; and
- **medical**: increased demand for more sophisticated diagnostic, imaging and monitoring equipment, creating a constant drive towards improved patient safety.

TT Electronics develops differentiated offerings using its engineering expertise and targeted R&D efforts in these higher growth areas of the market. The Directors believe that TT Electronics' strategy will make the Continuing Group increasingly balanced across its end-markets and geographies, with good opportunities for organic investment in product development and inorganic growth. The strategy is expected to move TT Electronics to be a higher margin, higher quality business in the medium term and drive increasing growth and value for Shareholders.

The Disposal provides TT Electronics with:

- realised value now for the TS&C Division at an attractive price reflecting its quality and prospects;
- significant cash resources for the Continuing Group to promote growth and further value enhancement for Shareholders; and
- greater management focus on the Continuing Group and the ability to accelerate its strategy.

3. Principal terms and conditions of the Disposal

The Sale Agreement between TT Electronics, the Purchaser and AVX Corporation was entered into on 19 July 2017, pursuant to which TT Electronics has agreed to procure that certain subsidiaries within the Continuing Group will sell to the Purchaser the entire issued share capitals of the TS&C Division Companies. In addition, the benefit of the receivables in respect of certain shareholder loans owing from the TS&C Division to the Continuing Group (the **Shareholder Loans**) will be assigned by the relevant member of the Continuing Group to the Purchaser.

The consideration for the Disposal is £118,800,000 on a cash free, debt free basis and is payable in cash on Completion of the Disposal, subject to customary adjustments in respect of the actual working capital and actual net debt of the TS&C Division at Completion.[1] Further details on the consideration and the adjustments can be found in Part 3 (Principal Terms and Conditions of the Disposal) of this document.

1 For the avoidance of doubt, as the Shareholder Loans are being assigned, the Shareholder Loan Amount shall not form part of any adjustment to the consideration.

Completion of the Disposal is expected to take place in Q4 2017. Completion is conditional upon, among other things, anti-trust clearances having been obtained (or the Disposal otherwise being deemed cleared) under German, Austrian, Hungarian and Slovakian anti-trust law (to the extent required and provided that the Company and the Purchaser can instead elect to seek clearance from the European Commission in which case individual country approvals would not be required), the approval of the Shareholders at the General Meeting of the Company, and the amount outstanding under the Shareholder Loans being no greater than EUR65 million (the current amount outstanding under the Shareholder Loans being £120.4 million). The Company is currently evaluating the most appropriate means by which to reduce the outstanding loan balance, which may be through release of debt, debt capitalisation or assumption of the debt by a member of the Continuing Group, amongst other options. The tax costs associated with reducing the amount outstanding under the Shareholder Loans to satisfy the above mentioned condition are expected to be up to EUR10.9 million and this cost will be borne by the Company.

A termination fee in the amount of £3.0 million (inclusive of any VAT payable thereon) will become payable by TT Electronics to the Purchaser if the Disposal is not approved by the Shareholders at the General Meeting of the Company. In no circumstance shall the termination fee payable by TT Electronics (inclusive of any VAT payable thereon) exceed one per cent. of the market capitalisation of TT Electronics.

Upon Completion of the Sale Agreement, TT Electronics and the Purchaser will enter into the Transitional Services Agreements, one providing for TT Electronics to provide certain transitional services to the Purchaser and the other providing for the Purchaser to provide certain transitional services to the Continuing Group. The services will relate to matters such as the lease of office and manufacturing facilities, managed premises services, the provision of limited R&D services, back office functions such as human resources and finance, and information technology.

Further details of the Sale Agreement and the Transitional Services Agreements are set out in Part 3 (Principal Terms and Conditions of the Disposal) of this document.

4. Information on the TS&C Division

The TS&C Division develops both sensors and control solutions for automotive original equipment manufacturers (**OEMs**) and tier one suppliers, including powertrain providers for passenger cars and trucks. The TS&C Division also operates within the two-wheeler market and develops a wide range of products for multiple applications on a vehicle, from power controls, gear position and pedal sensors to fluid and emission sensors, with almost all of them focused on the safety and driver assistance features required by customers.

The TS&C Division operates in nine locations worldwide: Austria, China, Germany, India, Mexico, Romania, South Korea, the UK and the USA, comprising R&D and manufacturing sites and sales offices. For the year ended 31 December 2016, the TS&C Division employed an average of 1,679 people, 180 of whom were in product development, reflecting the division's strong R&D focus.

In the financial year ended 31 December 2016, the TS&C Division generated £237.4 million of revenue compared to £205.9 million for the year ended 31 December 2015, and £3.2 million of underlying operating profit compared to a £1.4 million underlying operating loss for the year ended 31 December 2015. The 2016 underlying operating profit is reported after the allocation of £7.5 million of central costs (2015: £6.7 million). The 2015 and 2016 underlying operating profit numbers do not reflect restructuring or aquisition related costs.

Financial information set out in this paragraph 4 has been extracted without material adjustment from the financial information relating to the TS&C Division, set out in Part 4 (Financial Information Relating to the TS&C Division) of this document.

5. Information on the Purchaser

The Purchaser is a wholly-owned subsidiary of AVX Corporation, a publicly traded and leading worldwide manufacturer, supplier and reseller of a broad line of passive electronic components, interconnect devices and related products. AVX Corporation's passive electronic component products include ceramic and tantalum capacitors, film capacitors, varistors, filters and other components manufactured in its facilities throughout the world and passive components manufactured by Kyocera Corporation, a public company and AVX Corporation's majority stockholder, which owns approximately 73% of AVX Corporation's outstanding common stock, and other manufacturing suppliers. AVX Corporation also manufactures and sells electronic connectors and inter-connect systems and distributes and sells certain electronic connectors manufactured by Kyocera Corporation.

AVX Corporation was incorporated in Delaware, is headquartered in South Carolina and trades under the symbol "AVX" on the New York Stock Exchange.

6. Use of proceeds, financial effects of the Disposal and strategy of the Continuing Group

The net cash proceeds arising from the Disposal are expected to be £100.5[1] million after tax costs and fees and expenses. As stated in paragraph 2 above, TT Electronics' strategy is to:

- position TT Electronics in structural growth markets where there is increasing electronic content;
- target areas of the market where TT Electronics has:
  - a competitive advantage or where TT Electronics can differentiate itself through its industry expertise; and
  - focused R&D investment to develop engineered electronic solutions for customers' most complex challenges;
- ensure our business is sustainable in the long term; and
- deliver growth and value for Shareholders.

The Board believes that the Disposal of the TS&C Division is a significant step in advancing this strategy and provides a clear focus for the Continuing Group's future deployment of engineering expertise and on-going investment. As a result of the Disposal, the Continuing Group will be a higher margin business and the Board believes that it will comprise higher value offerings that are often fundamental to the end-users' application.

The Disposal releases capital that the Board believes can be re-invested to deliver growth and create further value for Shareholders. The TT Electronics Group has invested in both the capital base and R&D aspects of the Industrial Sensing & Control, Advanced Components and Integrated Manufacturing Services divisions over the last few years. In the last two financial years, the capital investment and R&D spend in these divisions has totalled £18.2 million (2015) and £20.2 million (2016). The Board expects to maintain this level of investment in these divisions going forward.

Furthermore, in December 2015 the TT Electronics Group invested £42.2 million to acquire Aero Stanrew, a leading business in the design, development and production of electromagnetic components and electronic sub-systems for aerospace and defence. The integration of Aero Stanrew was successfully completed ahead of plan. The Aero Stanrew business is on track to deliver returns above the TT Electronics Group's cost of capital in 2017, the second full year of ownership, and thereafter to exceed the Group's acquisition hurdle rate.

Notwithstanding the significant reduction in the Continuing Group's aggregate profits as a result of the disposal of the TS&C Division, the Continuing Group's financial capacity will be greatly improved taking into account the removal of the TS&C Division's material working capital requirements and the proceeds from the Disposal with which the Company's existing bank debt will be repaid, resulting in a net cash position. The disposal of the lower margin TS&C Division will also result in the Continuing Group being a higher margin business.

The Board intends to continue its proven strategy to invest in the business in order to drive growth. It is intended that this investment will include both capital investments within existing operations as well as making acquisitions that fit with the Continuing Group's strategy and meet the Board's financial criteria. The Board is currently examining a number of acquisition opportunities and remains committed to making value creative investments to support the acceleration of the Continuing Group's strategy.

The Board's objective is to maximise long term Shareholder returns through a disciplined deployment of the TT Electronics Group's capital and resources. To support this, the Board has adopted the following capital allocation framework:

- ***Investment for organic growth:*** TT Electronics will invest in R&D and capital projects to support TT Electronics' strategy of targeting structural growth markets where there is increasing electronic content and where TT Electronics has a competitive advantage.
- ***Regular dividends to Shareholders:*** the Board recognises the importance of the regular semi-annual dividend to TT Electronics' Shareholders, having maintained the dividend through 2014 and 2015 and increased the 2016 dividend. It is the Board's current intention, all other things being equal, to at least maintain this level of dividend for the financial year ended 31 December 2017 and to continue with its progressive dividend policy in the future.
- ***Acquisitions in line with strategy***: TT Electronics has a well-defined and disciplined approach to acquisitions. The Board continues to explore acquisition opportunities to accelerate growth in attractive markets where the TT Electronics Group can use its expertise to expand its market presence and/or

[1] Exchange rates as at the Latest Practicable Date have been used to calculate the net cash proceeds arising from the Disposal.

enhance its offerings to customers, as it has with the successful recent acquisition of Aero Stanrew. The Board is rigorous in its approach to acquisition investment appraisal, applying a 12 per cent. pre-tax return on invested capital hurdle rate on all acquisition projects.

- ***Leverage and treatment of excess capital:*** the Board is committed to maintaining an efficient balance sheet, appropriate to the Continuing Group's medium term investment requirements. Accordingly, the Board has adopted a medium term leverage target of up to 2.0x net debt/EBITDA (excluding pension deficits), although the Board is prepared to move above this range temporarily if circumstances warrant it. The Board will regularly review the Continuing Group's balance sheet and medium term investment opportunities in light of this policy, and return excess capital to Shareholders if and when the Board considers it appropriate.

Following Completion, the Continuing Group will use the net proceeds of the Disposal after fees and expenses of £4.5m (such net proceeds being £114.3 million) to repay all of the Continuing Group's existing bank debt (net debt being £55.4 million and gross indebtedness of the TT Electronics Group being £102.6 million as at 31 December 2016). Such net proceeds of £114.3m are before tax costs of approximately £13.8 million[1], however such tax costs will only become payable at a future time. The repayment of the Continuing Group's existing bank debt will leave the Continuing Group in a net cash position with resultant interest savings. Thereafter, the Continuing Group intends to deploy its capital and resources, including the proceeds of the Disposal, in line with the adopted capital allocation framework set out in this paragraph 6.

The Board intends to keep the Continuing Group's capital structure under regular review. As stated above, the Board is currently examining a number of organic investment and acquisition opportunities and remains committed to making value creative investments to support the acceleration of the Group's strategy.

In the year ended 31 December 2016, the TT Electronics Group reported revenues of £569.9 million and profit before tax of £23.2 million, and the TS&C Division reported revenues of £237.4 million and underlying operating profit of £3.2 million, after the allocation of £7.5 million of central costs, and this underlying operating profit does not reflect restructuring or acquisition related costs. These £7.5 million of central costs, which relate primarily to management and functional support, will be retained by the Continuing Group. While the Board expects to make £1 million of annualised efficiency savings in the short term, it is intended that the bulk of this skill and capacity will be retained by the Continuing Group to support the future growth and development of the business. Going forward, the Board expects that in the near term the Continuing Group will have an underlying effective tax rate of 20-22 per cent., reflecting the changed geographic spread of the operations and the mix of the business post the Disposal. The Continuing Group's revenue split by market restated as at 31 December 2016 is 13% transportation, 44% industrial, 23% aerospace and defence and 20% medical. The Continuing Group's revenue split by region as at 31 December 2016 is 28% UK, 18% Europe, 30% North America and 24% Asia and Rest of World.

The Board maintained the level of the dividend for the financial year ended 31 December 2015 despite falling profitability during 2015. For the financial year ended 31 December 2016 the Board paid a total dividend of 5.6 pence per share. This reflects the strong performance of the Group in 2016. It is the Board's current intention, all other things being equal, to at least maintain this level of dividend for the financial year ended 31 December 2017 and to continue with its progressive dividend policy in the future.

7. Current trading, trends and future prospects

Since the start of 2017, the pattern of trade across the Continuing Group has been good with the order book strongly ahead of the prior year. This gives the Continuing Group better visibility of the outturn for 2017 and reflects a continuation of momentum from 2016. In addition, the Continuing Group continues to benefit from momentum in operational efficiency improvements and continued investment in its operations, and as a result is well positioned to make further progress in 2017.

8. Risk factors

For a discussion of the risks and uncertainties which you should take into account when considering whether to vote in favour of the Disposal Resolution, please refer to Part 2 (Risk Factors) of this document.

9. General Meeting

You will find set out at the end of this document a Notice of General Meeting convening a General Meeting to be held at the offices of Allen & Overy LLP at One Bishops Square, London E1 6AD at 10.30 a.m. on 10 August 2017.

[1] Calculated with reference to applicable exchange rates as at the Latest Practicable Date

At the General Meeting, the Disposal Resolution will be proposed which, if passed, will approve the Disposal substantially on the terms and subject to the conditions summarised in Part 3 (Principal Terms and Conditions of the Disposal) of this document and will authorise the Directors to give effect to the Disposal.

The full text of the Disposal Resolution is included in the Notice of General Meeting, which is set out in Part 8 (Notice of General Meeting) of this document.

10. Action to be taken

You will find enclosed with this document a Form of Proxy for use in respect of the Disposal Resolution to be proposed at the General Meeting. **Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it, and return it as soon as possible, but in any event so as to be received by Equiniti, by hand or by post, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, not later than 10.30 a.m. on 8 August 2017**.

Shareholders wishing to appoint a proxy online should visit www.sharevote.co.uk and follow the instructions. To use this service, you will need your Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy.

If you hold your Ordinary Shares in CREST, and you wish to appoint a proxy or proxies through the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear'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 Equiniti, ID RA19, not later than 10.30 a.m. on 8 August 2017.

The return of a completed Form of Proxy or the giving of a CREST Proxy Instruction will not prevent you from attending the General Meeting and voting in person if you so wish and are so entitled.

The Disposal Resolution will be decided on a show of hands and the result of the vote will be announced to the London Stock Exchange and will appear on the Company's website, http://www.ttelectronics.com/investor-overview/regulatory-news-and-alerts.

11. Additional information

Your attention is drawn to the additional information set out in Part 6 (Additional Information) of this document. You are advised to read the whole of this document and not just rely on the key summarised information in this letter.

12. Recommendation to Shareholders

Gleacher Shacklock is acting as financial adviser to TT Electronics in relation to the Disposal. In providing its financial advice to the Board, Gleacher Shacklock has relied upon the Board's commercial assessment of the Disposal.

The Board considers that the Disposal and the passing of the Disposal Resolution are in the best interests of TT Electronics and its Shareholders taken as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Disposal Resolution to be proposed at the General Meeting.

The Directors intend to vote in favour of the Disposal Resolution at the General Meeting in respect of the Ordinary Shares to which they are beneficially entitled (representing approximately 0.37 per cent. of the total issued share capital of TT Electronics as at 21 July 2017 (being the last practicable date before publication of this document)).

Yours faithfully,

For and on behalf of TT Electronics plc

Neil Carson

Chairman

PART 2

RISK FACTORS

This section describes the risk factors which are considered by the TT Electronics Directors to be material in relation to the Disposal, the new material risks to the Continuing Group as a result of the Disposal and the existing material risks which may be affected by the Disposal, as well as the material risks to the TT Electronics Group if the Disposal were not to proceed. However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties not presently known to the Directors, or that the Board considers immaterial, or that the Board considers material to the Continuing Group but will not be affected by the Disposal, may also adversely affect the Continuing Group's business, results of operations or financial condition. If any or a combination of the following risks materialise, the Continuing Group's business, financial condition, operational performance, future performance and share price could be materially adversely affected. In such circumstances, the market price of the Company's Ordinary Shares could decline and you may lose all or part of your investment. The information given is as of the date of this document and, except as required by the FCA, the London Stock Exchange, the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules or any other applicable law or regulation, will not be updated.

You should consider carefully the risks and uncertainties described below, together with all other information contained in this document and the information incorporated by reference herein, before deciding whether to vote in favour of the Disposal Resolution. The risks described below are not set out in any order of priority.

1. Risks relating to the Disposal

Warranties and indemnities in the Sale Agreement

The Sale Agreement contains customary warranties and tax indemnities given by TT Electronics in favour of the Purchaser, details of which are set out in Part 3 (Principal Terms and Conditions of the Disposal) of this document. TT Electronics has undertaken disclosure against the vast majority of the warranties to minimise the risk of liability under these provisions. However, any liability to make a payment arising from a successful claim by the Purchaser under the warranties or the tax indemnities could have a material adverse effect on TT Electronics' financial condition.

Sale Agreement conditions

Completion under the Sale Agreement is conditional upon the satisfaction (or waiver, if applicable) of certain conditions, including the approval of the Shareholders of the Company, anti-trust clearances having been obtained (or the transaction otherwise being deemed cleared) under German, Austrian, Hungarian and Slovakian anti-trust law (to the extent required and provided that the Company and the Purchaser can instead elect to seek clearance from the European Commission in which case individual country approvals would not be required), and certain other conditions as set out in more detail in paragraph 1.2 of Part 3 (Principal Terms and Conditions of the Disposal) of this document. There can be no assurance that all conditions will be satisfied (or waived, if applicable) and, accordingly, that completion of the Sale Agreement will take place. If the Disposal does not complete, any of the risks and uncertainties set out in section 2 of this Part 2 (Risk Factors) may adversely affect TT Electronics' business and results of operations.

Delay between signing and completion

During the period to completion of the Sale Agreement, events or developments may occur, including changes in trading, operations or outlook of the Continuing Group or the TS&C Division, or external market factors, which could make the terms of the Sale Agreement less attractive for TT Electronics and this may have an adverse effect on the business, financial condition or results of operations of the Continuing Group. Any delay in completion could also result in additional transaction costs.

The separation of the TS&C Division from the Continuing Group may be complex and could cause the Continuing Group to incur unexpected costs

The process of separating the TS&C Division from the Continuing Group may be complex, involving the separation of a number of business systems and support services. At completion of the Disposal, the Company will enter into two transitional services agreements pursuant to which it will provide certain services to the TS&C Division, and the TS&C Division will provide certain services to the Continuing Group, for a period of up to two years following completion of the Disposal while the separation is taking place.

The Continuing Group could incur unexpected additional costs and/or adverse impacts on the functioning of its business as a result of the separation process and/or fulfilment of its obligations under the Transitional Services Agreements, which could adversely affect its financial condition and results of operations. The Company's management may be required to allocate time and resources to the separation and to ensuring that the Continuing Group's obligations under the Transitional Services Agreements are fulfilled. This may limit the management and financial resources available to the Continuing Group, potentially to the detriment of the Continuing Group's overall operational and financial performance.

Termination fee and other transaction costs

If the Disposal does not proceed then, under certain circumstances, TT Electronics may be required to pay a termination fee in the amount of £3.0 million (inclusive of any VAT payable thereon) to the Purchaser pursuant to the Sale Agreement as further set out in Part 3 (Principal Terms and Conditions of the Disposal) of this document. In no circumstance shall the termination fee payable by TT Electronics (inclusive of any VAT payable thereon) exceed one per cent. of the market capitalisation of TT Electronics.

TT Electronics has also incurred other transaction costs in relation to the negotiation of the Disposal and preparation for the separation of the TS&C Division from the Continuing Group and these will be incurred, irrespective of whether or not the Disposal proceeds.

2. Risks relating to the Disposal not proceeding

If the Disposal does not proceed, the following risks and uncertainties may affect TT Electronics' business and results of operations:

Inability to realise value if the Disposal does not complete

The Board believes that the Disposal is in the best interests of Shareholders taken as a whole and that the Disposal currently provides the best opportunity to realise an attractive and certain value for the TS&C Division. If the Disposal does not complete, the subsequent value of the TS&C Division to the TT Electronics Group may be lower than can be realised by way of the Disposal. This could result in the financial position of the TT Electronics Group being materially different to the position it would be in if the Disposal completed.

Potentially disruptive effect on the TT Electronics Group

If the Disposal does not proceed, the TS&C Division's management and employees may be affected, and key management and/or other employees may choose to leave the TS&C Division. Customer sentiment may also be negatively affected, which could have a negative impact on the performance of the TS&C Division under TT Electronics' ownership. To maintain Shareholder value, TT Electronics' management may be required to allocate additional time and cost to the on-going supervision and development of the TS&C Division.

There may be an adverse impact on the TT Electronics Group's reputation

If the Disposal does not proceed, there may be an adverse impact on the reputation of the TT Electronics Group due to amplified media scrutiny arising in connection with the attempted Disposal. Any such reputational risk could adversely affect the TT Electronics Group's business, financial condition and results of operations.

3. Risks relating to the Continuing Group

If the Disposal is completed, the following risks and uncertainties may be affected or result as a consequence:

Inability to realise Shareholder value from the proceeds of the Disposal

As stated in Part 1 (Letter from the Chairman of TT Electronics) of this document, the Board intends to use the proceeds of the Disposal in part to continue its strategy of investing in the TT Electronics business in order to drive growth. This investment will include both capital investment within existing operations as well as making acquisitions that fit with the Continuing Group's strategy and meet the Board's financial criteria. Notwithstanding that the Board is rigorous in its approach to investment appraisal and financial discipline, such acquisitions may not arise and, in any event, the success of any such investments will depend on a number of factors, including the ability to successfully integrate any acquired businesses and external market factors affecting the industry as a whole. It is therefore possible that any such investments made by TT Electronics will not result in the creation of value for Shareholders.

Contribution of the TS&C Division to the Continuing Group's operating profit

Although it has only recently returned to profit, the TS&C Division is now a contributor to the operating profit of the TT Electronics Group. In the year ended 31 December 2016, the TT Electronics Group reported profit before tax of £23.2 million and the TS&C Division reported underlying operating profits of £3.2 million, after the allocation of £7.5 million of central costs. These central costs, which relate primarily to management and functional support, will be retained by the Continuing Group. As a result of the Disposal, all other things being equal, the aggregate profits of the Continuing Group will be reduced until such time as the Continuing Group may grow profits from its continuing operations and/or may invest in or acquire additional profit generating assets. At this point in time there can be no certainty as to the timeframe to offset the reduction in aggregate profits, if any offset is achieved at all. Any material reduction in earnings could have an adverse effect on the financial condition of the Continuing Group and its results of operations.

The market price of TT Electronics shares may go down as well as up

Shareholders should be aware that the value of an investment in the Continuing Group may go down as well as up and can be highly volatile. The price at which the Ordinary Shares may be quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Continuing Group and its operations, and some which may affect the industry as a whole, other comparable companies or publicly traded companies as a whole. The sentiments of the stock market regarding the Disposal will be one such factor and this, together with other factors, including the actual or anticipated fluctuations in the financial performance of the Continuing Group and its competitors, market fluctuations, and legislative or regulatory changes in the manufacturing industry, could lead to the market price of Ordinary Shares going up or down.

PART 3

PRINCIPAL TERMS AND CONDITIONS OF THE DISPOSAL

1. Sale Agreement

1.1 Parties and structure

The Sale Agreement was entered into on 19 July 2017 between TT Electronics, AVX Limited (as Purchaser) and AVX Corporation (as guarantor for the Purchaser). The Purchaser is a wholly owned subsidiary of AVX Corporation. AVX Corporation has unconditionally and irrevocably guaranteed the Purchaser's obligation to pay the consideration at Completion under the Sale Agreement.

Pursuant to the Sale Agreement, TT Electronics has agreed to procure that certain subsidiaries within the Continuing Group will sell to the Purchaser the entire issued share capitals of the TS&C Division Companies. In addition, TT Electronics will procure that certain Shareholder Loans are assigned to the Purchaser. The sale and purchase of the share capitals of the TS&C Division Companies and the assignment of the Shareholder Loans is subject to the satisfaction or waiver of certain conditions described in paragraph 1.2 of this Part 3 (Principal Terms and Conditions of the Disposal).

1.2 Conditions to completion

Completion of the transactions contemplated by the Sale Agreement (**Completion**) is conditional upon the fulfilment (or waiver, if applicable) of the conditions set out in the Sale Agreement, being:

(a) the passing of the Disposal Resolution;

(b) where required under applicable law:

(i) either:

(A) the German Federal Cartel Office (the **FCO**, *Bundeskartellamt*) having cleared the proposed transaction by:

(I) notifying AVX Limited and/or TT Electronics within the one-month period under Sec. 40 para. 1 German Act Against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen*) (the **GWB**) that the conditions for a prohibition according to Sec. 36 para. 1 GWB are not met;

(II) clearing the transaction within the four-month period under Sec. 40 para. 2 clause 2 of the GWB or within the extended waiting period under Sec. 40 para. 2 clause 4 no. 1, or clause 7, of the GWB; or

(III) permitting the time limits contemplated under Sec. 40 para.1 or 2 of the GWB to expire without having served the relevant notices or decisions respectively;

(B) (I) the Austrian Federal Competition Authority (*Bundeswettbewerbsbehörde*) and Austrian Federal Cartel Prosecutor (*Bundeskartellanwalt*) formally waiving their right to apply for, or not applying for, detailed examination according to section 12 of the Austrian Cartel Act (*Kartellgesetz*, **KartG**) of the Disposal, within the statutory four week period for its detailed examination; or

(II) the Austrian Cartel Court (**Kartellgericht**) or Austrian Cartel Supreme Court (**Kartellobergericht**) issuing a final decision declaring that the Disposal is compatible with the applicable merger control provision of section 9 et seq of the KartG, such decision being either unconditional or subject to obligations or restrictions; or

(III) the Kartellgericht or the Kartellobergericht terminating the examination proceedings according to section 12 or section 14 of the KartG respectively in relation to the transaction with such decision having the statutory effect that the Disposal is deemed to be compatible with the applicable merger control provisions of section 9 et seq of the KartG;

(C) the Hungarian Competition Authority (*Gazdasági Versenyhivatal*):

(I) clearing or being deemed to have cleared the Disposal, whether: (i) unconditionally; or (ii) subject to conditions or obligations, under section 30(3) of Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices (the **Hungarian Competition Act**);

(II) issuing a certificate in respect of not initiating a procedure, under section 43/N(1)(b) of the Hungarian Competition Act; or

(III) rejecting the notification under section 43/N(1)(c) of the Hungarian Competition Act;

and such clearance, certificate or rejection has become final and binding and is in full force and effect; and

(D) the Antimonopoly Office of the Slovak Republic (the **PMU**) notifying the Purchaser in writing that the purchase of the TS&C Division Companies by the Purchaser or any matter arising from it is not subject to its approval, or receipt by the Purchaser of a final (*právoplatné*) unconditional decision of the PMU or of the Council of the Antimonopoly Office of the Slovak Republic approving the Purchaser's purchase of the TS&C Division Companies and any associated obligations under the Sale Agreement which may require the approval of the PMU, or, alternatively, a decision of either of these authorities approving the Purchaser's purchase of the TS&C Division Companies and any associated obligations under the Sale Agreement which may require the approval of the PMU, that is subject to conditions and/or obligations;

(ii) or, if the Company and the Purchaser agree in writing to submit a reasoned submission to the European Commission (the **Commission**) and the sale and purchase of the TS&C Division Companies is deemed to have a Community dimension pursuant to Article 4(5) of Council Regulation (EC) No. 139/2004 (the **Merger Regulation**), the Commission declaring that the purchase of the TS&C Division Companies is compatible with the internal market pursuant to Articles 6(1)(b) of the Merger Regulation (including in conjunction with the Articles 6(2)), 8(1) or 8(2) of the Merger Regulation) or the Commission being deemed to have so declared under Article 10(6) of the Merger Regulation;

(c) no Material Adverse Effect occurring between the date of the Sale Agreement and Completion;

(d) no applicable law rendering the sale and purchase of the share capitals of the TS&C Division Companies illegal or otherwise prohibiting the same, save: (i) to the extent such applicable law relates to merger control and was either in force and conferred jurisdiction over the Disposal immediately before the date of the Sale Agreement or is not material in the context of the Disposal; or (ii) where any such applicable law is issued specifically in respect of a party to the Sale Agreement (including as a result of such party's identity or actions) and is not of general applicability;

(e) TT Electronics having procured the completion of the divestment of TT Electronics GmbH to a subsidiary within the Continuing Group and the Domination and Profit and Loss Pooling Agreement having been duly terminated;

(f) in relation to the transfer of the shares in TT Electronics Sensing and Control SRL:

(i) 30 calendar days having passed from the date of publication in the Romanian Official Gazette (*Monitorul Oficial al României*) of the resolution of TT Electronics Sensing and Control SRL's sole shareholder approving the transfer of such shares; and

(ii) no opposition prohibiting the transfer of such shares having been registered or, if registered, such opposition being rejected by a competent court or settled in a manner allowing the transfer to validly proceed; and

(g) the Shareholder Loan Amount not exceeding EUR65 million,

together, the **Conditions**.

TT Electronics has agreed to use all reasonable endeavours to procure that the Conditions in (a), (e), (f) and (g) are satisfied as soon as is practicable and, in any event, on or before 30 June 2018. The Purchaser has agreed to use best endeavours, and take all steps necessary, to procure that the Condition in (b) is satisfied as soon as is practicable and, in any event, on or before 30 June 2018.

The divestment of TT Electronics GmbH is being made because this company holds TT Electronics' European resistors sales business which does not form part of the TS&C Division. Consequently, prior to Completion, TT Electronics will procure that the shares of TT Electronics GmbH are transferred to a member of the Continuing Group.

1.3 **Consideration**

The consideration for the sale of the share capitals of the TS&C Division Companies and the assignment of the benefit of the receivables in respect of the Shareholder Loans is £118.8 million on a cash free, debt free basis, and will be payable upon Completion adjusted at that time to take into account estimated net debt and estimated working capital as of immediately prior to Completion. The consideration will be subject to a post-completion adjustment based on final determinations of actual net debt and actual working capital as at the date of Completion, and any increase or decrease will be paid by the Purchaser or TT Electronics as applicable.

Following Completion, the Purchaser has agreed to procure that a payment is made to the Continuing Group in respect of all outstanding amounts owed by AB Elektronik Sensors (Suzhou) Co Ltd. to the Continuing Group. On Completion, TT Electronics has agreed to procure that a payment is made by or on behalf of the relevant members of the Continuing Group in respect of all amounts owed by the Continuing Group to the TS&C Division.

The tax costs associated with reducing the Shareholder Loan Amount to satisfy the condition referred to at paragraph 1.2(g) of this Part 3 (Principal Terms and Conditions of the Disposal) are expected to be up to EUR10.9 million and this cost will be borne by TT Electronics.

1.4 **Warranties**

TT Electronics has provided certain warranties to the Purchaser including, among others, warranties relating to TT Electronics' capacity and authority to enter into and perform its obligations under the Sale Agreement and other transaction documents, the ability of the relevant subsidiaries within the Continuing Group to sell the shares in the TS&C Division Companies, together with additional warranties in respect of the condition of the TS&C Division, litigation and tax warranties.

TT Electronics will repeat certain warranties at Completion, being: (i) the warranty relating to there being no member of the TS&C Division having engaged in any activity which would constitute an offence under the UK Bribery Act 2010 if such activity were carried out in the UK or under the UK Modern Slavery Act; and (ii) warranties that there have been no product liability claims, or threatened product liability claims, with respect to products sold by the TS&C Division that exceed £100,000 for each claim or series of claims and that the products and services manufactured, produced, distributed and sold by the TS&C Division have been, in the five years prior to the date of the Sale Agreement, and are, in compliance in all material respects with applicable laws, published standards and contractual specifications (the **Product Liability Warranties**).

The warranties (except for the Product Liability Warranties) are subject to the disclosures made by TT Electronics in a disclosure letter provided to the Purchaser. In respect of the Product Liability Warranties, the Purchaser may bring a claim in respect of a matter giving rise to a claim for breach of such warranties notwithstanding disclosure by TT Electronics.

The Purchaser and AVX Corporation have each provided certain warranties to TT Electronics relating to, among other things, their capacity, authority, solvency and availability of cash resources to meet their obligations under the Sale Agreement.

TT Electronics' liability under the warranties and in respect of other claims under the Sale Agreement is, with certain exceptions, subject to the following financial thresholds and limitations:

(a) a *de minimis* on all claims under the Sale Agreement of £100,000 (meaning that any claims below £100,000 will be disregarded for all purposes);

(b) a threshold on all warranty claims (other than claims in respect of a breach of Fundamental Warranties or claims in respect of a breach of Product Liability Warranties) of £2,500,000 (meaning that TT Electronics will not be liable in respect of any warranty claim (other than for breach of a Fundamental Warranty or breach of a Product Liability Warranty) unless the amount of damages resulting from all warranty claims exceeds £2,500,000 in aggregate). Once this threshold is reached, the Purchaser is entitled to claim all amounts resulting from the warranty claims and not just the excess over that sum;

(c) a threshold on all claims under the Tax Deed unless the amount resulting from any and all such claims exceed £50,000 in aggregate, in which case the Purchaser shall be entitled to recover the excess over that sum;

(d) a cap on all warranty claims (other than claims in respect of a breach of Fundamental Warranties) of £29,700,000; and

(e) a cap on all claims under the Sale Agreement, the Transitional Services Agreements, the Tax Deed and any other transaction documents of £118,800,000.

The ability of the Purchaser to bring a claim under the warranties given by TT Electronics expires 18 months after Completion, except that: (i) tax warranties survive until the expiration of the applicable statute of limitation; (ii) Fundamental Warranties survive for three years after the date of the Sale Agreement; and (iii) Product Liability Warranties survive for five years after Completion.

The Purchaser is obliged to take all reasonable steps required by law to mitigate any losses that it suffers as a result of any of the warranties given by TT Electronics being untrue.

1.5 Pre-completion covenants

During the period between signing of the Sale Agreement and Completion, TT Electronics has given certain customary covenants in relation to the conduct of the TS&C Division. Such obligations include conducting the TS&C Division in the ordinary course and refraining from taking certain actions in respect of the TS&C Division. These provisions do not apply to the extent the Purchaser has given its prior written consent to any action.

1.6 Restrictive Covenants

TT Electronics, on behalf of itself and the Continuing Group, has provided a customary non-solicitation undertaking in respect of six senior employees of the TS&C Division for a period of two years after Completion. TT Electronics, on behalf of itself and the Continuing Group, has also provided undertakings not to: (i) canvass or solicit orders for certain products from certain customers of the TS&C Division; (ii) induce or encourage certain customers or suppliers to withdraw or curtail any business or relations with the TS&C Division; and (iii) be concerned in a business that is competitive with a business carried on by the TS&C Division, again for a period of two years. All undertakings are subject to customary carve-outs.

The Purchaser has provided a non-solicitation undertaking in respect of four senior employees of TT Electronics for a period of two years after Completion.

1.7 Branding and Intellectual Property

The Purchaser has agreed, as soon as reasonably practicable after Completion, to change the name of any entity within the TS&C Division that incorporates any reference to “TT Electronics”. The Purchaser has also agreed to procure that, as soon as reasonably practicable after Completion, no member of the Purchaser’s group or the TS&C Division uses or displays the TT Electronics brand or any similar names, marks or logos.

TT Electronics has agreed, as soon as reasonably practicable after Completion, to change the name of any entity within the Continuing Group that incorporates any reference to “AB”, subject to certain exceptions.

The Purchaser has agreed to grant an exclusive, perpetual, irrevocable, royalty-free and sub-licensable licence to TT Electronics to use the “AB” brand in the manufacture, sale, promotion and distribution of electronics connectors, interconnection systems and resistors.

1.8 IT

The parties to the Sale Agreement have agreed to establish a joint transition project team to agree a plan for the separation and migration of the TS&C Division from its existing systems to those of the Purchaser.

1.9 Employees

TT Electronics has agreed to use reasonable endeavours to procure that: (i) prior to Completion, any employee who provides services to, but is not employed by, an entity within the TS&C Division shall have their employing entity changed to an entity within the TS&C Division; and (ii) those employees who provide services to, but are not employed by, an entity within the Continuing Group shall have their employing entity changed to an entity within the Continuing Group.

1.10 **Termination**

The Sale Agreement may be terminated in one of the following ways:

(a) by TT Electronics or the Purchaser (as applicable) if any of the Conditions are not satisfied or (where applicable) waived, or become incapable of satisfaction or (where applicable) waiver, on or before 30 June 2018;

(b) by the Purchaser at any time between the time of signing of the Sale Agreement and Completion if a Material Adverse Effect occurs;

(c) by TT Electronics or the Purchaser (as applicable) in the event that between the time of signing of the Sale Agreement and Completion, any law becomes effective prohibiting or making illegal the share and purchase of the share capitals of the TS&C Division Companies, subject to certain exceptions as set out in paragraph 1.2(d) above; or

(d) by TT Electronics if the Purchaser fails to comply with its completion obligations under the Sale Agreement.

1.11 **Termination fee**

A termination fee in the amount of £3.0 million (inclusive of any VAT payable thereon) will become payable by TT Electronics to the Purchaser if the Disposal is not approved by the Shareholders at the General Meeting of the Company, provided that, immediately prior to the General Meeting, all other Conditions to completion of the Disposal have been satisfied or remain capable of satisfaction. In no circumstance shall the termination fee payable by TT Electronics (inclusive of any VAT payable thereon) exceed one per cent. of the market capitalisation of TT Electronics.

1.12 **Governing law and jurisdiction**

The Sale Agreement is governed by the laws of England.

2. Tax covenant

Upon completion of the Sale Agreement, TT Electronics and the Purchaser will enter into a tax covenant (the **Tax Covenant**) under which, in broad terms, TT Electronics will agree, subject to certain exceptions, to pay amounts to the Purchaser corresponding to tax liabilities which: (i) arise to a TS&C Division Company in respect of events occurring, or profits earned, on or before Completion; and (ii) were not provided for as part of the post-Completion adjustment. The Tax Covenant also gives TT Electronics the option to assume conduct of tax matters that might give (or have given) rise to a claim under the Tax Covenant, and provides for TT Electronics to prepare, submit and agree certain pre-Completion tax returns of the TS&C Division. The ability of the Purchaser to bring a claim under the Tax Covenant ceases on expiration of the applicable statute of limitations.

3. Transitional Services Agreements

Upon completion of the Sale Agreement, TT Electronics and the Purchaser will enter into two separate transitional services agreements (the **Transitional Services Agreements)**. One Transitional Services Agreement will provide for TT Electronics to provide certain transitional services to the Purchaser and the other Transitional Services Agreement will provide for the Purchaser to provide transitional services to the Continuing Group. The services will relate to matters such as the lease of office and manufacturing facilities, managed premises services, the provision of limited R&D services, back office functions such as human resources and finance, and information technology.

The terms of the Transitional Services Agreements will be materially the same save for certain specific variations required in light of the services to be provided. All services will be provided at cost and in materially the same way, and to the same standard, as they are provided prior to Completion, save for certain requested modifications. The exact duration of each service will be determined on a service by service basis but the expectation is that the maximum duration will be two years.

The exact services to be provided have not been agreed as at the date of the Sale Agreement but will be finalised prior to completion of the Disposal.

PART 4

FINANCIAL INFORMATION RELATING TO THE TS&C DIVISION

1. Nature of financial information

The following historical financial information relating to the TS&C Division has been extracted without material adjustment from the consolidation schedules that underlie the audited consolidated financial information of TT Electronics for the years ended 31 December 2016, 31 December 2015 and 31 December 2014. The historical financial information represents the current composition of the TS&C Division.

The financial information in this Part 4 (Financial Information relating to the TS&C Division) does not constitute statutory accounts within the meaning of section 434 of the Companies Act. The consolidated statutory accounts for TT Electronics in respect of the financial years ended 31 December 2016, 31 December 2015 and 31 December 2014 have been delivered to the Registrar of Companies. The auditor's reports in respect of those statutory accounts were unqualified and did not contain statements under section 498(2) or (3) of the Companies Act.

The financial information in this Part 4 (Financial Information relating to the TS&C Division) has been prepared using the IFRS accounting policies used to prepare the consolidated financial statements of TT Electronics for the year ended 31 December 2016.

Shareholders should read the whole of this document and not rely solely on the summarised financial information in this Part 4 (Financial Information relating to the TS&C Division).

KPMG LLP were the auditors for TT Electronics, including the TS&C Division, in respect of the three years ended 31 December 2016.

2. Income statements of the TS&C Division for the three financial years ended 31 December 2014, 31 December 2015, and 31 December 2016

	Financial year ended 31 December 2014 £m	**Financial year ended 31 December 2015 £m**	**Financial year ended 31 December 2016 £m**
Revenue	**230.9**	**205.9**	**237.4**
Cost of sales	(231.5)	(184.5)	(213.0)
Gross profit	**(0.6)**	**21.4**	**24.4**
Distribution costs	(8.0)	(8.2)	(8.8)
Administrative expenses	(10.7)	(8.5)	(9.3)
Other operating income	1.6	1.2	2.4
Allocation of head office costs[1]	(5.7)	(6.7)	(7.5)
Total operating profit / (loss)	**(23.5)**	**(0.8)**	**1.3**
Analysed as:			
Underlying operating profit before head office cost allocations	7.1	5.3	10.7
Head office cost allocations	(5.7)	(6.7)	(7.5)
Underlying operating profit	1.4	(1.4)	3.2
Restructuring	(17.1)	0.7	(1.9)
Acquisition related costs			
Asset impairments	(7.8)	—	—
Finance income	0.1	0.1	0.2
Finance costs	(3.1)	(3.0)	(3.3)
Total profit / (loss) before taxation	**(26.5)**	**(3.6)**	**(1.8)**
Taxation	0.0	(1.0)	(1.7)
Profit / (loss) for the year attributable to owners of the Company	**(26.5)**	**(4.6)**	**(3.5)**

Note:

1. The allocation of head office costs comprise the following amounts:

	Financial year ended 31 December 2014 £m	Financial year ended 31 December 2015 £m	Financial year ended 31 December 2016 £m
Amounts invoiced	3.7	3.5	8.6
Allocation for segmental reporting purposes	2.0	3.2	(1.1)
Total	**5.7**	**6.7**	**7.5**

The head office costs allocated to the TS&C Division will substantially remain with the Continuing Group.

3. Net asset statement of the TS&C Division as at 31 December 2016

	As at 31 December 2016 £m
ASSETS	
Non-current assets	
Property, plant and equipment	47.0
Goodwill	0.7
Other intangible assets	4.1
Deferred tax assets	1.5
Total non-current assets	**53.2**
Current assets	
Inventories	25.2
Trade and other receivables	39.3
Income taxes receivable	—
Derivative financial instruments	0.1
Cash and cash equivalents	9.3
Total current assets	**73.9**
Total assets	**127.1**
LIABILITIES	
Current liabilities	
Borrowings	3.1
Derivative financial instruments	—
Trade and other payables	43.0
Income taxes payable	1.0
Provisions	1.9
Total current liabilities	**49.0**
Non-current liabilities	
Borrowings	—
Intercompany loans	120.4
Deferred tax liability	—
Pensions	—
Provisions	—
Other non-current liabilities	4.5
Total non-current liabilities	**124.9**
Total liabilities	**173.9**
Net assets	**(46.8)**
EQUITY	
Share capital	—
Share premium	—
Share options reserve	—
Hedging and translation reserve	—
Retained earnings	(46.8)
Equity attributable to owners of the Company	(46.8)
Non-controlling interests	—
Total equity	**(46.8)**

PART 5

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE CONTINUING GROUP

1. Accountants' Report on the Unaudited Pro Forma Statement of Net Assets of the Continuing Group

KPMG

KPMG LLP
Transaction Services
15 Canada Square
London E14 5GL
United Kingdom

Tel +44 (0) 20 7311 1000
Fax +44 (0) 20 7311 3311

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

24 July 2017

Ladies and Gentlemen

TT Electronics plc

We report on the pro forma net assets statement (the 'Pro forma financial information') set out in Part 5 of the Class 1 circular dated 24 July 2017, which has been prepared on the basis described, for illustrative purposes only, to provide information about how the disposal by TT Electronics plc of the TS&C Division might have affected the financial information presented on the basis of the accounting policies adopted by TT Electronics plc in preparing the financial statements for the period ended 31 December 2016. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of TT Electronics plc to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders of TT Electronics plc as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Class 1 circular.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of TT Electronics plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of TT Electronics plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of TT Electronics plc.

Yours faithfully

KPMG LLP

2. Unaudited Pro Forma Statement of Net Assets of the Continuing Group

Set out below is an unaudited *pro forma* statement of net assets of the Continuing Group as at 31 December 2016. It has been prepared on the basis set out in the notes below to illustrate the effect of the Disposal on the consolidated net assets of TT Electronics had the Disposal occurred on 31 December 2016.

It has been prepared for illustrative purposes only. Because of its nature, the *pro forma* statement addresses a hypothetical situation and, therefore, does not represent the Continuing Group's actual financial position or results. It is based on TT Electronics' audited consolidated results as at 31 December 2016 and the financial information of the TS&C Division as at 31 December 2016 contained in Part 4 (Financial Information relating to the TS&C Division) and is presented in accordance with TT Electronics' accounting policies adopted in its last financial statements for the year ended 31 December 2016.

The unaudited *pro forma* statement of consolidated net assets has been prepared in accordance with Annex II of Commission Regulation (EC) No 809/2004.

Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part 5 (Unaudited Pro Forma Statement of Net Assets of the Continuing Group).

	Group as at 31 December 2016	TS&C Division as at 31 December 2016	Adjustments					Pro Forma as at 31 December 2016
			Transaction Proceeds	Reduction and Assignment of Shareholder Loans	Repayment of Debt Facilities	Fees	Tax on Transaction	
	Note 1 £m	Note 2 £m	Note 3 £m	Note 4 £m	Note 5 £m	Note 6 £m	Note 7 £m	£m
ASSETS								
Non-current assets								
Property, plant and equipment	92.2	(47.0)	—	—	—	—	—	45.2
Goodwill	106.5	(0.7)	—	—	—	—	—	105.8
Other intangible assets	36.7	(4.1)	—	—	—	—	—	32.6
Deferred tax assets	6.4	(1.5)	—	—	—	—	—	4.9
Total non-current assets	**241.8**	**(53.2)**	—	**—**	—	—	—	**188.6**
Current assets								
Inventories	79.6	(25.2)	—	—	—	—	—	54.4
Trade and other receivables	96.8	(39.3)	—	—		—	—	57.5
Income taxes receivable	0.8	—	—	—	—	—	—	0.8
Derivative financial instruments	0.6	(0.1)	—	—	—	—	—	0.5
Cash and cash equivalents	49.8	(9.3)	118.8	—	(102.6)	(4.5)	—	52.2
Total current assets	**227.6**	**(73.7)**	**118.8**	**—**	**(102.6)**	**(4.5)**	**—**	**165.4**
Total assets	**469.4**	**(127.1)**	**118.8**	**—**	**(102.6)**	**(4.5)**	**—**	**354.0**
LIABILITIES								
Current liabilities								
Borrowings	1.6	(3.1)	—	—	1.6	—	—	0.1
Derivative financial instruments	2.4	—	—	—	—	—	—	2.4
Trade and other payables	94.8	(43.0)	—	—	—	—	—	51.8
Income taxes payable	9.7	(1.0)	—	—	—	—	13.8	22.5
Provisions	7.5	(1.9)	—	—	—	—	—	5.6
Total current liabilities	**116.0**	**(49.0)**	**—**	**—**	**1.6**		**13.8**	**82.5**
Non-current liabilities								
Borrowings	103.6	—	—	—	(104.2)	—	—	(0.6)
Intercompany loans	—	(120.4)		120.4	—	—	—	—
Deferred tax liability	6.1	—	—	—	—	—	—	6.1
Pensions	5.7	—	—	—	—	—	—	5.7
Provisions	—	—	—	—	—	—	—	—
Other non-current liabilities	4.6	(4.5)	—	—	—	—	—	0.1
Total non-current liabilities	**120.0**	**(124.9)**		**120.4**	**(104.2)**	**—**	**—**	**11.3**
Total liabilities	**236.0**	**(173.9)**		**120.4**	**(102.6)**	**—**	**13.8**	**93.8**
Net assets	**233.4**	**46.8**	**118.8**	**(120.4)**	**—**	**(4.5)**	**(13.8)**	**260.2**

Notes:

1. The net assets of TT Electronics as at 31 December 2016 have been extracted without adjustment from its audited financial statements for the year ended 31 December 2016.

2. The net assets of the TS&C Division to be disposed have been extracted without adjustment from the financial information of the TS&C Division as at 31 December 2016 contained in Part 4 (Financial Information relating to the TS&C Division) of this document.

3. The adjustment in Note 3 reflects proceeds of £118.8m cash payable by the Purchaser, plus payments by the Purchaser for cash less borrowings transferred with the TS&C Division.

4. The adjustment in Note 4 reflects the Shareholder Loans of £120.4m, which will be reduced to no more than €65.0m to satisfy the condition precedent set out in the Sale Agreement. The amount of the receivables owing to the Continuing Group in respect of the Shareholder Loans, as reduced, will be assigned to the Purchaser at completion.

5. The adjustment in Note 5 reflects the expected repayment of the Continuing Group's borrowing of £102.6m as described in Part 1 (Letter from the Chairman of TT Electronics) of this document.

6. The adjustment in Note 6 reflects the fees payable in respect of directly attributable transaction costs, payable to the Group's financial adviser, sponsor, legal advisers and accountants.

7. The adjustment in Note 7 reflects the tax payable arising as a result of the Disposal. This comprises (i) tax costs associated with reducing Shareholder Loans to no more than €65m to satisfy the condition precedent of up to €10.9m (£9.8m converted using the exchange rate as at the Latest Practicable Date); (ii) tax arising on the sale of the shares in China of CNY 11.35m (£1.3m converted using the exchange rate as at the Latest Practicable Date); and (iii) tax arising on the repayment of an intra-group loan note of £2.7m.

8. No adjustment has been made to reflect the trading results of the Continuing Group or the TS&C Division since 31 December 2016 or any changes in their respective financial positions in this period.

PART 6

ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors, whose names appear in paragraph 4 of this Part 6 (Additional Information) of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and registered office

The Company was incorporated on 16 January 1906 and is domiciled in the United Kingdom. It is a public limited company incorporated under the laws of England and Wales with registered number 00087249. Its registered office and head office is Fourth Floor, St Andrews House, West Street, Woking, Surrey, GU21 6EB (telephone number: +44 (0) 1932 825300).

The principal legislation under which the Company operates is the Companies Act and the regulations made under it.

3. Major Shareholders

As at the Latest Practicable Date, the Company had been notified of the following voting interests of three per cent. or more in the issued ordinary share capital of the Company:

Name of Shareholder	Number of Ordinary Shares	Percentage of issued Ordinary Share capital
Aberforth Partners LLP	21,065,391	13.0
FIL Limited (Fidelity International)	15,373,528	9.5
UBS Global Asset Management	9,301,055	5.7
NN Group NV	8,387,718	5.2
J O Hambro Capital Management Limited	8,287,048	5.1
Tameside MBC re: Greater Manchester Police	8,108,219	5.0
Schroders plc	7,931,600	4.9
Aberdeen Asset Managers Limited	7,835,077	4.8
Tweedy, Browne Company LLC	7,664,336	4.7

Save as set out in this paragraph 3, the Company is not aware of any interest (within the meaning of the Disclosure Guidance and Transparency Rules) which will represent three per cent. or more of the voting rights in the Company following completion of the Disposal.

4. Directors

The Directors of the Company and their positions as at the date of this document are as follows:

Name of Director	Position
Neil Carson OBE	*Non-Executive Chairman*
Richard Tyson	*Chief Executive Officer*
Mark Hoad	*Chief Financial Officer*
Stephen King	*Senior Independent Non-Executive Director*
Michael Baunton CBE	*Independent Non-Executive Director*
Jack Boyer OBE	*Independent Non-Executive Director*
Alison Wood	*Independent Non-Executive Director*

5. Directors' interests in the Company

5.1 Interests in Ordinary Shares

As at the Latest Practicable Date, the Directors had the following interests in Ordinary Shares:

Name of Director	Number of Ordinary Shares	Percentage of issued Ordinary Share capital
Richard Tyson	186,756	0.11
Mark Hoad	40,000	0.02
Neil Carson OBE	150,000	0.09
Stephen King	100,000	0.06
Michael Baunton CBE	81,554	0.05
Jack Boyer OBE	40,500	0.02
Alison Wood	0	0

5.2 Interests in shares under incentive plans

As at the Latest Practicable Date, the following Directors had the following interests in shares under incentive plans:

Name of Director	Outstanding	Exercise price (p)	Exercise period	Name of plan
Richard Tyson	223,214	—	3 years	LTIP 22 August 2014
	680,000	—	3 years	LTIP 18 March 2015
	13,740	131	3 years	2015 Sharesave
	341,661	—	3 years	LTIP 16 March 2016
	266,565	—	3 years	LTIP 15 March 2017
Mark Hoad	330,452	—	3 years	LTIP 29 December 2014
	390,000	—	3 years	LTIP 18 March 2015
	13,740	131	3 years	2015 Sharesave
	209,016	—	3 years	LTIP 16 March 2016
	203,844	—	3 years	LTIP 15 March 2017

6. Directors' service contracts and benefits upon termination

Executive Directors

The Company has entered into service contracts with each of the executive Directors, the particulars of which as at the Latest Practicable Date are:

Name of Director	Date of initial appointment	Base salary (£)	Notice period from Company
Richard Tyson	1 July 2014	444,338	12 months
Mark Hoad	1 January 2015[(1)]	339,788	12 months

Note:

(1) Mark Hoad became an employee of the Company on 29 December 2014 and was appointed as a director on 1 January 2015.

The service agreements of the executive Directors are not fixed term and are terminable by either side on 12 months' notice. They include six month non-compete clauses and standard provisions for summary termination. These contracts make provision, at the Board's discretion, for early termination by way of payment in lieu of 12 months' notice. In calculating the amount payable to an executive Director on termination of employment, the Board would take into account the commercial interests of the Company and apply usual common law and contractual principles.

The maximum annual bonus paid to the executive Directors for the year ended 31 December 2016 is 100 per cent. of salary.

For each executive Director, the Company contributes an amount equal to 15 per cent. of their respective salaries either to a defined contribution pension arrangement or by way of a salary supplement (or a combination of both).

Non-executive Directors

The non-executive Directors do not have service contracts but have letters of appointment for an initial period of three years. Each letter of appointment can be renewed by agreement between the Company and the relevant non-executive Director. A non-executive Director's appointment can be terminated early: (i) in accordance with the Company's articles of association; (ii) if the relevant director is not re-elected at an Annual General Meeting of the Company; or (iii) upon three months' notice (or one month's notice in the case of the Chairman) by either the Company or the relevant non-executive Director.

Name of Director	Date of initial appointment	Date of expiry of current appointment period
Neil Carson OBE	13 May 2015	13 May 2018
Stephen King	24 October 2011	24 October 2017
Michael Baunton CBE	1 September 2010	1 September 2019
Jack Boyer OBE	10 June 2016	10 June 2019
Alison Wood	11 July 2016	11 July 2019

The Company's approach to non-executive Directors' remuneration is set by the Board with account taken of the time and responsibility involved in each role including, where applicable, the chairmanship of Board committees. Set out below are the annual fees currently payable:

Role	Annual fee (£)
Chairman	179,375
Non-executive Director	42,970
Additional fee for Audit Committee chairmanship	7,000
Additional fee for Remuneration Committee chairmanship	7,000
Additional fee for Senior Independent Director	5,000

Summary of Directors' remuneration

Directors' remuneration for the year ended 31 December 2016 was approximately as follows:

Name of director	Salary/fees (£ '000)	Benefits (£ '000) (1)	Pension (£ '000) (2)	Bonus (£ '000) (3)	Other (£ '000) (4)	Total (£ '000)
Executive Directors						
Richard Tyson	434	21	65	434	198	1,152
Mark Hoad	332	18	50	332	—	732
Chairman						
Neil Carson OBE	175	—	—	—	—	175
Non-Executive Directors						
Stephen King	49	—	—	—	—	49
Michael Baunton CBE	42	—	—	—	—	42
Jack Boyer OBE(5)	23	—	—	—	—	23
Alison Wood(6)	22	—	—	—	—	22
Former Directors						
John Shakeshaft(7)	32	—	—	—	—	32

Notes:

(1) The Directors' taxable benefits consist of a car allowance and insurance benefits.

(2) Employer contributions are paid at 15 per cent of base salary, as defined contribution pension and/or a cash supplement.

(3) The annual bonus payments presented in the table were based on performance against Group profit before tax targets (up to 50 per cent. of salary), Group free cash flow targets (up to 25 per cent. of salary), and specific strategic objectives (up to 25 per cent. of salary) as measured over the 2016 financial year.

(4) On 27 April 2016, a proportion of the share award granted on 22 August 2014 to Richard Tyson vested.

(5) Jack Boyer was appointed as a non-executive Director on 10 June 2016.

(6) Alison Wood was appointed as a non-executive Director on 11 July 2016 and appointed as Remuneration Committee Chair on 31 August 2016.

(7) John Shakeshaft resigned on 31 August 2016.

7. Details of key individuals important to the TS&C Division

The following individuals are deemed key to the operation of the TS&C Division:

Name of key individual	Position
Amrei Drechsler	*Executive Vice President, Transportation Sensing & Control*
Lars Warnecke	*Vice President, Finance, Transportation Sensing and Control*
Hermann Hauser	*Vice President, Operations Europe, Transportation Sensing & Control*
Thomas Rinschede	*Vice President, Sales and Marketing, Transportation Sensing & Control*
Stefan Rühl	*Vice President, R&D, Transportation Sensing & Control*
Michael Dewes	*Vice President, HR, Transportation Sensing & Control*

8. Related party transactions

As at the Latest Practicable Date before publication of this document, the Company had not entered into any material transactions with related parties.

9. Material contracts

9.1 Continuing Group

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Continuing Group either: (i) within the period of two years immediately preceding the date of this document which are or may be material to the Continuing Group; or (ii) which contain any provisions under which any member of the Continuing Group has any obligation or entitlement which is, or may be, material to the Continuing Group as at the date of this document, save as disclosed below:

Sale Agreement

Your attention is drawn to Part 3 (Principal Terms and Conditions of the Disposal) of this document which contains a summary of Sale Agreement.

Revolving Credit Facility

On 13 May 2016, the Company entered into a revolving credit facility agreement with, among others, a syndicate of lenders and HSBC Bank PLC as agent, which provides a revolving credit facility of up to £150,000,000 (the **Revolving Credit Facility**) to, among others, the Company. The total commitments which may be drawn under the Revolving Credit Facility may be increased by up to £30,000,000 in accordance with the terms of the agreement. The proceeds of any loan drawn under the Revolving Credit Facility may be used: (i) for the general corporate purposes of each of the borrowers; and (ii) to refinance and permanently cancel all existing borrowings of the Company and the other borrowers under a multicurrency revolving facilities agreement dated 21 August 2012 between the Company and HSBC Bank PLC as agent. The interest payable on each loan is based on the Group's compliance with financial covenants (net debt/EBITDA before exceptional items) and is payable on a floating basis above £LIBOR, €LIBOR or $LIBOR (depending on the currency of denomination of the loan). The Revolving Credit Facility terminates on 15 May 2021.

Aero Stanrew Share Purchase Agreement

On 18 December 2015, the Company entered into a share purchase agreement (the **Aero Stanrew SPA**) to acquire the entire issued share capital of Aero Stanrew Group Limited (**Aero Stanrew** and, together with its subsidiaries, the **Aero Stanrew Group**) from the sellers (as such term is defined in the Aero Stanrew SPA and comprising two corporate sellers and 11 individuals, such individuals being known as the **Individual Sellers**) for a consideration on a cash and debt free basis of £42.2 million. A portion of the consideration was paid in Ordinary Shares, such shares being issued on the day the transaction completed and listed shortly thereafter. The sellers were prevented from selling such Ordinary Shares until 1 March 2017 (subject to customary exceptions). The Aero Stanrew SPA was not subject to any conditions precedent and the acquisition signed and completed simultaneously.

The consideration was calculated on the basis of a locked box mechanism and consequently there was no post-completion adjustment. The sellers gave a customary covenant to the Company that, other than pre-agreed permitted items, no leakage had occurred from the Aero Stanrew Group during the period beginning on 1 September 2015 and ending on the completion date.

The sellers gave customary warranties in respect of their title to the shares being sold and their capacity to enter into the Aero Stanrew SPA (the **Aero Stanrew Fundamental Warranties**). The Individual Sellers also gave customary warranties on the state and nature of the Aero Stanrew Group, covering areas such as the operation of the business since 28 February 2015, its tax affairs, its compliance with statutes, licences and consents, and any previous, existing or foreseen litigation in which it had been or was (at the time of completion) involved (the **Business Warranties**). The Individual Sellers also gave the Company a customary covenant in relation to the tax position of the Aero Stanrew Group as at completion, with such covenant being included in the Aero Stanrew SPA.

The aggregate liability of each seller for all claims against it under the Aero Stanrew SPA (including any liability under the Aero Stanrew Fundamental Warranties) was capped at 100 per cent. of the consideration received by that seller. The Individual Sellers' liability for claims under the Business Warranties and the tax covenant was capped at 50 per cent. of the consideration received by them in aggregate and, on an individual basis, at 75 per cent. of the consideration received by that Individual Seller. The limitation period for claims under the business warranties has now expired. The Individual Sellers are only liable for a claim under the tax covenant where the quantum of such claim exceeds £40,000 and the aggregate quantum of all such claims exceeds £400,000, at which stage the full amount (and not just the excess) will be payable. Any claim under the tax covenant or tax warranties must be notified to the Individual Sellers before 18 December 2022.

Seven Individual Sellers also agreed to customary restrictive covenants in favour of the Company, with such restrictions lasting for a period of 36 months from the date of completion. The covenants restrict the ability of those sellers to, among other actions: (i) compete with the Aero Stanrew Group; (ii) solicit existing customers, suppliers or employees; and (iii) use the intellectual property of the Aero Stanrew Group.

9.2 TS&C Division

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the TS&C Division either: (i) within the period of two years immediately preceding the date of this document which are or may be material to the TS&C Division; or (ii) which contain any provisions under which any member of the TS&C Division has any obligation or entitlement which is, or may be, material to the TS&C Division as at the date of this document.

10. Litigation

10.1 Continuing Group

There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is TT Electronics aware of any such proceedings which are pending or threatened) which may have, or during the last 12 months before the date of this document have had, a significant effect on TT Electronics and/or the Continuing Group's financial position or profitability.

10.2 TS&C Division

There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is TT Electronics aware of any such proceedings which are pending or threatened) which may have, or during the last 12 months before the date of this document have had, a significant effect on the TS&C Division's financial position or profitability.

11. Working Capital

The Company is of the opinion that, taking into account the bank facilities and the net proceeds of the Disposal available to the Continuing Group, the Continuing Group has sufficient working capital available for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

12. No significant change

12.1 Continuing Group

There has been no significant change in the financial or trading position of the Continuing Group since 31 December 2016, being the end of the last financial period for which financial information has been published.

12.2 TS&C Division

There has been no significant change in the financial or trading position of the TS&C Division since 31 December 2016, being the date to which the historical financial information relating to the TS&C Division included in Part 4 (Financial Information relating to the TS&C Division) of this document was prepared.

13. Consents

13.1 KPMG LLP has given, and not withdrawn, its written consent to the inclusion of its report on the unaudited pro forma statement of net assets of the Continuing Group set out in Section 1 of Part 5 (Accountants' Report on the Unaudited Pro Forma Statement of Net Assets of the Continuing Group) of this document in the form and context in which it appears.

13.2 Gleacher Shacklock has given, and not withdrawn, its written consent to the issue of this document with references to its name being included in the form and context in which they appear.

13.3 Numis has given, and not withdrawn, its written consent to the issue of this document with references to its name being included in the form and context in which they appear.

14. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of TT Electronics at Fourth Floor, St Andrews House, West Street, Woking, Surrey, GU21 6EB and at the offices of Allen & Overy LLP at One Bishops Square, London E1 6AD from the date of this document up to and including the date of the General Meeting and for the duration of the General Meeting:

(a) the Company's articles of association;

(b) the audited financial statements of TT Electronics for each of the financial years ended 31 December 2015 and 31 December 2016;

(c) the consent letters referred to in Section 13 of this Part 6 (Additional Information) of this document;

(d) this document and the Form of Proxy; and

(e) the Sale Agreement.

PART 7

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

Aero Stanrew SPA	the agreement for the sale and purchase of the entire issued share capital of Aero Stanrew, as summarised in paragraph 9 of Part 6 (Additional Information) of this document
Aero Stanrew	Aero Stanrew Group Limited
Aero Stanrew Group	Aero Stanrew and its subsidiaries
Audit Committee	the audit committee of the Board
Board	the board of directors of the Company
business day	a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in London for the transaction of normal banking business
Companies Act	the Companies Act 2006, as amended from time to time
Company or **TT Electronics**	TT Electronics plc, a public limited company incorporated in England and Wales with registered number 00087249 and whose registered office is Fourth Floor, St Andrews House, West Street, Woking, Surrey, GU21 6EB
Completion	completion of the transactions contemplated by the Sale Agreement
Continuing Group	the Company and its subsidiary undertakings with effect from Completion of the Disposal
CREST	the electronic transfer and settlement system for the paperless settlement of trades in listed securities operated by Euroclear
CREST Manual	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 200 No. 3755)
Directors or **TT Electronics Directors**	the directors of the Company whose names appear on page 5 of this document
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA under section 73A of FSMA, as amended from time to time
Disposal	the proposed disposal of the TS&C Division by TT Electronics pursuant to the terms of the Sale Agreement
Disposal Resolution	the ordinary resolution to be proposed and considered at the General Meeting to approve the Disposal, as set out in Resolution 1 in the Notice of General Meeting forming part of this document
Domination and Profit and Loss Pooling Agreement	the domination and profit loss pooling agreement dated 16 June 2005, as amended by the amendment agreement dated 27 January 2015, between TT Electronics GmbH and TT Electronics Holdings GmbH
Equiniti	Equiniti Limited, the Company's Registrar
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST (as defined in the CREST Regulations)

FCA or **Financial Conduct Authority**	the UK Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000, as amended from time to time
Form of Proxy	the personalised Form of Proxy accompanying this document
Fundamental Warranty	the warranties contained in the Sale Agreement relating to: (i) the incorporation and capacity of TT Electronics and the validity of its obligations under the Sale Agreement and the other transaction documents; (ii) the incorporation and capacity of those entities within the Continuing Group that are selling the share capital of the TS&C Division Companies and the validity of their obligations under the Sale Agreement and the other transaction documents; (iii) all consents necessary to enable TT Electronics to perform its obligations under the Sale Agreement and the other transaction documents having been obtained; (iv) the accuracy of certain corporate particulars of the TS&C Division Companies; (v) the incorporation of the TS&C Division Companies; (vi) the ownership of the shares of the TS&C Division Companies; (vii) the TS&C Division Companies not holding shares in other subsidiaries; (viii) no TS&C Division Company nor director or employee of a TS&C Division Company having engaged in any activity constituting an offence under the UK Bribery Act 2010 if such activity were carried out in the UK or under the UK Modern Slavery Act; (ix) the solvency of the TS&C Division Companies
General Meeting	the general meeting of the Company to be convened in connection with the Disposal, notice of which accompanies this document, including any adjournment of it
Gleacher Shacklock	Gleacher Shacklock LLP
Latest Practicable Date	21 July 2017 (being the last practicable date before publication of this document
Listing Rules	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time
London Stock Exchange	London Stock Exchange plc
Material Adverse Effect	any matter, event, condition, effect or change that has a materially adverse effect on the TS&C Division taken as a whole (other than on a short term, cyclical or temporary basis), except to the extent arising out of or attributable to: (a) any change in the general economic, political, legislative or regulatory conditions in any relevant markets of the TS&C Division; (b) any change in financial, banking or capital markets in general in any country, including changes in stock markets, interest rates, exchange rates, commodity prices or other general economic conditions; (c) changes in conditions generally affecting the industries in which any member of the TS&C Division operates; (d) any change in applicable laws or accounting standards, practices or principles (or interpretations thereof); and (e) any "act of God", including the effect of any political conditions, natural disaster, war, act of terrorism, civil unrest, strike, industrial unrest or similar event
Notice of General Meeting	the notice of General Meeting contained in Part 8 (Notice of General Meeting) of this document
Numis	Numis Securities Limited
OEM	original equipment manufacturer

Ordinary Shares	the ordinary shares of £0.25 each in the share capital of the Company
Product Liability Warranties	has the meaning given in paragraph 1.4 of Part 3 (Principal Terms and Conditions of the Disposal) of this document
Prospectus Rules	the prospectus rules made by the FCA under Part 6 of FSMA
Purchaser	AVX Limited
Registrar	Equiniti
Remuneration Committee	the remuneration committee of the Board
Sale Agreement	the sale and purchase agreement dated 19 July 2017 between TT Electronics, the Purchaser and AVX Corporation and setting out the terms and conditions of the Disposal, further details of which are set out in Part 3 (Principal Terms and Conditions of the Disposal) of this document
Shareholder	a holder of Ordinary Shares from time to time
Shareholder Loan Amount	the actual amount owing in aggregate from the TS&C Division Companies to the Continuing Group under the Shareholder Loans as at Completion (including all principal amounts outstanding and all interest accrued thereon and all accrued but unpaid royalties and management fees owed to the Company by AB Mikroelektronik GmbH)
Shareholder Loans	has the meaning given in paragraph 3 of Part 1 (letter from the Chairman of TT Electronics) of this document
Sponsor	Numis
TS&C Division	a division of the TT Electronics Group that develops both sensors and control solutions for automotive OEMs and tier one suppliers
TS&C Division Companies	the subsidiary undertakings of TT Electronics that make up the TS&C Division
Transitional Services Agreements	the transitional services agreements to be entered into between TT Electronics and the Purchaser upon Completion of the Sale Agreement, pursuant to which TT Electronics will provide certain services to the Purchaser and the Purchaser will provide certain services to the Continuing Group
TT Electronics Group or **Group**	the Company and its subsidiary undertakings immediately before Completion of the Disposal
UK or **United Kingdom**	the United Kingdom of Great Britain and Northern Ireland

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension of it.

For the purpose of this document, "subsidiary" and "subsidiary undertaking" have the meanings given by the Companies Act.

References to "£", "GBP", "pounds", "pounds sterling", "sterling", "p", "penny" and "pence" are to the lawful currency of the United Kingdom. References to "€", "euro" or "EUR" are to the lawful currency of the member states of the European Union that adopt the single currency. Historic exchange rates have been used to convert € to £ and CNY to £ where relevant. For current EUR amounts, a rate of 1.1123 and for current CNY amounts, a rate of 8.7717 have been used to calculate the net cash proceeds of the Disposal and the cash consideration in the Sale Agreement.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

PART 8

NOTICE OF GENERAL MEETING

TT Electronics PLC

(*Incorporated in England and Wales with registered number 00087249)*

Notice is given that a general meeting of TT Electronics plc (the **Company**) will be held on 10 August 2017 at 10.30 a.m. at the offices of Allen & Overy LLP at One Bishops Square, London E1 6AD (the **General Meeting**) to consider and, if thought fit, pass the following resolution:

ORDINARY RESOLUTION

1. THAT:

   (a) the proposed disposal by the Company of its Transportation Sensing and Control business (the **Disposal**) substantially on the terms and subject to the conditions of the share purchase agreement dated 19 July 2017 between the Company, AVX Limited and AVX Corporation (the **Sale Agreement**), as described in the circular to the Company's shareholders dated 24 July 2017 (the **Circular**) and all other agreements and ancillary documents contemplated by the Sale Agreement, be and are approved with any changes as are permitted in accordance with resolution (b) below; and

   (b) the directors of the Company (the **Directors**) (or any duly authorised committee of the Directors) be and are authorised:

      (i) to do or procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as the Directors (or any duly authorised committee of the Directors) consider necessary, expedient or desirable in connection with, and to implement, the Disposal; and

      (ii) to agree such modifications, variations, revisions, waivers, extensions, additions or amendments (not being modifications, variations, revisions, waivers, extensions, additions or amendments of a material nature) as the Directors (or any duly authorised committee of the Directors) may in their **absolute** discretion deem necessary, expedient or desirable in connection with the Disposal.

By order of the Board

Lynton Boardman
Group Company Secretary

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

24 July 2017

Notes:

1. A shareholder who is an individual is entitled to attend, speak and vote at the meeting or to appoint one or more other persons as his proxy to exercise all or any of his rights on his behalf. Further details of how to appoint a proxy, and the rights of proxies, are given in the paragraphs below. A shareholder that is a company can appoint one or more corporate representatives (such as a director or employee of the company) whose attendance at the meeting is treated as if the company were attending in person, or it can appoint one or more persons as its proxy to exercise all or any of its rights on its behalf. In each case, a person attending the meeting will need to provide the Company or its registrars, Equiniti Limited, with evidence of their identity and, if applicable, their appointment as a proxy or corporate representative with authority to vote on behalf of a shareholder.
2. A shareholder may appoint more than one proxy in relation to the 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; 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 10.30 am on 8 August 2017. 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 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 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 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 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 6.30 p.m. on 8 August 2017 or, if the meeting is adjourned, in the register of members at 6.30 p.m. on the day which is two days before the day of any adjourned meeting, will be entitled to attend and to vote at the General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 6.30 p.m. on 8 August 2017, or, if the meeting is adjourned, in the register of members after

6.30 p.m. 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 General Meeting.

9. As at 21 July 2017 (being the latest business day before publication of this Notice), the Company's issued share capital comprised 162,427,187 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 21 July 2017 is 162,427,187.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the 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 (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. Any shareholder attending the General 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 General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the General 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 General Meeting that the question be answered.

14. 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.

15. The documents listed in Section 14 of Part 6 (Additional Information) of the Circular will be available for inspection at the registered offices of the Company at Fourth Floor, St Andrews House, West Street, Woking, Surrey, GU21 6EB and at the offices of Allen & Overy LLP at One Bishops Square, London E1 6AD during normal business hours from the date of this Notice until the day of the General Meeting (excluding Saturdays, Sundays and public holidays) and will be available for inspection at the place of the General Meeting from 15 minutes before the General Meeting until it ends:

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.

Merrill Corporation Ltd, London
17-15158-1