

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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

Electrocomponents plc

(incorporated and registered in England under number 647788)

NOTICE OF ANNUAL GENERAL MEETING



Electrocomponents plc



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Notice of the Annual General Meeting of the Company to be held at the Company's premises, International Management Centre, 8050 Oxford Business Park North, Oxford OX4 2HW, at 12 noon on Friday 18 July 2008, is set out on page 3 of this circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received not less than 48 hours before the time of the holding of the Annual General Meeting.



Electrocomponents plc



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www.electrocomponents.com

28 May 2008

To the holders of Ordinary Shares

Notice of Annual General Meeting 2008

Dear Shareholder,

I am pleased to be writing to you with details of our Annual General Meeting ("AGM") which we are holding at the Company's registered office, on Friday 18 July 2008 at 12.00 noon. The formal notice of Annual General Meeting is set out on page 3 of this document.

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible. They must receive it by 12 noon on 16 July 2008.

Annual Report and Accounts and Final dividend (Resolutions 1-3)

Shareholders are being asked to receive the Company's annual report and accounts, and approve the Remuneration Report (set out on pages 24 to 28 of the Annual Report) for the year ended 31 March 2008. You are also requested to approve a final dividend of 12.6p per ordinary share. If you approve the recommended final dividend, this will be paid on 25 July 2008 to all ordinary shareholders who were on the register of members on 27 June 2008.

Board changes (Resolutions 4-6)

Rupert Soames joined the Board in July 2007, and Paul Hollingworth joined us at the beginning of May this year. As their appointments have become effective since the last AGM, Paul and Rupert are this year standing for formal election to the Board. Tim Barker will be retiring by rotation and standing for re-election. The biographies of all three Directors are set out on pages 16 to 17 of the Annual Report.

Auditor's appointment and remuneration

Shareholders are being asked to re-appoint KPMG Audit Plc as Auditor and authorise the Directors to determine its remuneration for the current financial year. The level of remuneration for the year ended 31 March 2008 by way of audit fees, together with the amounts paid in respect of non-audit fees, are shown in note 3 on page 40 of the Annual Report.

Renewal of Share Option Scheme

The Savings Related Share Option Scheme put in place ten years ago will expire in July 2008, and we are asking shareholders to renew the Scheme, principally on the same terms as the current Scheme. Explanatory notes are set out on page 5 of this circular.

Authority for the Company to purchase its own shares

We are again requesting shareholders to renew our authority to make market purchases of our own shares. Details are set out in the Explanatory Notes on page 5 of this circular.

New Articles of Association

We are also asking shareholders to approve a new set of articles of association primarily to reflect the provisions of the Companies Act 2006. An explanation of the main changes between the proposed and the existing articles of association is set out in the Appendix on pages 6 to 8 of this circular.

Explanatory notes on the Special Business to be considered at this year's AGM appear on pages 5 to 6 of this circular.

The Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Yours sincerely,

Helmut Mamsch
Chairman

Electrocomponents plc,
International Management Centre, 8050 Oxford Business Park North, Oxford OX4 2HW United Kingdom.
Registered office as above. Registered in England No: 647788.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Electrocomponents plc will be held at the Company's premises, The International Management Centre, 8050 Oxford Business Park North, Oxford OX4 2HW on Friday 18 July 2008 at 12.00 noon.

The business of the meeting will be:

Ordinary Business Report and Accounts

1 To receive the accounts and the reports of the Directors and the auditors for the year ended 31 March 2008.

Directors' Remuneration Report

2 To approve the Directors' Remuneration Report for the year ended 31 March 2008.

Declaration of Dividend

3 To declare a final dividend on the ordinary shares.

Retiring Directors and New Directors

4 To elect Paul Hollingworth as a Director.

5 To elect Rupert Soames as a Director.

6 To re-elect Tim Barker as a Director.

Auditors' appointment and remuneration

7 To reappoint KPMG Audit Plc as auditors of the Company from the conclusion of this meeting and to authorise the Directors to agree their remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions of which resolution 8 will be proposed as an Ordinary Resolution and resolutions 9 and 10 will be proposed as Special Resolutions:

Share Option Plans

8 THAT:

(a) the Rules of the Electrocomponents plc Savings Related Share Option Scheme (the "Scheme") (the principal features of which are summarised on page 5 of this document and a copy of which is produced to the meeting and initialled by the Chairman for the purposes of identification) be approved; and

(b) the Directors be authorised to establish such further schemes for the benefit of employees overseas based on the Scheme subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation provided that any ordinary shares of the Company made available under the Scheme are treated as counting against any limits on individual participation, or overall participation in such further schemes.

Renewal of Directors' authority for the purchase by the Company of its own shares

9 THAT the Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 10p each in the Company (ordinary shares) provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 43,535,000;

(b) the minimum price which may be paid for ordinary shares is 10p per ordinary share;

(c) the maximum price which may be paid for ordinary shares is an amount equal to the higher of (i) 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase or (ii) the higher of the price of the last independent trade and the highest current bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No 2273/2003);

(d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company, unless such authority is renewed prior to such a time; and

(e) the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares in pursuance of such contract.

Articles of Association

10. To adopt new Articles of Association in substitution for, and to the exclusion of the existing Articles of Association with effect from 0.01am on 1 October 2008, or any later date on which section 175 of the UK Companies Act 2006 comes into effect.

The Directors consider that the passing of each of the resolutions proposed at the Annual General Meeting is in the best interests of the Company and its shareholders as a whole and recommend all shareholders to vote in favour of all the resolutions, as the Directors intend to do in respect of their own beneficial holdings.

By Order of the Board
Ian Haslegrave, Company Secretary

28 May 2008

Registered Office: International Management Centre, 8050 Oxford Business Park, North, Oxford OX4 2HW Registered Number: 647788

Notes

(i) A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending or voting at the meeting if he/she subsequently wishes to do so.

(ii) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered in the Register of Members of the Company as at 6.00 pm on 16 July 2008 will be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after 6.00 pm on 16 July 2008 will be disregarded in determining the rights of any person to attend or vote at the Meeting.

(iii) A form of proxy is enclosed. To be effective a proxy form and the authority (if any) under which it is signed or a notarially certified copy of such authority must be deposited at the offices of the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL by not later than 12.00 noon on Wednesday 16 July 2008.

(iv) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 16 July 2008 at 12.00 noon and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

(v) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or

all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.

(vi) If this notice is sent to you as a person nominated to receive copies of Company communications, the proxy rights described above do not apply to you. The rights described in these paragraphs only apply to shareholders. You may have a right under an agreement with the registered member to be appointed (or have someone else appointed) as a proxy for the AGM, and you are advised to contact them.

(vii) Shareholders should note that, on a request made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting for the financial year beginning 1 January 2009; or (ii) any circumstance connected with an auditor of the Company appointed for the financial year 1 January 2009 ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 (requirements as to website availability) of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting for the relevant financial year includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

(viii) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.

(ix) As at 28 May 2008, the latest practicable date prior to the printing of this Notice, the Company's total capital consisted of 435,350,416 Ordinary Shares with a total of 435,350,416 voting rights.

(x) The Register of Directors' Interests and copies of all Contracts of Service of the Directors together with terms and conditions of appointment of the Non-Executive Directors are available for inspection during business hours at the registered office of the Company and will be available for inspection at the place of the Meeting from 30 minutes prior to its commencement until its conclusion.

(xi) Biographical details of the Directors who are proposed for re-election or election at the Annual General Meeting are set out on page 16 of the Annual Report and Accounts.

(xii) A copy of the rules of the Scheme will be available for inspection during business hours at the registered office of the Company from the date of this document up to and including the date of the AGM and at the place of the AGM from 15 minutes prior to its commencement until its conclusion.

(xiii) A copy of the New Articles of Association will be available for inspection during business hours each week at the registered office of the Company from the date of this document up to and including the date of the AGM and at the place of the AGM from 15 minutes prior to its commencement until its conclusion.

Explanatory Notes to the Special Business to be considered at the Annual General Meeting

Resolution 8: The Electrocomponents plc Savings Related Share Option Scheme 2008

This resolution seeks shareholders' authority to renew the Electrocomponents plc Savings Related Share Option Scheme (the "Scheme"), which is due to expire on 31 July 2008 and to restate its rules in updated format. The Scheme will continue to be approved by HMRC and the Company will continue to operate similar schemes for the benefit of overseas employees. The principal terms of the Scheme will remain materially the same, and are set out below.

1 Eligibility

All UK employees and full-time directors of the Company and any participating subsidiary may participate in the Scheme. However, the Directors may set a qualifying period of continuous employment (which cannot exceed five years) for eligibility. When the Scheme is operated, all eligible employees must be invited to participate. In addition, the Directors may offer participation to any other employees.

2 Savings contract

Under the Scheme, participants are granted an option over ordinary shares and must enter into a savings contract in connection with the option, to save between £5 and £250 per month by deduction from their salary. Ordinary shares can only be acquired with the amount saved (plus any interest or bonus).

3 Option price

The Directors set the option price which must not be less than 80% of the market value of an ordinary share on the business day before the date of invitation, or on the date specified in the invitation, or the average market value over the 3 preceding business days.

4 Exercise of options

Options can normally only be exercised for 6 months starting 3 or 5 years after the start of the savings contract. Options may, however, be exercised early to the extent of the savings made, in certain circumstances. These include, for example, an employee leaving because of ill-health, retirement, death or redundancy or where the company or business for which he works leaves the Group. On cessation of employment for other reasons, options will normally lapse.

5 Change of control, merger or other reorganisations

On a take-over, scheme of arrangement, merger or certain other corporate reorganisations, options can generally be exercised early to the extent of the savings made. Alternatively, participants may be allowed to exchange their options for options over shares in the acquiring company.

6 Scheme limits

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

7 Operation of the Scheme

The Scheme may only be operated within 42 days of any announcement of results to the London Stock Exchange or the lifting of any restrictions which prevented the granting of Options during that period. No new options may be granted under the Scheme after the tenth anniversary of shareholder approval, or earlier if the Directors so decide.

8 Amendments to the Scheme rules

The Directors may amend the Scheme as they consider appropriate subject generally to the prior approval of HM Revenue and Customs. In addition, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to: eligibility; plan limits; option price; rights attaching to the options; adjustment of options on variation in the Company's share capital and the amendment powers.

The Directors can without shareholder approval:

- 8.1 make amendments to the Scheme to maintain HM Revenue and Customs approval;
- 8.2 make minor amendments to benefit the administration of the Scheme or which relate to any changes in legislation, or which will maintain favourable tax, exchange control or regulatory treatment for any participating company or any participant; and
- 8.3 adopt further plans, based on the Scheme, to take account of tax, exchange control or securities laws which apply to non-UK employees.

9 General

- 9.1 Any ordinary shares issued under the Scheme will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.
- 9.2 Options may be adjusted following any variation in the share capital of the Company.
- 9.3 Options granted under the Scheme are not transferable.
- 9.4 Benefits under the Scheme are not pensionable.

Resolution 9: Renewal of Directors' authority for the purchase by the company of its own shares:

At the 2007 AGM, shareholders gave the Company renewed authority to make market purchases of up to approximately 10% at that time of the Company's issued ordinary share capital. As at the date of this report, the Company has made no such purchases under this authority. Nevertheless, the Directors believe it advisable to seek renewal of this authority at each AGM.

This resolution is proposed as a special resolution and will authorise market purchases of up to 43,535,000 ordinary shares (being approximately 10% of the issued share capital as at 28 May 2008). The Directors will only exercise this authority when satisfied it is in the best interests of shareholders and that any purchase will have a beneficial impact on earnings per share, having first considered other investment opportunities open to the Company. As at 28 May 2008, a maximum of 23,206,000 shares would be required to satisfy all outstanding options to subscribe for equity shares and conditional awards of shares. This represents 5.33% of the issued share capital. If this resolution is passed and the full authority to buy back shares were used, then shares required for such purposes would represent 5.92% of the issued share capital.

Listed companies are now permitted, subject to certain restrictions, to hold their own shares which they purchase in Treasury for resale or transfer at a later date, rather than being obliged to cancel them. If the Company were to purchase any of its own shares pursuant to the authority referred to above, it would consider holding them as treasury stock, provided that the number does not at any time exceed 10% of the Company's issued share capital. This would provide the Company with additional flexibility in the management of its capital base. As at 28 May 2008, the Company held no ordinary shares in Treasury.

Appendix

Resolution 10: adoption of new Articles of Association

It is proposed in Resolution 10 to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Current Articles") primarily to take account of changes in English company law brought about by the Companies Act 2006.

The principal changes introduced in the New Articles are summarised in the Appendix. Other changes, which are of a minor, technical or clarifying nature (and also some more minor changes which merely reflect changes made by the Companies Act 2006) have not been noted in the Appendix. The New Articles showing all the changes to the Current Articles are available for inspection at the Company's Registered Office.

In the UK, the Companies Act 2006 is being introduced in phases and the proposed changes to the Current Articles reflect those provisions currently in force and those due to come in to effect prior to the next Annual General Meeting.

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

Summary of the principal changes to the Articles of Association

The Companies Act 2006 is being implemented in phases with a number of provisions having been brought into force throughout 2007 and 2008, and with further provisions due to come into force on 1 October 2008 and 1 October 2009.

Although small amendments have been made to the Current Articles from time to time over the last few years, the Board considers that this is an appropriate time to review the Current Articles against best practice and to take account of the provisions of the Companies Act 2006 that have either already been brought into force or which will be brought into force on 1 October 2008 as well as other recent legislative and regulatory changes.

In order to make the Current Articles clearer and more accessible to shareholders, a new set of Articles (the "New Articles") will be adopted. Therefore the Current Articles have been re-ordered for clarity, with regulations which the Board no longer considers to be relevant to the Company having been removed and the remaining regulations modernised by removing outdated terminology and accommodating changes to definitions in the Companies Act 2006 and other legislation. Further amendments have been made to make the terminology used more consistent throughout the New Articles.

As some of the proposed amendments result from the implementation of provisions of the Companies Act 2006 which will not come into force until 1 October 2008, it is proposed that whilst the New Articles are being recommended for approval at the Annual General Meeting, they would not be adopted by the Company until 1 October 2008, until which date the Current Articles will continue to apply.

As a result of the further Companies Act 2006 provisions due to be implemented on 1 October 2009, it is expected that further changes to the New Articles be proposed at a later Annual General Meeting to incorporate such provisions. The New Articles have been drafted with the intention that minimal further amendment will be required to implement these.

The majority of the changes made to the New Articles are not material, so although the wording, numbering and order of the New Articles has changed, the meaning and effect of most provisions will not.

The principal changes proposed in the amended New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature, consequential changes as a result of re-numbering provisions of the New Articles and some minor changes which merely reflect changes made by the Companies Act 2006, have not been noted.

1 Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights, provisions regarding the period of notice required to convene general meetings and proxies.

2 Form of resolution

The concept of extraordinary resolutions has not been retained under the Companies Act 2006 so all references to a requirement for an extraordinary resolution have been replaced by a requirement for a special resolution.

The Current Articles enable members to act by written resolution. Under the Companies Act 2006 public companies can no longer pass written resolutions. These provisions have therefore been removed in the New Articles.

3 Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Companies Act 2006. The relevant provisions have therefore been removed in the New Articles.

4 Convening extraordinary and annual general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006. In particular an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

The New Articles also provide that the Company holds its Annual General Meeting within 6 months of the end of the accounting period of the Company, as required by the Companies Act 2006.

5 Votes of members

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the Companies Act 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed (but if they purport to exercise their rights in different ways, then the power is treated as not being exercised). The New Articles reflect all of these new provisions.

6 Age of directors on appointment

The Current Articles contain a provision limiting the age at which a director can be appointed. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.

7 Retirement at Annual General Meeting

The New Articles have been amended to bring the provisions of retirement of directors in line with the new Combined Code (para A7.1). The New Articles state that each director must retire every three years.

8 Conflicts of interest

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers to authorise conflicts are operated effectively.

9 Notice of board meetings

Under the Current Articles, when a director is abroad he can request that notice of directors' meetings are sent to him at a specified address he does not do so he is not entitled to receive notice while he is away. This provision has been removed, as modern communications mean that there may be no particular obstacle to giving notice to a director who is abroad. It has been replaced with a more general provision that a director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

10 Electronic and web communications

Provisions of the Companies Act 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must

be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

11 Directors' indemnities and loans to fund expenditure

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

12 General

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles.

Electrocomponents plc
(incorporated and registered in England under number 647788)

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