

**EXECUTION VERSION**

**BID CONDUCT AGREEMENT**

**28 JULY 2016**

**Between**

**PREMIER FARNELL PLC**

**and**

**AVNET, INC.**

**ALLEN & OVERY**

**Allen & Overy LLP**

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**THIS AGREEMENT** is entered into on 28 July 2016

**BETWEEN:**

- (1) **PREMIER FARNELL PLC** (registered number 876412), a public limited company incorporated in England and Wales, whose registered office is at Farnell House, Forge Lane, Leeds, LS12 2NE, United Kingdom (**Premier Farnell**); and
- (2) **AVNET, INC.**, a New York corporation, whose registered office is at 2211 S. 47th Street, Phoenix, Arizona (**Avnet**),

together referred to as the **parties** and each as a **party** to this Agreement.

**WHEREAS:**

- (A) Avnet intends to announce a firm intention to acquire the entire issued and to be issued share capital of Premier Farnell (the **Acquisition**).
- (B) It is intended that the Acquisition will be effected by way of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006, as amended (the **Scheme**), but Avnet may, as permitted under Clause 6.1 of this Agreement, elect to effect the Acquisition by way of a takeover offer (the **Offer**).
- (C) The parties have agreed to co-operate with each other and to progress the Acquisition on the terms set out in this Agreement.

**IT IS AGREED AS FOLLOWS:**

**1. INTERPRETATION**

1.1 In this Agreement:

**Acceptance Condition** means the acceptance condition to the Offer, as specified in Clause 6.2.

**Acquisition** has the meaning given in Recital (A);

**Act** means the Companies Act 2006;

**Agreement** means this agreement, together with its Schedule, as amended or supplemented in accordance with its terms;

**Announcement** means the agreed form announcement detailing the terms and conditions of the Acquisition to be made pursuant to Rule 2.7 of the Code;

**Antitrust and Regulatory Conditions** means those Conditions referred to in paragraphs 2 to 4 (inclusive) of Part A of Appendix 1 to the Announcement;

**Avnet Group** means Avnet, its subsidiaries and its subsidiary undertakings, in each case from time to time and **member of the Avnet Group** shall be construed accordingly;

**Board Recommendation** means the unanimous and unconditional recommendation of the board of directors of Premier Farnell to the Premier Farnell Shareholders to vote in favour of the Scheme or accept the Offer (as the case may be), and pending the dispatch of the Scheme Document (or Offer Document, as the case may be) means the expressed intention of such board to make such unanimous and unconditional recommendation;

**Business Day** means a day (other than a Saturday, Sunday or public or bank holiday in the UK) when banks are generally open for business in London and Phoenix;

**Clearance** means any approval, consent, clearance, permission, confirmation, comfort letter and waiver that may need to be obtained and any waiting period that may need to have expired, from or under any of the Laws, regulations or practices applied by any Regulatory Authority (or under any agreement or arrangement to which any Regulatory Authority is a party), in connection with the implementation of the Acquisition, and any reference to a Clearance having been **satisfied** shall be construed as meaning that the foregoing have been obtained, or, where appropriate, made or expired;

**Code** means the City Code on Takeovers and Mergers as issued from time to time by or on behalf of the Panel;

**Conditions** means:

- (a) for so long as the Acquisition is being implemented by way of the Scheme, the conditions of the Acquisition (including the Scheme Conditions) as set out in Part A of Appendix 1 to the Announcement and to be set out in the Scheme Document, as may be amended at the request of Avnet with the consent of the Panel (and, for so long as the Scheme is unanimously and unconditionally recommended by the board of directors of Premier Farnell, with the consent of Premier Farnell); or
- (b) for so long as the Acquisition is being implemented by way of the Offer, the conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition, as may be further amended by Avnet with the consent of the Panel (and, for so long as the board of directors of Premier Farnell maintains the Board Recommendation, the consent of Premier Farnell),

and **Condition** shall be construed accordingly;

**Consideration** means the consideration payable to holders of Premier Farnell Shares pursuant to the terms of the Acquisition and as set out in the Announcement;

**Court** means the High Court of Justice in England and Wales;

**Court Meeting** means the meeting of the holders of those Scheme Shares which are in issue as at the Voting Record Time (and any adjournment of such meeting) to be convened pursuant to section 896 of the Act for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;

**Effective Date** means the date upon which either:

- (a) the Scheme becomes effective in accordance with its terms; or
- (b) if Avnet elects, in accordance with the provisions of Clause 6.1, to implement the Acquisition by means of the Offer, the Unconditional Date;

**Form CO** and **Short Form** mean the notifications to the European Commission pursuant to Article 4(1) of the EU Merger Regulation and as referred to in Commission Regulation (EC) 802/2004 (as amended);

**Form RS** means a notification to the European Commission pursuant to Article 4(4) of the EU Merger Regulation and as referred to in Commission Regulation (EC) 802/2004 (as amended);

**General Meeting** means the general meeting of Premier Farnell Shareholders (and any adjournment of such meeting) to be convened in connection with the Scheme for the purpose of considering and, if thought fit, approving the Premier Farnell Resolutions;

**Law** means any applicable statutes, common law, rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines or interpretations having the force of law or bylaws, in each case, of a Regulatory Authority;

**Listing Rules** means the “listing rules” made by the Financial Conduct Authority pursuant to Part 6 of the Financial Services and Markets Act 2000, referred to in section 73A(2) of the same, and contained in the Financial Conduct Authority’s publication of the same name;

**Long Stop Date** means 30 April 2017 or such later date (if any) as may be agreed by Premier Farnell and Avnet (with the consent of the Panel) and approved by the Court (if such approval is required);

**Offer** means, if Avnet elects to effect the Acquisition by means of a takeover offer in accordance with Clause 6.1, the offer to be made by or on behalf of Avnet to acquire the entire issued and to be issued ordinary share capital of Premier Farnell including any subsequent revision, variation, extension or renewal of such offer;

**Offer Document** means the offer document published by or on behalf of Avnet and sent to Premier Farnell Shareholders in connection with and containing the terms of any Offer, including any revised offer document;

**Panel** means the UK Panel on Takeovers and Mergers;

**Premier Farnell Group** means Premier Farnell, its subsidiaries and its subsidiary undertakings from time to time and **member of the Premier Farnell Group** shall be construed accordingly;

**Premier Farnell Meetings** means the Court Meeting and the General Meeting;

**Premier Farnell Resolutions** means the resolutions necessary to implement the Acquisition, to be proposed at the General Meeting and set out in the notice of the General Meeting;

**Premier Farnell Share Plans** means the 2000 Performance Share Plan, the Performance Share Plan, the Executive Share Option Plan, the Deferred Share Bonus Plan, the Restricted Share Plan, the Equity Award Plan, the 2004 Sharesave, the 2003 Executive Share Option Plan and the Save As You Earn Scheme, each as defined in the Schedule (Employee-related Matters);

**Premier Farnell Shareholders** means the registered holders of Premier Farnell Shares from time to time;

**Premier Farnell Shares** means the ordinary shares of £0.05 each in the capital of Premier Farnell from time to time;

**Regulatory Information Service** means a regulatory information service as defined in the Listing Rules;

**Regulatory Authority** means any court or central bank, ministry, governmental, quasigovernmental (including the European Union), national, supranational, statutory, supervisory, regulatory, arbitral or investigative body or authority (including any national or supranational antitrust or merger control authority, any sectoral ministry or regulator and any foreign investment review body), national, state, municipal or local government (including any subdivision, court, administrative agency or

commission or other authority of such government), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body, in each case in any jurisdiction, including, without limitation, the Panel, the U.S. Securities and Exchange Commission, the European Commission and the Financial Conduct Authority (including the UK Listing Authority);

**Sanction Hearing** means the Court hearing (and any adjournment of such hearing) to sanction the Scheme pursuant to section 899 of the Act, at which the Scheme Order is expected to be granted;

**Scheme** means the proposed scheme of arrangement pursuant to Part 26 of the Act between Premier Farnell and the Scheme Shareholders to implement the Acquisition, the terms of which are to be set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed between Avnet and Premier Farnell;

**Scheme Conditions** means those Conditions referred to in paragraph 1 of Part A of Appendix 1 to the Announcement;

**Scheme Document** means the document to be despatched to (among others) the Premier Farnell Shareholders containing, *inter alia*, the details of the Scheme and notices convening the Court Meeting and the General Meeting, including any supplementary scheme document;

**Scheme Order** means the order of the Court sanctioning the Scheme pursuant to section 899 of the Act;

**Scheme Record Time** has the meaning given to such term in the Announcement;

**Scheme Sanction Condition** means the Condition referred to in paragraph 1(iii) of Part A of Appendix 1 to the Announcement;

**Scheme Shareholders** means holders of Scheme Shares;

**Scheme Shares** means:

- (a) any Premier Farnell Shares in issue as at the date of the Scheme Document;
- (b) any Premier Farnell Shares issued after the date of the Scheme Document and before the Voting Record Time; and
- (c) any Premier Farnell Shares issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holder of such shares is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme,

in each case excluding (i) any Premier Farnell Shares held beneficially by any member of the Avnet Group; and (ii) any Premier Farnell Shares held in treasury;

**Switch** has the meaning given in Clause 6.1;

**UK Listing Authority** means the Financial Conduct Authority, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000;

**Unconditional Date** means, if Avnet elects to implement the Acquisition by way of the Offer, the date on which the Offer becomes or is declared unconditional in all respects;

**Voting Record Time** has the meaning given to such term in the Announcement; and

**Working Hours** has the meaning given in Clause 13.5.

1.2 In this Agreement, except where the context otherwise requires:

- (a) the expressions **subsidiary** and **subsidiary undertaking** shall have the meanings given in the Act;
- (b) the expression **offer** shall have the meaning given in the Code and the expression **takeover offer** shall have the meaning given in section 974 of the Act;
- (c) a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
- (d) references to one gender include other genders;
- (e) words in the singular shall include the plural and vice versa;
- (f) a reference to a **person** shall include a reference to an individual, an individual's executors or administrators, a partnership, a firm, a body corporate, a company, an unincorporated association, a government, state or agency of a state, a local or municipal authority or government body, and a joint venture or association (in any case, whether or not having separate legal personality);
- (g) a reference to a **company** shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established;
- (h) a reference to a **Recital, Clause** or **Schedule** (other than to a schedule to a statutory provision) shall be a reference to a recital, clause or schedule to (as the case may be) this Agreement;
- (i) references to times are to London time;
- (j) any reference to a **day** (including within the phrase **Business Day**) shall mean a period of 24 hours running from midnight to midnight;
- (k) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates the English legal term in that jurisdiction;
- (l) references to a document in **agreed form** are to a document in the form agreed by the parties signed by or on behalf of both Premier Farnell and Avnet for the purposes of identification;
- (m) references to **writing** shall include any modes of reproducing words in any legible form and shall include email except where otherwise expressly stated;
- (n) a reference to **includes** or **including** shall mean **includes without limitation** or **including without limitation** respectively;
- (o) references to **£** and **pounds sterling** are to the lawful currency of England;

- (p) the rule known as the *ejusdem generis* rule shall not apply and accordingly general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
- (q) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words; and
- (r) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, novated or supplemented at any time.

1.3 The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

1.4 The Schedule forms part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedule.

1.5 If the Acquisition is made by or on behalf of a subsidiary of Avnet, all references to **Avnet** in this Agreement shall (except where the context requires otherwise) be deemed to include that subsidiary and Avnet shall procure that that subsidiary complies with the terms of this Agreement.

## **2. PUBLICATION OF THE ANNOUNCEMENT AND THE TERMS OF THE ACQUISITION**

2.1 The obligations of the parties under this Agreement, other than this Clause 2.1 and Clauses 9 to 23 (inclusive), shall be conditional on the release of the Announcement via a Regulatory Information Service at or before 7:30 a.m. on the date of this Agreement, or such later time and date as the parties may agree (and, where required by the Code, approved by the Panel). This Clause 2.1 and Clauses 9 to 23 (inclusive) shall take effect on and from execution of this Agreement.

2.2 The terms of the Acquisition shall be as set out in the Announcement, together with such other terms as may be agreed by the parties in writing (save in the case of an improvement to the terms of the Acquisition, which will be at the absolute discretion of Avnet) and, where required by the Code, approved by the Panel. The terms of the Acquisition at the date of posting of the Scheme Document shall be set out in the Scheme Document. Should Avnet elect to implement the Acquisition by way of the Offer in accordance with Clause 6.1, the terms of the Acquisition shall be set out in the Offer Document.

## **3. CONDITIONS**

3.1 The obligation of Avnet to complete the Acquisition is subject to satisfaction or waiver of the Conditions.

3.2 Avnet and Premier Farnell shall co-operate with each other and shall provide each other with all relevant information, reasonable assistance and reasonable access to management to allow the other (or both parties jointly, as may be the case) to make any necessary filings, submissions or notifications with or to any relevant Regulatory Authority in connection with the Clearances (including for the purposes of responding to requests for further information), in each case ensuring all such information, assistance and access is supplied accurately and in a timely manner (taking into account applicable waiting periods), provided that the co-operation will be conducted in a manner reasonably designed to preserve applicable lawyer / client and lawyer work product privileges and to limit the exchange of any commercially or competitively sensitive information to outside counsel or pursuant to an appropriately established clean team arrangement.

3.3 Avnet shall be responsible for determining the strategy for obtaining the Clearances and (except where Premier Farnell is required by law to do so) for contacting and corresponding with (including



preparing, with the assistance of Premier Farnell in accordance with this Agreement, all necessary filings, submissions and notifications to) the Regulatory Authorities in relation to such Clearances.

- 3.4 Avnet agrees that it shall not (and shall procure that its subsidiaries shall not), without the consent of Premier Farnell, announce or enter into any agreement to effect any merger with, or acquire control (for the purposes of the European Union, United States or Israeli merger control regimes) or material influence (for the purposes of the UK merger control regime) over, a business or company that is a competitor of Premier Farnell and which would give rise to or result in a material risk of not satisfying the Antitrust and Regulatory Conditions on or prior to the Long Stop Date.
- 3.5 Avnet shall use best endeavours to:
- (a) ensure the satisfaction of the Antitrust and Regulatory Conditions and implementation of the Acquisition as soon as reasonably practicable following the date of this Agreement and, in any event, by the Long Stop Date and to avoid the Transaction lapsing pursuant to Rule 12 of the City Code, including without limitation by proposing, negotiating and offering to commit to any commercially reasonable undertakings and agreeing to (to the extent commercially reasonable) the sale, divestiture, or disposal of any assets, businesses or parts of businesses of the Avnet Group or the Premier Farnell Group to the extent required by any Regulatory Authority; and
  - (b) avoid any filing being declared incomplete by any Regulatory Authority and to avoid the suspension of any review periods of any Regulatory Authority.
- 3.6 Each of Avnet and Premier Farnell shall co-operate with, and provide reasonable assistance to, the other in relation to the satisfaction of the Antitrust and Regulatory Conditions (including as reasonably required to assist the fulfilment by the other of its obligations under this Clause 3), provided that nothing in this Clause 3.6 shall require the directors of Premier Farnell to maintain the Board Recommendation or to adjourn, or seek to adjourn (or refrain from adjourning or seeking to adjourn), any shareholder meeting or court hearing which has been, or will be, convened in relation to the Acquisition or (without prejudice to any other obligation Premier Farnell has under this Agreement) require Premier Farnell to make any change (or refrain from making any change) to the timetable for implementing the Acquisition.
- 3.7 Without prejudice to the generality of clauses 3.2, 3.4 and 3.5, and except to the extent that to do so is prohibited by law:
- (a) Avnet, or Avnet and Premier Farnell jointly, or Premier Farnell, as may be required, will submit all notifications that are required for the satisfaction of the Antitrust and Regulatory Conditions to the relevant Regulatory Authorities as soon as reasonably practicable following the date of this Agreement, and in any event within 20 working days of the date of this Agreement final notifications shall be submitted to the relevant Regulatory Authorities pursuant to the United States and Israeli merger control regimes and a substantially complete draft Form CO or draft Short Form shall be submitted to the European Commission with a view to submitting the final Form CO or final Short Form to the European Commission as soon as practical thereafter, provided (in each case) that (i) the other has responded reasonably promptly to reasonable information requests and (ii) no Regulatory Authority refuses to accept or materially delays acceptance of any notification that the submitting party considers (acting reasonably) to be complete, with each party bearing its own costs and expenses in relation to such notifications;
  - (b) each party shall promptly notify the other and its advisers sufficiently in advance of making or submitting any filing, submission, material correspondence or other material communication (excluding communications of a purely administrative nature) which it

proposes to make or submit to any Regulatory Authority in connection with the Clearances and, at the same time, provide the other with a draft copy of such filing, submission, material correspondence or other material communication and any supporting documentation or information;

- (c) each party shall provide the other with a reasonable opportunity to provide comments on drafts of any such draft filing, submission, material correspondence or other material communication before their submission to a Regulatory Authority and have regard, in good faith, to any reasonable comments provided in a timely manner by the other before submitting such filing, submission, response or other documentation to the Regulatory Authority, and provide the other with copies of all such filings, submissions, material correspondence and material communications in the form finally submitted or sent (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications);
- (d) unless prohibited by the relevant Regulatory Authority or applicable Law, each party shall give the other and its advisers reasonable notice of (including providing any agendas to the extent available) and reasonable opportunity to attend (and, where appropriate, make reasonable oral submissions in), material meetings or calls with any Regulatory Authority relating to obtaining any Clearance (save where commercially sensitive information is likely to be discussed at such meetings or calls, in which case the relevant party's advisers shall still be entitled to attend on an "outside counsel" only basis);
- (e) each party shall promptly inform the other of the content of any such material meetings or calls with a Regulatory Authority to the extent that party was not present;
- (f) each party shall respond with the requested information or documentation as soon as reasonably practicable to all inquiries received from a Regulatory Authority for information or documentation;
- (g) each party shall, where reasonably requested by the other, and insofar as permitted by the Regulatory Authority, make available appropriate representatives for meetings and calls with that Regulatory Authority in connection with the obtaining of any Clearances;
- (h) each party shall not withdraw a filing or substantially complete draft notification made to any Regulatory Authority without the other's prior approval and Avnet shall not submit a Form RS to the European Commission without Premier Farnell's approval, such approval not to be unreasonably withheld; and
- (i) each party shall notify the other of any Clearance or other material decision received from a Regulatory Authority as soon as practicable and in any event within one Business Day following receipt of the same providing the other with copies of such Clearance or material decision and related documentation.

3.8 Premier Farnell may, in its absolute discretion, waive or extend in writing to Avnet the 20 day working period contained in clause 3.7(a).

3.9 Nothing in this Agreement shall oblige either Avnet or Premier Farnell (the **disclosing party**) to disclose any information to the other:

- (a) that is personally identifiable information of a director, officer or employee of the disclosing party or any member of its group, unless that information can reasonably be anonymised (in which case the disclosing party shall provide the relevant information on an anonymous basis);

- (b) which the disclosing party reasonably considers to be commercially or competitively sensitive or which constitutes a trade secret;
- (c) which the disclosing party is prohibited from disclosing by Law or the terms of an existing contract; or
- (d) where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal advice privilege).

3.10 Where any of the circumstances in Clause 3.9 applies, the disclosing party shall, to the extent practicable and permissible by applicable Law, disclose the information:

- (a) on an “external counsel only” basis or pursuant to an appropriately established clean team arrangement, or as the parties may otherwise agree; or
- (b) where disclosure in a manner contemplated by Clause 3.10(a) would reasonably be expected to have a material adverse effect on the disclosing party’s legitimate business interests, directly to the Regulatory Authority (and in such circumstances, the disclosing party shall provide, or procure the provision of, to the other party a non-confidential version of such information).

3.11 Each party undertakes to keep the other party informed of progress towards the satisfaction (or otherwise) of the Conditions (including keeping the other informed, in a timely manner, of any material communication or correspondence from any Regulatory Authority in relation to obtaining any Clearance) and, if either party is, or becomes, aware of any matter which might reasonably be considered to be material in the context of the satisfaction or waiver of any of the Conditions, the relevant party will promptly make the substance of any such matter known to the other and, so far as it is aware of the same and subject always to the provisions of Clause 3.8, provide such details and further information as the other party may reasonably request.

#### **4. SCHEME DOCUMENT**

Where the Acquisition is implemented by way of the Scheme, Avnet:

- (a) agrees to provide promptly to Premier Farnell all such information about itself, its directors and the Avnet Group (including any information required under applicable Law or the Code regarding the intentions of Avnet) as Premier Farnell may reasonably require for inclusion in the Scheme Document and to provide promptly such other assistance as Premier Farnell may reasonably require for the preparation of the Scheme Document (in each case having regard, without limitation, to the requirements of applicable Law and/or the Code) and any other document required by applicable Law and/or the Code, including procuring that reasonable assistance is provided by Avnet’s relevant professional advisers; and
- (b) shall procure that its directors accept responsibility for all of the information in the Scheme Document relating to themselves (and members of their immediate families, related trusts and persons connected with them), the Avnet Group, the financing of the Acquisition, any statements of the opinion, belief, intention or expectation of Avnet or the directors of Avnet in relation to the Acquisition or the enlarged Avnet Group following the completion of the Acquisition and any other information in the Scheme Document for which a bidder is required to accept responsibility under the Code.

#### **5. IMPLEMENTATION OF THE SCHEME**

Where the Acquisition is being implemented by way of the Scheme:

- (a) Avnet undertakes that, before the Sanction Hearing, it shall deliver a notice in writing to Premier Farnell either:
  - (i) confirming the satisfaction or waiver of all Conditions (other than the Scheme Sanction Condition); or
  - (ii) confirming its intention to invoke one or more of the Conditions (if permitted by the Panel) and providing details of the event that has occurred, or circumstance that has arisen, which Avnet reasonably considers entitles it (where applicable, with the consent of the Panel) to invoke such Condition(s) and why Avnet considers such event or circumstance to be sufficiently material for the Panel to permit it to invoke such Condition(s);
- (b) where Avnet confirms the satisfaction or waiver of all Conditions (other than the Scheme Sanction Condition), Avnet agrees that Premier Farnell shall be permitted to take the necessary steps to procure that the Sanction Hearing is duly held as soon as reasonably practicable thereafter (having regard to the proposed timetable agreed between the parties and included in the Scheme Document or in any subsequent agreed announcement regarding the implementation of the Acquisition); and
- (c) Avnet shall, subject to the provisions of this Agreement and the satisfaction or waiver of all Conditions, agree to be bound by and consent to the implementation of the Scheme. For this purpose, Avnet shall instruct Stephen Horan of Erskine Chambers to appear on its behalf at the Sanction Hearing and undertake to the Court to be bound by the terms of the Scheme.

## 6. SWITCHING TO AN OFFER

- 6.1 The parties currently intend to implement the Acquisition by way of the Scheme. However, Avnet may (with the approval of the Panel) elect to implement the Acquisition by way of the Offer rather than the Scheme (such election being a **Switch**).
- 6.2 In the event of a Switch pursuant to Clause 6.1, the Acceptance Condition shall be set at 75 per cent., where the Premier Farnell directors consent to a switch from a Scheme to an Offer, or 90 per cent., where there is no such consent (or such lesser percentage as Avnet may elect after, to the extent necessary, consultation with the Panel, being in any case more than 50 per cent.) in nominal value and of the voting rights of the Premier Farnell Shares to which the Offer relates.
- 6.3 If Avnet exercises its right to implement the Acquisition by way of the Offer:
  - (a) Avnet shall not take any actions which would cause the Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of the Acceptance Condition, before the 20th Business Day after publication of the Offer Document, and Avnet shall ensure that the Offer remains open for acceptances until such time;
  - (b) Avnet shall ensure that the Offer is made on the same terms as those set out in the Announcement, subject to replacing the Scheme Conditions with the Acceptance Condition and subject to any other modification or amendment to such terms and conditions as agreed between the parties and the Panel or which is necessary as a result of the Switch;
  - (c) Avnet shall prepare the Offer Document and shall consult reasonably with Premier Farnell in relation to such preparation. Avnet agrees to allow Premier Farnell reasonable opportunity to consider the draft Offer Document for review and comment and, to consider comments reasonably and promptly proposed by Premier Farnell in good faith;

- (d) the parties agree that all provisions of this Agreement relating to the Scheme and its implementation shall apply to the Offer and its implementation *mutatis mutandis*; and
- (e) Avnet shall keep Premier Farnell informed, on a confidential and reasonably frequent basis following a written request from Premier Farnell, of the number of holders of Premier Farnell Shares that have validly returned their acceptance or withdrawal forms or incorrectly completed their withdrawal or acceptance forms, the identity of such shareholders and the number of Premier Farnell Shares to which such forms relate.

## **7. EMPLOYEE-RELATED MATTERS**

- 7.1 The parties agree that the provisions of the Schedule (Employee-related Matters) with respect to certain employee-related matters shall be implemented in accordance with that Schedule.
- 7.2 The parties agree that if the Acquisition is implemented by way of the Scheme, the timetable for its implementation shall be fixed so far as possible so as to enable options and awards under the relevant Premier Farnell Share Plans which provide for exercise and/or vesting upon the sanction of the Scheme by the Court to be exercised or vest in sufficient time to enable the resulting Premier Farnell Shares to be bound by the Scheme.
- 7.3 Premier Farnell and Avnet agree to co-operate with each other in relation to Avnet's plans in relation to, and communications with, the participants of the Premier Farnell Share Plans in accordance with the Schedule (Employee-related Matters) and Premier Farnell agrees to promptly provide such details to Avnet in connection with such plans and communications as Avnet may reasonably request.

## **8. DIRECTORS' AND OFFICERS' INSURANCE**

- 8.1 Avnet undertakes in favour of Premier Farnell and in favour of each of the directors, officers and employees of Premier Farnell and each of its subsidiary undertakings as at and before the date of this Agreement that, as from the Effective Date, it shall not take any action to cause any of Premier Farnell or any of its subsidiary undertakings to breach any of their obligations under any deed poll or similar instrument entered into by Premier Farnell or the relevant subsidiary in accordance with its certificates of incorporation, articles of association or similar governing documents in favour of officers, directors and employees existing as of the date of the Agreement regarding elimination of liability of directors, indemnification of officers, directors and employees and advancement of expenses with respect to matters existing or occurring at or before the Effective Date.
- 8.2 With effect from the Effective Date, Avnet shall implement, or permit Premier Farnell to implement, directors' and officers' liability insurance cover for both current and former directors and officers of the Premier Farnell Group, to the fullest extent permitted by Law, including directors and officers who retire or whose employment is terminated (directly or indirectly) after the Effective Date, for acts and omissions up to and including the Effective Date, in the form of run-off cover for a period of six years following the Effective Date, which insurance cover shall be provided by way of a run-off policy with reputable insurers on customary market terms which provide cover, in terms of amount and breadth, that is substantially equivalent to that provided under, and at the cost set out in, the Premier Farnell Group's directors' and officers' liability insurance policy as at the date of this Agreement.
- 8.3 Each of the directors and officers of the Premier Farnell Group to which Clause 8.2 applies will have the right, pursuant to the Contracts (Rights of Third Parties) Act 1999, to enforce his or her rights against Avnet under Clauses 8.1 and 8.2.

## **9. CODE AND LISTING RULES**

- 9.1 Nothing in this Agreement shall in any way limit the parties' obligations under the Code, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms.
- 9.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Premier Farnell to take or not to take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.
- 9.3 Nothing in this Agreement shall oblige Premier Farnell or the directors of Premier Farnell to recommend an Offer or a Scheme proposed by Avnet or any member of the Avnet Group.
- 9.4 Without prejudice to the warranties given by the parties pursuant to Clause 11, nothing in this Agreement shall be taken to restrict the directors of any member of the Premier Farnell Group or the Avnet Group from complying with all applicable Law, orders of court or regulations, including the Code, the Listing Rules and the rules and regulations of the Panel and the UK Listing Authority.

## **10. TERMINATION**

- 10.1 Subject to Clauses 10.2 and 10.3, this Agreement may be terminated by either party with immediate effect and all rights and obligations of the parties under the Agreement shall cease forthwith, as follows:
- (a) if termination is agreed in writing between the parties;
  - (b) if the Scheme Document does not include the Board Recommendation;
  - (c) if any director of Premier Farnell withdraws or adversely modifies the Board Recommendation;
  - (d) if a third party announces a firm intention to make an offer or a revised offer for Premier Farnell after the date of this Agreement which is recommended by the board of directors of Premier Farnell or which completes, becomes effective or is declared or becomes unconditional in all respects;
  - (e) if the Acquisition is being implemented by way of Scheme and:
    - (i) the Court Meeting is not held by the 22nd day after the expected date of such meeting as set out in the Scheme Document (or such later date as may be agreed between the parties with the consent of the Panel and, if required, the Court);
    - (ii) the Scheme is not approved by the requisite majorities of Scheme Shareholders at the Court Meeting or the Premier Farnell Resolutions are not passed by the requisite majorities at the General Meeting;
    - (iii) the Sanction Hearing is not held by the 22nd day after the expected date of such hearing as set out in the Scheme Document (or such later date as may be agreed between the parties with the consent of the Panel and, if required, the Court);
    - (iv) the Scheme is not sanctioned at the Sanction Hearing; or

- (v) following the sanction of the Scheme at the Sanction Hearing, a copy of the Scheme Order is not delivered to the Registrar of Companies of England and Wales in accordance with the timetable set out in the Scheme Document or in any subsequent announcement setting out the proposed date of the Sanction Hearing;
- (f) upon service of written notice by Avnet to Premier Farnell prior to the Long Stop Date stating that either (i) any Condition capable of waiver is (or has become) incapable of satisfaction by the Long Stop Date and Avnet will not waive it; or (ii) any Condition which is incapable of waiver has become incapable of satisfaction by the Long Stop Date, in each case in circumstances where the invocation of the relevant Condition (or confirmation that the Condition is incapable of satisfaction, as appropriate) is permitted by the Panel;
- (g) if the Acquisition (whether implemented by way of the Scheme or the Offer) lapses, terminates or is withdrawn prior to the Long Stop Date in accordance with its terms and, where required, with the permission of the Panel (other than where such lapse or withdrawal is as a result of the exercise of Avnet's right to effect a Switch); or
- (h) the Effective Date or Unconditional Date (as the case may be) has not occurred by the Long Stop Date.

10.2 Termination of this Agreement pursuant to Clause 10.1 shall be without prejudice to the rights of any of the parties which have arisen at or before termination

10.3 The whole of this Clause 10, Clause 8 (so long as this Agreement is not terminated before the Effective Date or Unconditional Date, as applicable), and Clauses 12 to 23 (inclusive) shall survive termination of this Agreement.

## **11. WARRANTIES**

11.1 On the date of this Agreement each party warrants to the other party that:

- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- (b) this Agreement constitutes its binding obligations in accordance with its terms; and
- (c) the execution and delivery of, and performance of its obligations under, this Agreement will not:
  - (i) result in any breach of any provision of its constitutional documents;
  - (ii) result in a breach of, or constitute a default under, any instrument to which it is a party or by which it is bound; or
  - (iii) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.

## 12. ANNOUNCEMENTS

- 12.1 Subject to Clause 12.2, no announcement (other than the Announcement) concerning the Acquisition or any ancillary matter contemplated by this Agreement shall be made by either party without the prior written approval of the other, such approval not to be unreasonably withheld or delayed, other than in the case of announcements by Premier Farnell in respect of the General Meeting, the Court Meeting and the Sanction Hearing which are of a procedural and immaterial nature.
- 12.2 Either party may make an announcement concerning the Acquisition or any ancillary matter:
- (a) if required by law or any securities exchange or regulatory or governmental body to which that party is subject, wherever situated, including (among other bodies) the London Stock Exchange, the Financial Conduct Authority and the Panel, whether or not the requirement has the force of law provided that the party concerned shall (to the extent permitted by applicable law and regulation) take all such steps as may be reasonable and practicable in the circumstances to agree the contents, form and timing of such announcement with the other party before making such announcement; or
  - (b) following the withdrawal or modification of the Board Recommendation; or
  - (c) where a third party announces an offer or possible offer for Premier Farnell; or
  - (d) where the announcement only includes information which is contained in the Announcement.

## 13. NOTICES

- 13.1 A notice under this Agreement shall only be effective if it is in writing.
- 13.2 Notices under this Agreement shall be sent to a party by hand delivery or reputable international courier or by facsimile or email at its physical address, facsimile number or email address respectively, and shall be marked for the attention of the individual(s) set out below:

- (a) Premier Farnell:

Attention: Steven Webb, Company Secretary  
Physical address: Premier Farnell plc  
150 Armley Road  
Leeds LS12 2QQ  
United Kingdom  
Fax number: +44(0)870 129 8611  
Email address: SWebb@premierfarnell.com

with a copy to:

Attention: Richard Browne  
Physical address: Allen & Overy LLP  
One Bishops Square  
London E1 6AD  
United Kingdom  
Fax number: +44 (0)20 3088 0088  
Email address: Richard.Browne@allenoverly.com

- (b) Avnet:



Attention: Erin Lewin  
Physical address: Avnet, Inc  
2211 S. 47th Street  
Phoenix  
Arizona 85034  
Email address: Erin.Lewin@avnet.com

with a copy to:

Attention: Nigel Stacey  
Physical address: Gibson, Dunn & Crutcher LLP  
Telephone House  
2-4 Temple Avenue  
London EC4Y 0HB  
United Kingdom  
Email address: nstacey@gibsondunn.com

- 13.3 A party may change its notice details on giving notice to the other party of the change in accordance with Clauses 13.1 and 13.2. That notice shall only be effective on the date falling one Business Day after the notification has been received or such later date as may be specified in the notice.
- 13.4 Subject to Clause 13.5, any notice given under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly given:
- (a) if delivered by hand, on delivery;
  - (b) if sent by reputable international courier, on signature of a delivery receipt;
  - (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the notice; or
  - (d) if sent by email, when sent.
- 13.5 Any notice given under this Agreement outside the period between 9:00 a.m. and 5:00 p.m. (in the place to which that notice is addressed) on a Business Day (**Working Hours**) shall be deemed not to have been given until the start of the next period of Working Hours.
- 13.6 Each party shall, where it sends a notice by facsimile or email to another party, within two Business Days send a hard copy of the relevant notice via hand delivery or reputable international courier to the physical address of that other party. Any failure to comply with this Clause 13.6 will not invalidate the original notice.

#### **14. REMEDIES AND WAIVERS**

- 14.1 No delay or omission by any party to this Agreement in exercising any right, power or remedy provided by law or under this Agreement shall:
- (a) affect that right, power or remedy; or
  - (b) operate as a waiver of it.

- 14.2 The single or partial exercise of any right, power or remedy provided by Law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.
- 14.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.
- 14.4 Without prejudice to any other rights and remedies which any party may have, each party acknowledges and agrees that damages alone may not be an adequate remedy for any breach by any party of the provisions of this Agreement and any party shall be entitled to seek the remedies of injunction, specific performance and other equitable remedies, for any threatened or actual breach of any such provision of this Agreement by any party and no proof or special damages shall be necessary for the enforcement by any party of the rights under this Agreement.

## 15. VARIATION

No variation of this Agreement shall be valid unless it is in writing (which, for this purpose, does not include email) and signed by or on behalf of each of the parties.

## 16. INVALIDITY

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement,

and, if such provision would be valid and enforceable if deleted in whole or in part or reduced in application, such provision shall apply with such deletion or modification as may be necessary to make it valid and enforceable.

## 17. ENTIRE AGREEMENT

- 17.1 Save for the non-disclosure agreement between Premier Farnell and Avnet signed on 11 January 2016, the anti-trust counsel clean team deed between Premier Farnell and Avnet dated 5 July 2016 and the commercial clean team agreement between Premier Farnell and Avnet dated 5 July 2016 (each of which remains in force as at the date of this Agreement), this Agreement constitutes the whole and only agreement between the parties relating to the Acquisition and supersedes any previous agreement whether written or oral between the parties in relation to the Acquisition.
- 17.2 Except in the case of fraud, each party acknowledges that it is not relying upon any pre-contractual statement that is not set out in this Agreement.
- 17.3 No party shall have any right of action against the other parties arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement or in the case of fraud.
- 17.4 For the purposes of this Clause 17, **pre-contractual statement** means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement, made or given by any person at any time before the date of this Agreement.

## **18. LANGUAGE**

Each notice or other communication under or in connection with this Agreement shall be in English.

## **19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

- 19.1 Save as set out in Clause 8.3, the parties do not intend that any term of this Agreement should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Agreement.
- 19.2 Notwithstanding Clause 8.3, the rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this Agreement are not subject to the consent of any other person.

## **20. ASSIGNMENT**

No party shall be entitled to assign (whether absolutely or by way of security and whether in whole or in part), transfer, mortgage, charge, declare itself a trustee for a third party of, or otherwise dispose of (in any manner whatsoever) the benefit of this Agreement (or any part of it) or sub-contract in any manner whatsoever its performance under this Agreement without the prior written consent of the other parties.

## **21. COSTS AND EXPENSES**

Each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of this Agreement and any matter contemplated by it (including the costs of preparation and/or submission of any filings and/or notifications).

## **22. COUNTERPARTS**

- 22.1 This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart.
- 22.2 Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.
- 22.3 Delivery of an executed counterpart signature page of this Agreement by email shall be as effective as delivery of a manually executed counterpart of this Agreement. In relation to each counterpart, upon confirmation by or on behalf of the signatory that the signatory authorises the attachment of such counterpart signature page on the final text of this Agreement, such counterpart signature page shall take effect with such final text as a complete authorised counterpart.

## **23. GOVERNING LAW AND JURISDICTION**

- 23.1 This Agreement is to be governed by and construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual, is to be governed by and determined in accordance with English law.
- 23.2 The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in respect of any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual.
- 23.3 Avnet, Inc. appoints Gibson, Dunn & Crutcher LLP of Telephone House, 2-4 Temple Avenue, London EC4Y 0HB, as its agent for service of process under this Agreement.

23.4 EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING, DIRECTLY OR INDIRECTLY, OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY IT AND FOR ANY COUNTERCLAIM THEREIN (IN EACH CASE WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY AND WHETHER PREDICATED ON COMMON LAW, STATUTE OR OTHERWISE). EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONGST OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS CLAUSE.

## SCHEDULE 1

### EMPLOYEE-RELATED MATTERS

#### 1. Definitions

1.1 For the purposes of this Schedule 1, the following words shall have the following meanings:

“**2003 Executive Share Option Plan**” means the Premier Farnell Executive Share Option Plan 2003, as approved by shareholders on 11 June 2003, as amended from time to time;

“**2000 Performance Share Plan**” means the Premier Farnell Performance Share Plan 2000, as approved by shareholders on 14 June 2000, as amended from time to time;

“**2004 Sharesave**” means the Premier Farnell UK Savings Related Share Option Plan, approved by shareholders of Premier Farnell and adopted by the board of directors of Premier Farnell on 15 June 2004, and approved by Her Majesty’s Revenue & Commissioners on 22 July 2004 under reference SRS 2857;

“**Deferred Share Bonus Plan**” means the Premier Farnell Deferred Share Bonus Plan 2010, adopted by the board of Premier Farnell on 19 January 2010, as amended from time to time;

“**Equity Award Plan**” means the Premier Farnell Equity Award Plan 2015, approved by shareholders of Premier Farnell and adopted by the board of directors of Premier Farnell on 16 June 2015;

“**Executive Share Option Plan**” means the Premier Farnell Executive Share Option Plan 2010, approved by the shareholders of Premier Farnell and adopted by the board of directors of Premier Farnell on 15 June 2010, as amended from time to time;

“**Performance Share Plan**” means the Premier Farnell Performance Share Plan 2010, approved by shareholders of Premier Farnell and adopted by the board of directors of Premier Farnell on 15 June 2010, as amended from time to time;

“**Restricted Share Plan**” means the Notional Restricted Share Plan relating to awards made to Chris Breslin; and

“**Save As You Earn Scheme**” means the Premier Farnell UK Save As You Earn Scheme, approved by the shareholders of Premier Farnell and adopted by the board of directors of Premier Farnell on 17 June 2014.

#### 2. Outstanding Awards

2.1 Premier Farnell confirms that the following share awards (which have been granted as options, conditional awards or SARs) are outstanding under the Premier Farnell Share Plans as at 26 July 2016:

(a) nil-cost options and conditional awards over 2,613,976 Premier Farnell Shares under the Performance Share Plan;

(b) options and SARs over 7,428,415 Premier Farnell Shares under the Executive Share Option Plan;

- (c) options and conditional awards over 431,519 Premier Farnell Shares under the Deferred Share Bonus Plan;
- (d) nil-cost options and conditional awards over 772,921 Premier Farnell Shares under the Equity Award Plan;
- (e) options over 2,258,270 Premier Farnell Shares under the Save As You Earn Scheme;
- (f) options over 203,713 Premier Farnell Shares under the 2004 Sharesave;
- (g) Awards (as defined in the 2000 Performance Share Plan) over 10,916 Premier Farnell Shares under the 2000 Performance Share Plan; and
- (h) options over 103,835 Premier Farnell Shares under the 2003 Executive Share Option Plan; and

that: (i) there have been no options or awards issued under any Premier Farnell Share Plan after 26 July 2016; (ii) as at 26 July 2016, there are no other outstanding options or equity compensation awards under the Premier Farnell Share Plans; and (iii) there are no equity incentive arrangements applicable to the Premier Farnell Group apart from the Premier Farnell Share Plans.

2.2 Without prejudice to Premier Farnell’s discretion to settle awards under the Performance Share Plan, Executive Share Option Plan, Deferred Share Bonus Plan or Equity Award Plan in cash or shares, Premier Farnell confirms that, as at 26 July 2016, the following awards (which are in addition to those set out at paragraph 2.1 above) are outstanding under the Premier Farnell Share Plans and are to be settled in cash: options over 132,048 notional Premier Farnell Shares under the Executive Share Option Plan, awards over 10,017 notional Premier Farnell Shares under the Restricted Share Plan, awards over 5,258 notional Premier Farnell Shares under the Deferred Share Bonus Plan and awards over 24,312 notional Premier Farnell Shares under the Equity Award Plan.

2.3 Premier Farnell confirms that the table below contains details of the current dividend equivalents attached to the awards, SARs and options set out in paragraphs 2.1 and 2.2 above:

Name of scheme	Award, SAR or option entitled to receive dividend equivalents
Performance Share Plan	Awards made subject to performance conditions in 2014, 2015 and 2016 over a total of 2,609,078 shares.

### 3. Performance Share Plans

The awards and options under the Performance Share Plan as set out in paragraphs 2.1(a) and 2.1(b) of this Schedule will vest to the extent permitted by the rules of the Performance Share Plan and any applicable performance conditions on the date the Scheme is sanctioned by the Court.

It is acknowledged that the Awards (as defined in the 2000 Performance Share Plan) under the 2000 Performance Share Plan as set out in paragraph 2.1(g) above are already exercisable.

#### **4. Executive Share Option Plan**

- 4.1 Subject to paragraph 4.2 below, other than options and SARs over an aggregate of 2,519,227 Premier Farnell Shares granted under the Executive Share Option Plan on 9 July 2012, 12 July 2012, 24 September 2014 and 11 April 2016, as at 26 July 2016, all other options and SARs granted under the Executive Share Option Plan have an exercise price per share in excess of 185 pence. All options and SARs granted under the Executive Share Option Plan will, if not already exercisable, become exercisable to the extent permitted by the rules of the Executive Share Option Plan and any applicable performance conditions on the date the Scheme is sanctioned by the Court.

It is acknowledged that a number of the options and SARs outstanding under the Executive Share Option Plan and the 2003 Executive Share Option Plan as set out in paragraph 2.1 (b) and (h) above are already exercisable.

- 4.2 Premier Farnell acknowledges that Avnet may offer certain participants in the Executive Share Option Plan rollover in accordance with the rules of the Executive Share Option Plan.

#### **5. Deferred Share Bonus Plan**

All awards under the Deferred Share Bonus Plan will vest in full under the rules of the Deferred Share Bonus Plan on the date the Scheme is sanctioned by the Court.

#### **6. Restricted Share Plan**

The award under the Restricted Share Plan will, to the extent it has not previously vested, vest to the extent permitted by the terms on which the award was granted and any applicable performance conditions on the Effective Date.

#### **7. Equity Award Plan**

Following the exercise of discretion by the Remuneration Committee of the Company to waive pro-rating of the awards and options under the Equity Award Plan the awards and options set out in paragraph 2.1(d) of this Schedule will vest in full on the date the Scheme is sanctioned by the Court, save that the conditional awards granted under Schedule 3 of the Equity Award Plan will vest in full on the Effective Date.

#### **8. 2004 Sharesave**

- 8.1 Subject to paragraph 8.2 below, options granted under the 2004 Sharesave will, if not already exercisable, become exercisable to the extent permitted by the 2004 Sharesave on the date the Scheme is sanctioned by the Court.

- 8.2 Premier Farnell acknowledges that Avnet may offer participants in the 2004 Sharesave rollover in accordance with the rules of the 2004 Sharesave.

#### **9. Save As You Earn Scheme**

- 9.1 Subject to paragraph 9.2 below, options granted under the Save As You Earn Scheme will become exercisable to the extent permitted by the Save As You Earn Scheme on the date the Scheme is sanctioned by the Court.

- 9.2 Premier Farnell acknowledges that Avnet may offer participants in the Save As You Earn Scheme rollover in accordance with the rules of the Save As You Earn Scheme.

## **10. The Trust**

- 10.1 As at 26 July 2016, the Premier Farnell Employee Benefit Trust (the **Trust**) currently holds 3,457,233 Premier Farnell Shares, all of which are unallocated. Premier Farnell agrees to recommend to the Trustee that the Trustee should to the extent the Trustee is permitted and without (i) requiring or requesting the Trustee to satisfy any options or awards in any jurisdiction in which it is not permitted by any law or regulation to do so or in which there may be any regulatory, reporting or taxation issued if it did so; or (ii) prejudicing the interests of the Trust or any beneficiary or subjecting it to additional reporting requirements, regulation or taxation, use the Premier Farnell Shares currently held in the Trust to satisfy the vesting and/or exercise of options and/or awards under any of the Premier Farnell Share Plans which occur following the date of this Agreement.

## **11. General**

- 11.1 Avnet acknowledges that the Premier Farnell Group operates other annual incentive schemes for its employees and that the Premier Farnell Group will continue to operate these arrangements until the Effective Date in accordance with its normal practice and in a manner consistent with historic practice. Premier Farnell confirms that its normal practice is to make payments under its incentive schemes on an annual basis in March.
- 11.2 Premier Farnell agrees that it will not (and it will ensure that neither the board of directors of Premier Farnell, the Committee, any other committee of the board of directors of Premier Farnell, nor any other member of the Premier Farnell Group will) amend, vary, novate, supplement, supersede, waive or terminate any term of the Premier Farnell Share Plans, in each case except with the prior written consent of Avnet.
- 11.3 Avnet agrees that Premier Farnell, the board of directors of Premier Farnell, the Committee or any other committee of the board of directors of Premier Farnell may exercise any discretion or take any action under or pursuant to the existing terms of the Premier Farnell Share Plans or any other equity incentive arrangement, provided that such exercise of discretion or action is not contrary to the terms of this Schedule nor to the terms of the relevant Premier Farnell Share Plan and any applicable performance condition.
- 11.4 If the Acquisition is effected by way of the Scheme, Avnet agrees that Premier Farnell may amend its articles of association so that any shares issued after the Scheme Record Time to participants in the Premier Farnell Share Plans will be compulsorily acquired by Avnet on the same terms as the Scheme immediately after their issue and, if applicable, transfer to a spouse or other nominee by the participant.
- 11.5 Avnet and Premier Farnell agree to consult with each other with a view to developing appropriate employee incentive schemes to replace the existing Premier Farnell Share Plans after the Effective Date.



**SIGNATORIES**

**IN WITNESS WHEREOF** the parties have executed this Agreement on the date first set out above:

**EXECUTED BY**

VAL GOODING

(Name)



(Signature)

acting for and on behalf of  
**PREMIER FARNELL PLC**

**EXECUTED BY**

KEVIN M. MORIARTY (Name)

acting for and on behalf of  
AVNET, INC.



(Signature)