

Premier Farnell plc  
Farnell House  
Forge Lane  
Leeds  
LS12 2NE

To: Avnet, Inc.  
2211 South 47th Street  
Phoenix, AZ  
USA 85034  
Attn: Rick Hamada

11 January 2016

Dear Sirs,

In connection with your consideration of a possible offer by Avnet, Inc. or one of its subsidiaries or affiliates (the **Offeror**) to acquire the issued and to be issued share capital of Premier Farnell plc (the **Offeree**) (the **Proposed Transaction**), this letter sets out the terms on which we agree to supply you with certain confidential information.

In this letter:

**Authorised Recipients** means, to the extent that they need access to Information for the purposes of or in connection with evaluating, negotiating or advising in connection with the Proposed Transaction, other members of the Offeror's Group and each of the Offeror's and their respective officers, employees, advisers, agents and representatives;

**Connected Persons** means, other members of the Offeree's Group and each of the Offeree's and their respective officers, employees, advisers, agents and representatives;

**Group** means, in relation to each of the Offeror and the Offeree, the Offeror or the Offeree, as the case may be, and each of its respective group undertakings;

**group undertaking** has the meaning ascribed to it in section 1161 of the Companies Act 2006;

**Information** means, all information, of whatever nature, supplied to the Offeror or its Authorised Recipients by or on behalf of the Offeree relating wholly or partly to the Offeree Group, whether orally, in writing or in any other form or medium and whether before or after the date of this letter (including but not limited to information concerning the Offeree Group's business, assets, affairs, employees, customers and suppliers), together with all Secondary Information; and

**Secondary Information** means all reports, analyses, compilations, studies, memoranda or other documents, materials or information prepared by, on behalf of, or for the Offeror which contain, derive from or reflect or are generated from any Information.

In consideration of the Offeree agreeing to supply Information to the Offeror, the Offeror acknowledges that the Information is confidential and is received under a duty of confidentiality to the Offeree. The Offeror undertakes and agrees with the Offeree (for the benefit of all members of the Offeree's Group) as follows:

## **1. Duty of Confidentiality**

- 1.1 The Offeror shall hold the Information in strict confidence and shall not disclose, copy, reproduce or distribute any of it or otherwise make it available to any person other than an Authorised Recipient (on condition that they shall not disclose, copy, reproduce, distribute or otherwise make it available to any other person who is not an Authorised Recipient) or otherwise without the Offeree's specific prior written approval (which may be withheld in the Offeree's absolute discretion).
- 1.2 The Offeror and its Authorised Recipients shall use the Information solely for the purpose of evaluating, negotiating and advising upon the Proposed Transaction, and not for any other purpose, including, without limitation, to compete with the Offeree in connection with any business carried on by it.
- 1.3 The Offeror shall ensure that each Authorised Recipient to whom Information is disclosed is made aware of (in advance of disclosure), and adheres to, the terms of this letter.
- 1.4 The Offeror shall keep a list of Authorised Recipients to whom any Information is given. The Offeror shall make the list available to the Offeree on demand.
- 1.5 The Offeror and its Authorised Recipients shall keep the Information securely and properly protected against theft, damage, loss and unauthorised access (including access by electronic means). The Offeror shall notify the Offeree immediately upon gaining actual knowledge that any of the Information has been disclosed to or obtained by a third party (otherwise than as permitted by this letter).
- 1.6 The Offeror shall be responsible for any breach of the terms of this letter by any Authorised Recipient.
- 1.7 The Offeror shall apply for any Information it requires, and shall direct enquiries concerning any Information supplied, only to Steven Webb, Company Secretary and General Counsel, by email at [swebb@premierfarnell.com](mailto:swebb@premierfarnell.com) or such other representative(s) of the Offeree as the Offeree may subsequently notify to the Offeror in writing.

## **2. Exceptions**

- 2.1 The undertakings in this letter shall not apply to Information which:
  - (a) at the time of supply is generally available to third parties except through breach of the undertakings set out in this letter or through breach of any other duty of confidentiality relating to that Information;
  - (b) subsequently becomes generally available to third parties, except through breach of the undertakings set out in this letter or through breach of any other duty of confidentiality relating to that Information;
  - (c) is, on the date of this letter, already in the Offeror's lawful possession or that of an Authorised Recipient (as evidenced by written records);
  - (d) subsequently comes lawfully into the possession of the Offeror or an Authorised Recipient from a third party who does not owe the Offeree or any of its Connected Persons an obligation of confidence in relation to it; or
  - (e) is disclosed in circumstances where such disclosure is a "protected disclosure" as defined by section 43A of the Employment Rights Act 1996.

- 2.2 The undertakings in paragraph 1 above shall not apply if, and to the extent that, the Offeror is required to disclose any Information by law, rule, regulation or any judicial, governmental or competent supervisory or regulatory body (including without limitation, any securities exchange), provided that the Offeror shall, to the extent reasonably practicable and permitted by such law, rule, regulation or judicial, governmental or competent supervisory or regulatory body, promptly consult with the Offeree in writing and co-operate with the Offeree regarding the proposed form, timing, nature and purpose of the disclosure or any action which the Offeree may reasonably elect to take to challenge the validity of such requirement.

**3. Announcements**

- 3.1 The Offeror shall not, and shall procure that its Authorised Recipients shall not, without the Offeree's prior written consent, reveal to any person other than an Authorised Recipient that Information has been provided.

- 3.2 The restrictions in subparagraph 3.1 above shall not apply if, and to the extent that, an announcement is required by law, rule, regulation or any judicial, governmental or competent supervisory or regulatory body (including without limitation, any securities exchange or The Panel on Takeovers and Mergers), provided that the Offeror will, to the extent reasonably practicable and permitted by such law, rule, regulation or judicial, governmental or competent supervisory or regulatory body, first consult with the Offeree before such announcement on the proposed form, timing, nature and purpose of the announcement.

**4. Return/Destruction of Information**

Within 14 days of a written request from the Offeree, the Offeror shall at its own cost and expense:

- (a) either return to the Offeree (without keeping any copies) or destroy all documents and other materials in tangible form containing or incorporating Information or relating to the negotiations or discussions about the Proposed Transaction; and
- (b) to the extent practicable, expunge (or procure the expungement of) all Information from any computer, word processor or other device containing the Information save that this restriction shall not operate to prevent the copying of Information held on a computer system, word processor or other device capable of containing Information where such copying occurs in the usual course of back-ups or archiving of that computer system, work processor or other device capable of containing Information or which is otherwise not readily and reasonably retrievable.

This provision shall not apply to the extent that the Offeror or any Authorised Recipient is required to retain any such Information by applicable law, rule (including, without limitation, rules of any supervisory or regulatory body to which the Offeror's professional advisors are subject) or regulation or by any judicial, governmental or competent supervisory or regulatory body.

If so requested by the Offeree, the Offeror shall deliver to the Offeree a certificate signed by the Offeror's general counsel or other authorised officer confirming that the obligations contained in this paragraph have been complied with.

**5. No Representation or Warranty**

- 5.1 The Offeror acknowledges and agrees on its own behalf and on behalf of its Authorised Recipients that the Information does not purport to be all inclusive and that no representation or warranty has been or will be made by the Offeree or any of its Connected Persons as to the accuracy, reliability or completeness of any of the Information supplied to the Offeror or its Authorised Recipients.

5.2 The Offeror acknowledges and agrees on its own behalf and on behalf of its Authorised Recipients that neither the Offeree Group nor any of its Connected Persons shall:

- (a) have any liability to the Offeror or to any other person resulting from the use of Information by the Offeror or its Authorised Recipients; or
- (b) be under any obligation to provide further Information, update Information or correct any inaccuracies in Information.

This subparagraph does not exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

5.3 Save as expressly set out in this letter, the Offeror acknowledges and agrees on its own behalf and on behalf of its Authorised Recipients that neither the Offeree nor any of its Connected Persons shall owe any duty of care to the Offeror or its Authorised Recipients or to any other person.

## 6. Insider Dealing

6.1 The Offeror acknowledges and agrees and shall procure that its Authorised Recipients acknowledge and agree that the Proposed Transaction and some or all of the Information may be inside information and/or price sensitive information and/or material non-public information relating to the Offeree and/or the securities of the Offeree and that accordingly provisions of applicable securities laws may restrict or prohibit the use and/or disclosure of such information and/or may preclude the Offeror and its Authorised Recipients from trading in Offeree securities.

## 7. Standstill Obligation

7.1 Without the prior written consent of the Offeree, neither the Offeror nor any other member of the Offeror's Group shall, directly or indirectly, alone or with others, for a period of 12 calendar months from the date of this letter:

- (a) acquire or offer to acquire, or cause another person to acquire or to offer to acquire, any direct or indirect interest in any shares or other securities or assets of the Offeree or any other member of the Offeree's Group or do or omit to do any act as a result of which it or any person may acquire any direct or indirect interest in any shares or other securities or assets of the Offeree or any other member of the Offeree's Group;
- (b) make or in any way participate, directly or indirectly, in any solicitation of proxies or votes or any attempt to influence votes from or by any holder of voting shares or other securities of the Offeree in connection with any vote of holders of voting shares or other securities of the Offeree;
- (c) offer or agree to enter into any acquisition or other business arrangement with or relating to the Offeree of a nature similar to the Proposed Transaction or anything similar to it or any material part of it;
- (d) form, join or in any way participate in any concert party arrangement with respect to any securities of the Offeree (for these purposes concert party arrangement shall mean two or more persons acting in concert as defined in the City Code on Takeovers and Mergers);
- (e) take any step which would give rise to any obligation under the City Code on Takeovers and Mergers or otherwise to make any sort of offer or tender for all or any part of the share capital of the Offeree;

- (f) otherwise seek, alone or in concert with others, to control or influence the management, board of directors or policies or affairs of the Offeree;
- (g) submit any proposal which because of its terms would be required to be made public by the Offeree, or announce any proposal for any purchase, offer, tender, merger, consolidation, share exchange, restructuring, recapitalisation or similar transaction which in any case involves securities of the Offeree;
- (h) take any step intended to attract any of the officers or employees of the Offeree Group to join or deal with it in connection with the Proposed Transaction or anything likely to achieve a similar purpose; or
- (i) enter into any agreement or arrangement (whether or not legally binding) with any person relating to or connected with any of the foregoing.

7.2 The restrictions in subparagraph 7.1 above shall cease to apply if:

- (a) the board of directors of the Offeree agrees to recommend an offer by the Offeror for the Offeree;
- (b) a third party (not acting in concert with the Offeror) announces a firm intention to make an offer for the Offeree;
- (c) a third party enters into a non-disclosure agreement with the Offeree for the same purpose as the Offeror (as outlined in this letter) which does not include the standstill provisions set out in clause 7.1 above.

## **8. Market Abuse**

8.1 It is acknowledged that the Offeree is passing, and the Offeror is receiving, the Information in connection with the negotiation of the Proposed Transaction, for the purpose of facilitating negotiations regarding the Proposed Transaction.

8.2 In accordance with the requirements of applicable law and regulation, including (but not limited to) the Financial Services and Markets Act 2000 and the related Code of Market Conduct (each as amended), the Offeror agrees that the Information is given in confidence in accordance with the terms of this letter, and the Offeror shall not base any behaviour in relation to any securities of the Offeree or any other "qualifying investments" or "related investments", which would amount to "market abuse", on any Information unless and until such Information is generally available without any breach of the terms of this letter.

## **9. Non-Solicitation of Employees**

9.1 Without the prior written consent of the Offeree, neither the Offeror nor any other member of the Offeror's Group will, from the date of this letter for a period of 12 calendar months, either directly or indirectly, alone or with others, solicit for employment or employ any person who is now employed by a member of the Offeree Group and who is, in relation to that member's business, a senior or key employee and who is involved in the negotiations relating to the Proposed Transaction.

9.2 The restrictions in subparagraph 9.1 above shall not apply to the employment of any person following an unsolicited approach by that person at his own instigation or independently in response to an advertisement placed in the national, local or trade press or in response to an approach made by a headhunter without the person having first been identified to the headhunter by or on behalf of the Offeror or any other member of the Offeror's Group.

**10. Breach**

- 10.1 Without affecting any other rights or remedies that members of the Offeree Group may have, the Offeror acknowledges that the Offeree Group or any of its members may be irreparably harmed by a breach of the terms of this letter and that damages alone may not be an adequate remedy. Accordingly, members of the Offeree Group, as appropriate, shall be entitled to the remedies of injunction, specific performance and other equitable relief, or any combination of these remedies, for any threatened or actual breach of its terms and such remedies shall be available without proof of actual damage. The Offeror and its Authorised Recipients shall not oppose the grant of such equitable relief.
- 10.2 No failure or delay in exercising any right, power or privilege under this letter shall operate as a waiver of it, nor shall any single or partial exercise of any right, power or privilege under this letter preclude any other or further exercise of it or of any other right, power or privilege under this letter or otherwise.
- 10.3 Nothing contained in this letter shall be construed as prohibiting any member of the Offeree's Group from pursuing any other remedies available to it.

**11. Third parties**

- 11.1 Any of the Offeree's Connected Persons may with the prior written consent of the Offeree enforce the terms of this letter against the Offeror under the Contracts (Rights of Third Parties) Act 1999 (as amended).
- 11.2 Notwithstanding the provisions of subparagraph 11.1 above, no consent is required from any of the Offeree's Connected Persons for any variation (including any release or compromise in whole or in part of any liability) or termination of this letter.
- 11.3 The Offeror's obligations under this letter shall extend to protect each member of the Offeree's Group.

**12. General**

- 12.1 The Offeror acknowledges and agrees that the obligations set out in this letter shall survive completion of negotiations or discussions between the Offeror and the Offeree, whether or not the Proposed Transaction is implemented, until the second anniversary of the date of this letter.
- 12.2 The Offeror acknowledges and agrees that:
  - (a) all Information disclosed to it, including any intellectual property rights in that Information, shall remain the property of the Offeree and the Offeror shall not acquire title to any Information disclosed; and
  - (b) save as expressly set out in this letter, the Offeree does not grant any licence to the Offeror or to any Authorised Recipient in respect of the Information.
- 12.3 If any provision of this letter is held to be invalid or unenforceable, that provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this letter, but without invalidating any of the remaining provisions.
- 12.4 Any applications for consent from or notifications to the Offeree in relation to this letter should be made in writing and addressed to Steven Webb by email (using the email address set out above).

12.5 The terms of this letter may not be varied or terminated without the prior written consent of the Offeree.

12.6 To the extent that:

- (a) the Information includes without prejudice communications; or
- (b) any Information is otherwise covered or protected by legal advice, litigation, common interest or any other applicable privilege or doctrine,

disclosure of such Information to the Offeror or its Authorised Recipients does not constitute a waiver of any privilege and privilege remains with the Offeree.

12.7 Each of the Offeror and the Offeree confirms that it is acting in this matter as principal and not as an agent or broker for any other person.

### 13. Governing law and jurisdiction

13.1 This letter and the relationship between the parties shall be governed by English law.

13.2 Any non-contractual obligations arising out of or in connection with this letter, including any non-contractual obligations arising out of or in connection with the negotiation of the Proposed Transaction, shall be governed by English law.

13.3 The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this letter (including a dispute relating to any non-contractual obligations arising out of or in connection with this letter) (a **Dispute**) and the parties submit to the exclusive jurisdiction of the English courts.

13.4 The Offeror irrevocably appoints, for a period of 24 calendar months commencing on the date of this letter, the person named below as its agent in England for service of process.

Please confirm your agreement by signing and returning to us a copy of this letter.

Yours faithfully,

By .....  
for and on behalf of  
**Premier Farnell plc**

Agreed and Accepted

By

  
Rick Hamada  
for and on behalf of  
**Avnet, Inc.**

Dated 11 January 2016

The Offeror's agent for service of process in UK:

Gibson, Dunn & Crutcher  
Telephone House  
2-4 Temple Avenue  
London EC4Y 0HB  
Attn: Nigel Stacey, Partner