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If you sell or have sold or transferred all of your Ordinary Shares, please send this document (together with the accompanying documents, but not the personalised Form of Proxy) to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.



# ELECTRA

## Electra Private Equity PLC

(Incorporated in England and Wales with registered number 00303062)

### Notice of Annual General Meeting 2017

etc.venues St. Paul's, 200 Aldersgate Conference Centre,  
London EC1A 4HD

Thursday 23 March 2017 at 10.00am

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This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Electra Private Equity PLC (the "**Company**") which is set out on page 3 of this document and which recommends you to vote in favour of the Resolutions to be proposed at the Annual General Meeting.

A Form of Proxy for use at the Annual General Meeting is enclosed with this Notice of Annual General Meeting and instructions for its completion and return by post are set out in the Form.

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## PART I

### LETTER FROM THE CHAIRMAN OF ELECTRA PRIVATE EQUITY PLC (Incorporated in England and Wales with registered number 00303062)

Paternoster House  
65 St. Paul's Churchyard  
London EC4M 8AB

30 January 2017

#### Directors

Neil Johnson (*Chairman*)  
Edward Bramson  
Ian Brindle  
Paul Goodson  
David Lis  
John McAdam  
Roger Perkin  
Linda Wilding

Dear Shareholder

### 2017 Annual General Meeting

#### Introduction

I am pleased to invite you to this year's Annual General Meeting to be held at 10.00am at etc.venues St. Paul's, 200 Aldersgate Conference Centre, London EC1A 4HD on Thursday, 23 March 2017.

The Notice of Annual General Meeting, which follows this letter, sets out the business to be considered at the meeting.

#### AGM

The AGM gives the Board the opportunity to present the Company's performance and strategy to Shareholders and to listen and respond to your questions. Your participation is important to us and, if you cannot attend, I would encourage you to appoint a proxy to cast your vote. You may appoint the Chairman of the AGM or a person of your choice to be your proxy to attend, speak and vote on your behalf by completing the enclosed Form of Proxy. This Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon at least 48 hours before the AGM.

All the Resolutions are proposed as ordinary resolutions, except for Resolutions 16, 20, 21 and 22 which are proposed as special resolutions. Voting on all Resolutions to be proposed at the AGM will be by way of a poll (and please refer to page 14 of this document for further details on voting).

#### Explanatory Notes

Explanatory notes to the Resolutions to be considered at the AGM appear on pages 7 to 10 of this document.

#### Recommendation

Your Directors consider that each Resolution to be proposed at the AGM is in the best interests of the Shareholders as a whole and unanimously recommend Shareholders to vote in favour of these Resolutions, as they intend to do in respect of their own shareholdings.

Yours faithfully



Neil Johnson  
Chairman

## PART II

### NOTICE OF ANNUAL GENERAL MEETING

**Electra Private Equity PLC (the "Company")**  
(Incorporated in England and Wales with registered number 00303062)

NOTICE is hereby given that the eighty second Annual General Meeting of the Company will be held at 10.00am on Thursday 23 March 2017 at etc.venues St. Paul's, 200 Aldersgate Conference Centre, London EC1A 4HD to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 15 and 17 to 19 will be proposed as ordinary resolutions and resolutions 16, 20, 21 and 22 will be proposed as special resolutions.

#### Ordinary Business

1. To receive the Report and Accounts for the financial year ended 30 September 2016 and the Auditor's Report thereon.
2. To approve the Directors' Remuneration Report for the year ended 30 September 2016 (excluding the Directors' Remuneration Policy referred to in Resolution 3) as set out in the Annual Report and Accounts of the Company for the financial year ended 30 September 2016.
3. To approve the Directors' Remuneration Policy as set out on pages 126 to 137 in the Annual Report and Accounts of the Company for the financial year ended 30 September 2016 to take effect immediately at the conclusion of this Annual General Meeting.
4. To elect Mr Paul Goodson as a Director of the Company.
5. To elect Mr Neil Johnson as a Director of the Company.
6. To elect Mr David Lis as a Director of the Company.
7. To elect Dr John McAdam as a Director of the Company.
8. To elect Ms Linda Wilding as a Director of the Company.
9. To re-elect Mr Edward Bramson as a Director of the Company.
10. To re-elect Mr Ian Brindle as a Director of the Company.
11. To re-elect Mr Roger Perkin as a Director of the Company.
12. To elect Mr Gavin Manson as a Director of the Company, conditionally upon the passing of Resolution 3.
13. To re-appoint Deloitte LLP as auditor of the Company until the conclusion of the Company's Annual General Meeting in 2018.
14. To authorise the Directors to fix the auditor's remuneration.

#### Special Business

15. Ordinary resolution to approve the proposed performance share plan:

That the principal terms of the new long term incentive plan, the Electra Private Equity PLC Performance Share Plan (the "**Plan**") which are summarised in Part IV of the document sent to Shareholders dated 30 January 2017, and produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman of the meeting, be and are hereby approved and that the Directors be and are hereby authorised to:

- (a) make such modifications to the Plan as they may consider appropriate to take account of the requirements of best practice and for the implementation of the Plan and to adopt the Plan as so modified and to do all such other acts and things as they may consider appropriate to implement the Plan; and
- (b) establish further plans based on the Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any Ordinary Shares made available under such further plans are treated as counting against the limits on individual or overall participation in the Plan.

16. Special resolution to amend the Company's articles of association:
- That the Company's articles of association be amended by deleting the following words at the end of the first sentence of article 110(1):
- "and to the chairman of the directors (not exceeding £5,000 per annum or such larger amount as the Company may by ordinary resolution decide) and a director elected to be a deputy chairman shall whilst holding that office, be paid further remuneration at the rate of £3,000 per annum, or such greater rates as aforesaid."*
17. Ordinary resolution to increase the aggregate amount which may be paid to non-executive Directors pursuant to article 110(1) of the Company's articles of association.
- That the aggregate annual sum which may be paid to non-executive Directors pursuant to article 110(1) be increased from £450,000 per annum to £750,000 per annum.
18. Ordinary resolution to authorise political donations:
- That, in accordance with sections 366 and 367 of the Companies Act 2006, the Company and every company which is now or may become a subsidiary of the Company at any time during the period for which this Resolution is in force is hereby authorised to:
- make political donations to political parties or independent election candidates, as defined in sections 363 and 364 of the Companies Act 2006;
  - make political donations to political organisations other than political parties, as defined in sections 363 and 364 of the Companies Act 2006; and
  - incur political expenditure, as defined in section 365 of the Companies Act 2006,
- up to an aggregate amount of £150,000 during the period beginning with the date of the passing of this Resolution and ending at the conclusion of the Company's Annual General Meeting in 2018.
19. Ordinary resolution to give the Directors the authority to allot shares:
- That the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all Company's powers to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £3,190,230.25, such authority to expire (unless previously renewed, varied or revoked) on the earlier of 23 June 2018 or the conclusion of the Company's Annual General Meeting in 2018, but so that the Directors are entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant rights pursuant to any such offer or agreement as if this authority had not expired, and this authority is in substitution for all existing unexercised authorities.
20. Special resolution to disapply pre-emption rights:
- That the Directors be and they are hereby empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 19 above or by way of a sale of treasury shares as if section 561(1) of the Companies Act 2006 did not apply to any such allotment on the following terms:
- this power is limited to the allotment or sale of equity securities:
    - in connection with an offer of securities in favour of Shareholders where the equity securities respectively attributable to the interests of the Shareholders (other than the Company) are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them and holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary or appropriate, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, legal or practical problems under the laws of, or the requirements of any relevant regulatory body or stock exchange in, any territory, or any other matter; and
    - otherwise than under paragraph (i), up to a total nominal amount of £478,534;
  - this power expires (unless previously renewed, varied or revoked) upon the expiry of the general authority conferred by Resolution 19 above;

- before this power expires, the Directors may make offers or agreements which would or might require equity securities to be allotted after it expires and the Directors are entitled to allot or sell equity securities pursuant to any such offer or agreement as if this power had not expired; and
  - this power is in substitution of all unexercised powers given for the purposes of section 570 of that Act.
21. Special resolution to adjust the notice requirements for general meetings:
- That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.
22. Special resolution to renew share buyback authority:
- That the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693(4) of the said Act) of Ordinary Shares of 25 pence each, provided that:
- the maximum number of Ordinary Shares hereby authorised to be purchased is 5,738,586 or such other number of Ordinary Shares as is equal to 14.99% of the total number of Ordinary Shares in issue as at the date of the passing of this Resolution;
  - the minimum price which may be paid for an Ordinary Share shall be 25 pence;
  - the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is the higher of (i) an amount equal to 105% of the average middle market quotations for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five Business Days immediately preceding the day on which the Ordinary Share is purchased and (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System;
  - any purchase of Ordinary Shares will be made in the market for cash at prices below the prevailing net asset value per Ordinary Share (as determined by the Directors); and
  - unless renewed, the authority hereby conferred shall expire on the earlier of 23 June 2018 or the conclusion of the Company's Annual General Meeting in 2018 save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry.

#### BY ORDER OF THE BOARD

Frostrow Capital LLP  
Company Secretary

30 January 2017

Registered in England and Wales No. 00303062  
Registered Office:  
Paternoster House  
65 St. Paul's Churchyard  
London  
EC4M 8AB



## PART III

### EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

For Resolutions 16, 20, 21 and 22 (proposed as special resolutions) to be passed at the AGM, at least three quarters of the votes cast must be in favour of the Resolution.

For any of the ordinary resolutions listed below (all Resolutions except Resolutions 16, 20, 21 and 22) to be passed at the AGM, more than half the votes cast must be in favour of the Resolution.

#### Resolution 1 – To receive the Report and Accounts

For each financial year the Directors are required to present the Annual Report and Accounts of the Company (including the Strategic Report, Directors' Report and Auditor's Report) to the Shareholders.

#### Resolution 2 – To approve the Directors' Remuneration Report

The Company is required to seek Shareholders' approval in respect of the contents of the Directors' Remuneration Report on an annual basis (excluding the Directors' Remuneration Policy). The vote is an advisory one.

#### Resolution 3 – To approve the Directors' Remuneration Policy

The Companies Act 2006 requires there to be a binding Shareholder vote (by way of ordinary resolution) on the Directors' Remuneration Policy at least every three years. The Directors' Remuneration Policy was last approved at the Company's Annual General Meeting in 2014 and a revised Directors' Remuneration Policy is set out on pages 126 to 137 of the Company's 2016 Annual Report and Accounts, which explains the Company's proposed policy on remuneration and potential payments to Directors. Once the policy is effective, the Company will not be able to make remuneration payments to a Director, or loss of office payments to a current or past Director, unless the payment is consistent with the approved policy or has been otherwise approved by Shareholders.

#### Resolutions 4 to 12 – Election and re-election of Directors

Resolutions 4 to 8 deal with the proposed elections of Paul Goodson, Neil Johnson, David Lis, John McAdam and Linda Wilding who have each been appointed to the Board to hold office until the 2017 Annual General Meeting and accordingly are required to be elected as Directors at the AGM.

Resolutions 9 to 11 deal with the proposed re-election of the other Directors who are currently serving on the Board in accordance with the requirements of the Company's articles of association and of the UK Corporate Governance Code.

Biographical details of all these Directors as at the date of this Notice of Annual General Meeting, including information relating to their experience, skills and background, are set out on pages 150 to 151 of the 2016 Annual Report and Accounts and appear on the Company's website [www.electraequity.com](http://www.electraequity.com). Additional information is included on pages 139 to 140 of the 2016 Annual Report and Accounts about the independence of the independent non-executive Directors, as required by the Listing Rules.

Following the completion of the Board evaluation process for 2016, the Chairman confirms on behalf of the Board that each of the Directors standing for election or re-election under Resolutions 4 to 11 continues to be effective and demonstrates appropriate commitment to their respective roles. It is the view of the Chairman that each Director has sufficient time to meet his or her commitment to the Company and has individual skills and experience which are relevant and beneficial to support the Board in fulfilling its duties.

Resolution 12 deals with the proposed election of Gavin Manson. Gavin first joined the Company as Chief Financial Officer in August 2016. Prior to joining the Company he was the finance director of Thomas Cook Group PLC's tour operator and hotels and resorts division. He joined Thomas Cook in 2013 from the FTSE250 international electronic component distribution and software business, Premier Farnell PLC, where he was the finance director for five years. Before this, he worked at Merck GmbH group as the finance director for Seven Seas Ltd before becoming finance director of the Merck Consumer Healthcare division in UK and Ireland, and latterly leading the consolidation of the back office activities of Merck's four operating divisions across the UK and Ireland. Prior to joining Merck, Gavin trained as a chartered accountant with KPMG in Edinburgh and held finance director roles within Drambuie Group and Lees Group where he focused on the delivery of operating improvement and strategic change.

#### Resolutions 13 and 14 – Auditor

During the year, in light of regulatory requirements regarding audit tendering and audit firm rotation, the Audit Committee oversaw a formal and comprehensive tender process for the external audit appointment with a view to a new audit firm being appointed to audit the financial statements for the year ending 30 September 2017. Following completion of this tender process, the board appointed Deloitte LLP as the Company's new auditor with effect from 30 January 2017 to fill the casual vacancy arising from the resignation of PricewaterhouseCoopers LLP. Accordingly, Shareholder approval is now sought to confirm the appointment of Deloitte LLP as auditor of the Company. Resolution 13 therefore proposes to confirm the appointment of Deloitte LLP as the Company's auditor to hold office until the conclusion of the Company's Annual General Meeting in 2018 and Resolution 14 authorises the Directors to set their remuneration.

As outgoing auditor, PricewaterhouseCoopers LLP has provided the Company with a statement of the circumstances connected with their ceasing to act as auditor as required by the Companies Act 2006 and a copy of this statement is set out in the Schedule to this document.

#### Resolution 15 – Approval of the new long term incentive plan

Resolution 15 seeks Shareholder approval for the implementation of a new long term incentive share plan.

The terms of the Plan have been designed to reflect prevailing best practice in respect of long-term share based incentive plan design and would be used for the related aspects of the Directors' Remuneration Policy proposed for approval under Resolution 3 as referred to above.

A summary of the principal terms of the Plan is set out in Part IV of this document.

A copy of the draft rules of the Plan will be available for inspection at the offices of New Bridge Street (an Aon Hewitt Ltd company) at 10 Devonshire Square, London EC2M 4YP during normal business hours on any weekday (Saturdays and English public holidays excepted) until the close of the AGM and at the place of the AGM for at least 15 minutes prior to and during the AGM.

#### Resolution 16 – Approval of the amendment to the Company's articles of association

Article 110(1) of the Company's articles of association provides for the setting of an aggregate maximum sum for the remuneration payable to the Directors who do not hold executive office for the performance by them of their ordinary duties and goes on to provide for additional amounts which may be paid to the Chairman and Deputy Chairman. Article 110(2) of the Company's articles of association already allows additional remuneration to be paid to Directors for services performed outside their ordinary duties. It is therefore unnecessary to specify any additional amounts for the Chairman or the Deputy Chairman under article 110(1) and Resolution 16 will remove this unnecessary wording.

#### Resolution 17 – Approval to increase the aggregate amount which may be paid to non-executive Directors

The Company's articles of association provide that the ordinary remuneration of non-executive Directors (including the Chairman) shall not exceed the aggregate amount set by the Company by ordinary resolution. To ensure that the Directors do not inadvertently breach the existing £450,000 per annum aggregate cap (which was first set in 2008) and to ensure that the Company is able to continue to recruit and retain suitable candidates, it is proposed that the authority granted to the Directors by article 110(1) be increased to £750,000 per annum.

#### Resolution 18 – Approval to make political donations

The Companies Act 2006 requires companies to obtain Shareholder approval before making political donations to any political parties, other political organisations or independent election candidates or incurring political expenditure. What constitutes a political donation, a political party, a political organisation or political expenditure is not easy to decide, as the legislation is capable of wide interpretation. Although the Company does not intend to make any political donations as the term is commonly understood, the Board has decided to put forward this Resolution to ensure that the Company avoids any possible contravention of the Companies Act 2006 when carrying out its normal business activities. The Resolution limits such donations or expenditure to an aggregate amount of £150,000 for the Company and its subsidiaries.

#### **Resolution 19 – Authority to allot**

The Companies Act 2006 requires that to allot shares the Directors must receive authority from shareholders. This Resolution would allow the Directors to issue new shares up to a total nominal value of £3,190,230.25 which represents approximately one third of the Company's Issued Ordinary Share Capital as at the date of this document.

This authority would expire on the earlier of 23 June 2018 or the conclusion of the Company's Annual General Meeting in 2018.

The Company holds no shares as treasury shares (within the meaning of section 724 of the Companies Act 2006) as at the date of this Notice of Annual General Meeting.

The Directors have no present intention of exercising this authority but consider it desirable that they should have the flexibility to issue new shares from time to time to enable the Company to act in the best interests of Shareholders when opportunities arise.

#### **Resolution 20 – Disapplication of statutory pre-emption rights**

The Companies Act 2006 requires that, subject to certain exceptions, before directors of a company can issue any new shares (including the sale of treasury shares) for cash, the new shares must first be offered to existing members of the Company in proportion to the number of shares which they hold at the time of the offer.

This Resolution would allow the Directors to allot shares or sell treasury shares for cash only:

- (a) up to a nominal value of £478,534 which is approximately 5% of the Company's Issued Ordinary Share Capital as at the date of this Notice of Annual General Meeting; and
- (b) in a rights issue or other pre-emptive issue.

This is in line with the Share Capital Management Guidelines issued by the Investment Association and the Pre-Emption Group's Statement of Principles. The Directors have no present intention of exercising this power to issue shares.

The Board confirms that, in accordance with the Pre-Emption Group's Statement of Principles, it does not intend to issue shares for cash representing more than 7.5% of the Company's Issued Ordinary Share Capital in any rolling three-year period to those who are not existing Shareholders without prior consultation with Shareholders.

The authority contained in Resolution 20 will expire upon the expiry of the authority to allot shares conferred in Resolution 19, being the earlier of 23 June 2018 or the conclusion of the Company's Annual General Meeting in 2018.

#### **Resolution 21 – Notice of general meetings**

The notice period required by the Companies Act 2006 for general meetings of the Company is 21 days, unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual general meetings must always be held on at least 21 clear days' notice.

It is therefore proposed that Shareholders should authorise the calling of general meetings other than annual general meetings on not less than 14 clear days' notice. The authority granted by Resolution 21, if passed, will be effective until the conclusion of the Company's Annual General Meeting in 2018, when it is intended that a similar resolution will be proposed.

In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all Shareholders for that meeting. The flexibility offered by Resolution 21 will be used where, taking into account the circumstances, and noting the recommendations of the UK Corporate Governance Code, the Directors consider this appropriate in relation to the business of the meeting and in the interests of the Company and Shareholders as a whole.

#### **Resolution 22 – Buyback authority**

This Resolution seeks authority for the Company to purchase up to 14.99% of its Issued Ordinary Share Capital, renewing the authority granted by the Shareholders at its AGM held on 25 January 2016. The

Company has not purchased any Ordinary Shares in the period from the date of the 2016 AGM to 26 January 2017 (being the latest practicable date prior to the publication of this document), under the existing authority, although it has purchased and cancelled 1,987,768 Ordinary Shares at a price of 4,650 pence per Ordinary Share pursuant to the tender offer made at the end of 2016.

The Directors will exercise this authority only when they consider that to do so would be in the best interests of the Company and of its Shareholders generally.

Ordinary Shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Directors will consider holding any Ordinary Shares the Company may purchase as treasury shares. The Company does not currently have any Ordinary Shares in treasury.

The authority will expire at the earlier of 23 June 2018 and the conclusion of the Company's Annual General Meeting in 2018.

## PART IV

### SUMMARY OF THE PRINCIPAL TERMS OF THE COMPANY'S PERFORMANCE SHARE PLAN

#### Operation

The Remuneration Committee of the Board (the "**Committee**") will supervise the operation of the Plan.

#### Eligibility

Any employee (including an executive Director) of the Company and its subsidiaries will be eligible to participate in the Plan at the discretion of the Committee.

#### Grant of awards

The Committee may grant awards to acquire Ordinary Shares within six weeks following the Company's announcement of its results for any period. The Committee may also grant awards within six weeks of Shareholder approval of the Plan or at any other time when the Committee considers there are sufficiently exceptional circumstances which justify the granting of awards.

The Committee may grant awards as conditional share awards or nil (or nominal) cost options.

The Committee may also grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

An award may not be granted more than 10 years after Shareholder approval of the Plan.

No payment is required for the grant of an award. Awards are not transferable, except on death. Awards are not pensionable.

The first awards under the Plan would be made following Shareholder approval of the Plan or as soon as reasonably practicable thereafter.

#### Individual limit

An employee may not receive awards in any financial year over Ordinary Shares having a market value in excess of 200% of their annual base salary in that financial year, save in exceptional circumstances in which case this limit increases to 300% of their annual base salary.

Market value for the purposes of the above limit shall be based on the market value of Ordinary Shares on the dealing day immediately preceding the grant of an award or by reference to an averaging period.

#### Performance conditions

The extent of vesting of awards granted to the Company's executive Directors will be subject to performance conditions set by the Committee and may be so in the case of awards to others.

For the first Awards granted under the Plan to the Company's executive Directors and other senior management, such awards will be subject to a performance condition based on the Company's total shareholder return ("**TSR**") over three financial years, commencing with the financial year in which the award is granted (the "**Performance Period**").

The Company's TSR performance over the Performance Period will be compared to the TSR performance of a comparator group of companies comprising the constituents of the FTSE 250 Index (excluding investment trusts) at as the start of the Performance Period (the "**Comparator Group**") over the same period.

No part of such Awards will vest unless the Company's TSR performance ranks at least equal to the median TSR performance of the Comparator Group, with full vesting of such Awards only if the Company's TSR ranks at least equal to upper quartile TSR performance as follows:

Rank of the Company's TSR relative to the TSR of the members of the Comparator Group	Percentage of the Award that will vest
Upper quartile or above	100%
Between median and upper quartile	On a straight line basis between 25% and 100%
Median	25%
Below median	0%

Three month averaging periods prior to the start and end of the Performance Period will apply, for the purposes of such TSR calculations.

The Committee may vary the performance conditions applying to any award if an event occurs which causes the Committee to consider that it would be appropriate to amend the performance conditions, provided the Committee considers the varied conditions are fair and reasonable and not materially more or less challenging than the original conditions would have been but for the event in question.

#### Vesting of awards

Awards normally vest on the third anniversary of grant or, if later, when the Committee determines the extent to which any performance conditions have been satisfied and provided that the participant is still employed by the Company or any of its subsidiaries.

The Committee may specify different normal vesting periods that end before or after the third anniversary of grant, provided that an award granted to an executive Director of the Company may not normally vest before the third anniversary of grant.

Where awards are granted in the form of options, once vested, such options will then be exercisable up until the tenth anniversary of grant (or such shorter period specified by the Committee at the time of grant) unless they lapse earlier. Shorter exercise periods shall apply in the case of "good leavers" and/or vesting of awards in connection with corporate events.

#### Holding Period

The terms of the Plan require that executive Director participants (and such others, if any, as the Committee requires) will ordinarily be required to retain any vested Ordinary Shares (on an after-tax basis) acquired under the Plan (or, where relevant, the full number of the vested Ordinary Shares whilst held under an unexercised but vested award) until at least the fifth anniversary of the vesting of the relevant award.

Exceptionally, the Committee may, in its discretion, allow such participants to sell, transfer, assign or dispose of some or all of these Ordinary Shares before the end of the holding period, subject to such additional terms and conditions that the Committee may specify.

#### Dividend equivalents

The Committee may decide that participants will receive a payment (in cash and/or Ordinary Shares) of an amount equivalent to the dividends that would have been payable on an award's vested Ordinary Shares between the date of grant and the vesting of the award (or if later, and only whilst the award remains unexercised in respect of vested Ordinary Shares, the expiry of any holding period). This amount may assume the reinvestment of dividends and shall be paid at the same time as the delivery of the related vested Ordinary Shares (or cash payment as relevant).

#### Leaving employment

As a general rule, an award will lapse upon a participant ceasing to hold employment or be a Director within the Company's Group.

However, if a participant ceases to be an employee or a Director because of death, injury, disability, retirement with the agreement of their employer, their employing company or the business for which they work being sold out of the Company's Group or in other circumstances at the discretion of the Committee, then their award will normally vest on the date when it would have vested if he had not ceased such employment or office or such earlier date as the Committee may determine. The extent to which an award will vest in these situations will depend upon two factors: (i) the extent to which the performance conditions (if any) have, in the opinion of the Committee, been satisfied over the original performance measurement period, and (ii) pro rating of the award to reflect the reduced period of time between its grant and vesting, although the Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the particular circumstances.

Alternatively, if a participant ceases to be an employee or Director in the Company's Group for one of the "good leaver" reasons specified above (including in the case of a discretionary good leaver), the Committee can decide that their award will vest when they leave, subject to: (i) the performance conditions (if any) measured at that time; and (ii) pro-rating by reference to the time of cessation as described above (including the above discretion retained for the Committee in respect of pro-ration).

#### Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that the performance conditions (if any) have been satisfied at that time; and (ii) the pro-rating of the awards to reflect the reduced period of time between their grant and



vesting, although the Committee can decide not to pro-rate an award (or pro-rate to a lesser extent) if it regards it as appropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over Ordinary Shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Ordinary Shares to a material extent, then the Committee may decide that awards will vest on the basis which would apply in the case of a takeover.

#### **Participants' rights**

Awards settled in Ordinary Shares will not confer any Shareholder rights until the awards have vested or the options have been exercised as relevant and the participants have received their Ordinary Shares.

#### **Rights attaching to Ordinary Shares**

Any Ordinary Shares allotted when an award vests or is exercised will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

#### **Variation of capital**

In the event of any variation of the Company's Issued Ordinary Share Capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the Ordinary Shares, the Committee may make such adjustment as it considers appropriate to the number of Ordinary Shares subject to an award and/or the exercise price payable (if any).

#### **Overall Plan limits**

The Plan may operate over new Ordinary Shares, treasury shares or Ordinary Shares purchased in the market.

In any 10 calendar year period, the Company may not issue (or grant rights to issue) more than:

- (i) 10% of the Issued Ordinary Share Capital of the Company under the Plan and any other employee share plan adopted by the Company; and
- (ii) 5% of the Issued Ordinary Share Capital of the Company under the Plan and any other executive share plan adopted by the Company.

Treasury shares will count as new Ordinary Shares for the purposes of these limits unless institutional investor guidelines provide that they need not count.

#### **Alterations to the Plan**

The Committee may, at any time, amend the Plan in any respect, provided that the prior approval of Shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Ordinary Shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the Ordinary Shares or cash to be acquired and the adjustment of awards.

The requirement to obtain the prior approval of Shareholders will not, however, apply to any minor alteration made to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's Group. Shareholder approval will also not be required for any amendments to any performance condition applying to an award varied on its terms.

No alteration to the material disadvantage of a participant as to existing awards may be made without the prior consent of the participants.

#### **Recovery and withholding**

The Committee may apply the Plan's recovery and withholding provisions if, within three years of the vesting of an award, it is discovered that there has been a material misstatement of the Company's financial results or an error of calculation of any performance condition (including on account of inaccurate or misleading information) or in the event of misconduct.

The recovery and withholding may be satisfied by way of a reduction in the amount of any future bonus, subsisting award or future share awards and/or a requirement to make a cash payment.

## **PART V**

### **NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING**

1. Members of the Company who are entitled to attend and vote at the AGM are entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote at the Meeting. A member may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. A member may vote at the AGM subject to being on the Register of Members as at 6.30pm on 21 March 2017.
3. A Form of Proxy is enclosed. To be effective, the Form of Proxy and any power of attorney under which it is executed (or a duly certified copy of any such power) must reach the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA, not less than 48 hours, before the time of the AGM (i.e. 10.00am on 21 March 2017) or adjourned AGM or (in the case of a poll taken otherwise than at or on the same day as the AGM or adjourned AGM) for the taking of the poll at which it is to be used. Completion and return of the Form of Proxy will not prevent a member from attending and voting at the AGM. Replacement forms of proxy may be obtained from the Company's Registrar.
4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those holders of Ordinary Shares entered on the Register of Members of the Company as at 6.30pm on 21 March 2017 ("the **Specified Time**") shall be entitled to attend and vote at the AGM in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the Register of Members after the Specified Time shall be disregarded in determining the rights of any person to attend and vote at the AGM. If the AGM is adjourned to a time not more than 48 hours after the Specified Time applicable to the original meeting, that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned AGM. If, however, the AGM is adjourned for a longer period, then, to be so entitled, members must be entered on the Company's Register of Members at 6.30pm on the date two days prior to the adjourned AGM.
5. CREST Members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 23 March 2017 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. 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 CREST 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 RA19) by the latest time 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 time stamp 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 Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST personal member or sponsored member or has appointed 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 ([www.euroclear.com](http://www.euroclear.com)). 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.
6. The right to appoint a proxy does not apply to persons whose Ordinary Shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("**nominated persons**"). Nominated persons



may have a right under an agreement with the member who holds the Ordinary Shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the Ordinary Shares as to the exercise of voting rights.

7. Shareholders are entitled to attend and vote at general meetings of the Company. On a vote by show of hands, every member and every duly appointed proxy who is present in person shall have one vote. On a poll vote, every member who is present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder.
8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Ordinary Shares. A member that is a company may appoint either a proxy or a corporate representative. Members wishing to appoint a corporate representative should examine the Company's articles of association and the provisions of the Companies Act 2006.
9. Under Regulation 12, Section 319A of the Shareholder Rights Directive, the Company must answer any question relating to the business being dealt with at the Meeting put by a member at the Meeting. However, the Company need not answer if a) to do so would interfere unduly with the preparation for the Meeting; b) to answer would involve the disclosure of confidential information; c) the answer has already been given on a website in the form of an answer to a question; or d) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
10. The total number of issued Ordinary Shares/voting rights in the Company on 26 January 2017, which is the latest practicable date before the publication of this document, is 38,282,763.
11. Shareholders may require the Company to place on its website a statement, made available also to the Company's auditors, setting out any matter relating to the audit of the Company's accounts, including the Independent Auditor's Report and the conduct of the audit, which Shareholders intend to raise at the Annual General Meeting. The Company becomes required to place such a statement on the website once a) members with at least 5% of the total voting rights of the Company or b) at least 100 members who are entitled to vote and on whose Ordinary Shares an average sum per member of at least £100 has been paid have submitted such a request to the Company. Members seeking to do this should write to the Company providing their full name and address.
12. You may not use any electronic address provided either in this Notice of Annual General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
13. Information about the AGM is published on the Company's website [www.electraequity.com](http://www.electraequity.com). A copy of this Notice of Annual General Meeting is also published on that website.

## PART VI

### DEFINITIONS

The following definitions apply throughout this document, unless stated otherwise:

Annual General Meeting or AGM	the annual general meeting of the Company to be held at the offices of etc.venues St. Paul's, 200 Aldersgate Conference Centre, London EC1A 4HD at 10.00am on Thursday, 23 March 2017, or any adjournment thereof, notice of which is set out in Part II of this document
Board	the board of Directors of the Company
Business Day	any day other than a Saturday, Sunday or public holiday on which banks are open in the City of London for the transaction of general commercial business
Companies Act 2006	the Companies Act 2006, as amended from time to time
Company	Electra Private Equity PLC, a company incorporated in England and Wales with registered number 00303062, whose registered office is at Paternoster House, 65 St. Paul's Churchyard, London EC4M 8AB
CREST	the system of paperless settlement of trades in securities and the holding of Uncertificated securities operated by Euroclear in accordance with the CREST Regulations
CREST Manual	the Manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof
CREST Member	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
CREST Participant	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
CREST Sponsor	a CREST Participant admitted to CREST as a CREST Sponsor
CREST Sponsored Member	a CREST Member admitted to CREST as a Sponsored Member
Daily Official List	the Daily Official List of the London Stock Exchange
Directors	the directors of the Company, whose names are set out on page 3 of this document
Equiniti Limited	Equiniti Limited, a company incorporated in England and Wales with registered number 06226088, whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
Euroclear	Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registered number 02878738, whose registered office is at 33 Cannon Street, London EC4M 5SB, the operator of CREST
FCA	the Financial Conduct Authority
Form of Proxy or Form	the form of proxy accompanying this document to be used in connection with the Annual General Meeting
FSMA	the Financial Services and Markets Act 2000
Group	the Company together with its subsidiaries and subsidiary undertakings
Issued Ordinary Share Capital	the issued Ordinary Shares in the capital of the Company from time to time
Listing Rules	the Listing Rules of the UK Listing Authority
London Stock Exchange	the London Stock Exchange plc

Notice of Annual General Meeting	the notice of the Annual General Meeting which appears in Part II of this document
Ordinary Shares	the ordinary shares of £0.25 each in the capital of the Company
Plan	has the meaning given on page 4
Register of Members	the Company's register of members
Registrar	Equiniti Limited
Resolution	each of the resolutions set out in the Notice of Annual General meeting, as applicable
Shareholders	the holders of the Ordinary Shares
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of Part 6 of FSMA
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland

#### Times

All references to times in this document and Notice of Annual General Meeting are to UK time.

## SCHEDULE

### AUDITOR'S STATEMENT OF CIRCUMSTANCES



The Directors  
Electra Private Equity PLC and  
Electra Investments Limited  
Paternoster House  
65 St Paul's Churchyard  
London  
EC4M 8AB

25 January 2017

Dear Sirs,

#### Statement of Reasons connected with ceasing to hold office as Auditors

In accordance with Section 519 of the Companies Act 2006 (the "Act"), we set out below the reasons connected with PricewaterhouseCoopers LLP, registered auditor number CO01004062, ceasing to hold office as auditors of Electra Private Equity PLC, registered no: 00303062 and Electra Investments Limited, registered number 00021895 (together, the "Companies") effective from 26 January 2017. The reason we are ceasing to hold office is that the Companies undertook a competitive tender process for the position of statutory auditor and we mutually agreed with the Audit Committee not to participate due to the time of our tenure.

There are no reasons for and no other matters connected with our ceasing to hold office as auditors of the Companies that we consider need to be brought to the attention of the Companies' members or creditors.

Yours faithfully,

PricewaterhouseCoopers LLP

*PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT  
T: +44 (0) 2075 835 000, F: +44 (0) 2072 127 500, www.pwc.co.uk*

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

