



# Spirent Communications plc

(incorporated and registered in England and Wales under number 470893)

## Notice of Annual General Meeting 23 April 2014

This document is important and requires your immediate attention. If you are in doubt about its contents or the action you should take, you should consult your stockbroker, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Ordinary Shares in Spirent Communications plc (the "Company"), please pass this document together with the accompanying documents to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Notice of the Annual General Meeting of the Company to be held at UBS, 1 Finsbury Avenue, London EC2M 2PP on Wednesday 23 April 2014 at 10.30am is set out on pages 4 and 5 of this document.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. The Form of Proxy must be received by our registrars no later than 10.30am on 21 April 2014.



25 March 2014

**Dear Shareholder**

I have pleasure in sending you the Notice of this year's Annual General Meeting ("2014 AGM") which we are holding at UBS, 1 Finsbury Avenue, London EC2M 2PP on Wednesday 23 April 2014 at 10.30am.

If you would like to vote on the resolutions but cannot come to the 2014 AGM, please fill in the Form of Proxy sent to you with this Notice and, in accordance with the instructions printed on the form, return it to our registrars as soon as possible. Alternatively, you may appoint a proxy electronically. Our registrars must receive your votes by 10.30am on 21 April 2014. Further details relating to voting by proxy are set out in the accompanying notes to the Notice on pages 6 and 7 of this document.

Notice is hereby given that the Spirent Communications plc Annual Report for 2013 has been published on the Company's website, [www.spirent.com](http://www.spirent.com).

If you have elected to receive shareholder correspondence in hard copy, then a copy of the Annual Report will accompany this Notice. Should you wish to change your election at any time, or if you wish to request a hard copy of the Annual Report, you can do so by contacting our registrars, Equiniti, on 0871 384 2126. In line with our policy of promoting the use of electronic communications, the Company's Half-year Results are now only made available on the Company's website at [www.spirent.com](http://www.spirent.com).

At the 2014 AGM the Company's Chief Executive Officer, Eric Hutchinson, will make a short presentation and shareholders will have the opportunity to ask questions of their Board. There are also a number of formal matters to be dealt with and further details about these matters are set out below. The formal Notice of AGM is set out on pages 4 and 5 of this document.

**Explanatory notes on the proposed resolutions**

**Resolution 1 – Annual Report**

The directors will present the Annual Report for 2013.

**Resolutions 2 and 3 – Report on directors' remuneration**

There are new requirements this year in relation to the content and approval of the directors' remuneration report, following changes made to the Companies Act 2006.

In accordance with the new Companies Act 2006 provisions, the directors' remuneration report contains:

- a statement by Tom Maxwell, Chairman of the Company's Remuneration Committee;
- the annual report on remuneration, which sets out payments made in respect of the financial year ended 31 December 2013; and
- the directors' remuneration policy in relation to future payments to the directors and former directors.

The statement by the Chairman of the Company's Remuneration Committee and the annual report on remuneration will, as in the past, be put to an annual advisory shareholder vote by ordinary resolution. The policy section, which sets out the Company's forward-looking policy on directors' remuneration (including the approach to exit payments to directors), is subject to a binding shareholder vote by ordinary resolution at least every three years.

The Report on directors' remuneration is set out in full in the Annual Report 2013 on pages 58 to 76.

Resolution 2 is the ordinary resolution to approve the directors' remuneration report, other than the section containing the directors' remuneration policy. Resolution 2 is an advisory resolution and does not affect the future remuneration paid to any director.

Resolution 3 is the ordinary resolution to approve the directors' remuneration policy which is set out in the Report on directors' remuneration in the Annual Report on pages 59 to 67.

Once a directors' remuneration policy has been approved, all payments by the Company to the directors and any former directors must be made in accordance with the policy (unless a payment has been separately approved by a shareholder resolution). If the Company wishes to change the directors' remuneration policy, it will need to put a revised policy to a shareholder vote before it can implement the new policy. If the directors' remuneration policy remains unchanged, the Companies Act 2006 requires the Company to put the policy to shareholders for approval again no later than 23 April 2017.

**Resolution 4 – Final dividend**

The Board proposes payment of a final dividend of 2.01 cents (1.20 pence) per Ordinary Share for the year to 31 December 2013. If shareholders approve this resolution, payment will be made on 25 April 2014 to all Ordinary shareholders who were on the Register of Members at close of business on 7 March 2014.

**Resolutions 5 to 11 – Election and Re-election of directors**

Rachel Whiting has been appointed to the Board of Directors since the last Annual General Meeting and therefore, in accordance with the Company's Articles of Association, is required to stand for election by shareholders at the 2014 AGM. This is proposed in resolution 5.

Also in accordance with the Company's Articles of Association, Eric Hutchinson, Duncan Lewis and Tom Maxwell are required to offer themselves for re-election and, being eligible to do so, these re-elections are proposed in resolutions 6 to 8.

In the interests of good corporate governance, each of the remaining Company's directors will also retire voluntarily at the 2014 AGM and, being eligible, offer themselves for re-election. These re-elections are proposed in resolutions 9 to 11.

Biographical details of all the directors and the Directors' Statement on corporate governance which provides further information with respect to the corporate governance of the Board can be found in the Company's Annual Report 2013 and on the Company's website at [www.spirent.com](http://www.spirent.com).

As more fully explained in the Annual Report, having considered the performance and contribution made by each of the directors, the Board remains satisfied that the performance of each director continues to be effective and to demonstrate commitment to their role including devoting sufficient time and attention as is necessary in order to perform their duties and therefore recommends each director for re-election.

**Resolutions 12 and 13** – Appointment of auditor and paying its remuneration

On the recommendation of the Audit Committee, the Board proposes that Ernst & Young LLP be re-appointed as auditor of the Company.

Resolution 13 proposes that the directors be authorised to determine the level of the auditor's remuneration.

**Resolutions 14 and 15** – Renewal of the powers of the Board to allot shares and to disapply pre-emption rights

Resolution 14 seeks renewal of the resolution passed at the general meeting held on 1 May 2013 and gives the directors the authority to allot new Ordinary Shares and grant rights to subscribe for, or convert other securities into, Ordinary Shares up to a nominal value of £6,797,132 which is equal to 33.3 per cent of the Company's issued Ordinary Share capital as at 7 March 2014, being the latest practicable date before the publication of this Notice.

At 7 March 2014, the Company did not hold any shares in treasury. The directors have no specific intention at the moment to undertake a rights issue or allot new Ordinary Shares, except in connection with employee share schemes. The directors consider the authority in resolution 14 to be appropriate in order to allow the Company flexibility to respond to market developments and to enable allotments to take place to finance business opportunities as they arise. If the resolution is passed, the authority will expire at the earlier of the next annual general meeting or 30 June 2015.

If the directors wish to allot new Ordinary Shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these Ordinary Shares are offered first to shareholders in proportion to their existing holdings.

Subject to this authority being passed, resolution 15 allows the directors to allot up to 30,587,094 new shares pursuant to the authority in resolution 14, or sell treasury shares, for cash in connection with a pre-emptive offer or rights issue or otherwise up to a nominal value of £1,019,570, equivalent to 5 per cent of the total issued Ordinary Share capital of the Company as at 7 March 2014, being the latest practicable date before the publication of this Notice, in each case without the Ordinary Shares first being offered to existing shareholders in proportion to their existing holdings. The Board considers the authority in resolution 15 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions. The Company will not allot more than 7.5 per cent of its total issued Ordinary Share capital for cash on a non-pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in a rolling three-year period without seeking further shareholder authority.

**Resolution 16** – Authority for the Company to purchase its own shares

This resolution renews the authority for the Company to make market purchases of its own Ordinary Shares subject to the provisions of the Companies Act 2006 ("2006 Act"), and shall expire at the earlier of the next annual general meeting or 30 June 2015. This power will only be exercised if the directors believe that it is in shareholders' best interests and can be expected to result in an increase in earnings per share. The resolution specifies that no more than 9.99 per cent of the Company's issued Ordinary Share capital as at 7 March 2014 (61,113,015 Ordinary Shares) may be acquired together with the parameters for the minimum and maximum prices at which they may be bought. It is currently the directors' intention, were shares to be bought back, for them either to be cancelled or retained in treasury pending a subsequent sale, cancellation or transfer. 29.2 million Ordinary Shares were bought back and cancelled during the 2013 financial year and, at the date of this Notice, the Company does not hold any Ordinary Shares in treasury.

As at 7 March 2014, there were 4.4 million outstanding share incentives granted under share incentives plans operated by the Company which, if exercised utilising new issue shares, would represent 0.7 per cent of the issued Ordinary Share capital of the Company. If the proposed authority for the Company to purchase its own shares were utilised in full, that percentage would increase to 0.8 per cent. As at 7 March 2014, there were no outstanding warrants to subscribe for equity shares in the Company.

**Resolution 17** – Notice of general meetings

Changes made to the 2006 Act by the implementation of the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") increased the notice period required for general meetings of the Company to 21 clear days, unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (AGMs will continue to be held on at least 21 clear days' notice). Prior to the Shareholders' Rights Regulations coming into force, the Company was able to call general meetings other than an AGM on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, this resolution seeks to renew the necessary shareholder approval to enable the Company to call general meetings on 14 clear days' notice. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of the shareholders as a whole. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed to renew this authority. The Company will also need to meet the requirements for electronic voting under the Shareholders' Rights Regulations before it can call a general meeting on less than 21 clear days' notice. The Company already provides the ability for shareholders to vote electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk).

**Recommendation**

The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole.

Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Yours sincerely



**Alex Walker**  
Chairman

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (“AGM”) of Spirent Communications plc (the “Company”) will be held at UBS, 1 Finsbury Avenue, London EC2M 2PP on Wednesday 23 April 2014 at 10.30am for the transaction of the following business:

Resolutions 1 to 14 will be proposed as Ordinary Resolutions.

Resolutions 15 to 17 will be proposed as Special Resolutions.

## Resolutions

### 1. Annual Report

To receive the Company’s accounts together with the Report of the directors and the Auditor’s report on those accounts for the financial year ended 31 December 2013.

### 2. Report on directors’ remuneration

To approve the Report on directors’ remuneration, other than the section containing the directors’ remuneration policy, as set out on pages 58 to 76 of the Company’s Annual Report for the financial year ended 31 December 2013.

### 3. Directors’ remuneration policy

To approve the directors’ remuneration policy as set out on pages 59 to 67 of the Company’s Annual Report for the financial year ended 31 December 2013.

### 4. Final dividend

To declare a final dividend of 2.01 cents per Ordinary Share for the financial year ended 31 December 2013.

### Election and Re-election of directors

5. To elect Rachel Whiting as a director of the Company
6. To re-elect Eric Hutchinson as a director of the Company
7. To re-elect Duncan Lewis as a director of the Company
8. To re-elect Tom Maxwell as a director of the Company
9. To re-elect Ian Brindle as a director of the Company
10. To re-elect Sue Swenson as a director of the Company
11. To re-elect Alex Walker as a director of the Company

### 12. Re-appointment of auditor

To re-appoint Ernst & Young LLP as the auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

### 13. Remuneration of auditor

To authorise the directors to determine the remuneration of the auditor.

### 14. Authority to allot securities

To authorise the directors generally and unconditionally pursuant to and in accordance with Section 551 of the Companies Act 2006 (the “2006 Act”) to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares up to a nominal amount of £6,797,132 such authority to apply in substitution for all previous authorities pursuant to Section 551 of the 2006 Act and to expire at the end of the next annual general meeting of the Company or on 30 June 2015, whichever is the earlier but so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

### 15. Disapplication of pre-emption rights

Subject to the passing of resolution 14 above, to empower the directors to allot equity securities (as defined in Section 560(1) of the 2006 Act) wholly for cash pursuant to the authority given by resolution 14 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the 2006 Act, in each case:

- a) in connection with a pre-emptive offer; and
- b) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £1,019,570;

as if Section 561(1) of the 2006 Act did not apply to any such allotment; such power to expire at the end of the next annual general meeting of the Company or on 30 June 2015, whichever is the earlier but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends.

For the purposes of this resolution:

- i) “pre-emptive offer” means an offer of equity securities open for acceptance for a period fixed by the directors to holders (other than the Company) on the register on a record date fixed by the directors of Ordinary Shares in proportion to their respective holdings but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;
- ii) references to an allotment of equity securities shall include a sale of treasury shares; and
- iii) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

**16. Authority for Spirent Communications plc to purchase its own Ordinary Shares**

To authorise the Company generally and unconditionally for the purposes of Section 701 of the 2006 Act to make market purchases (within the meaning of Section 693(4) of the 2006 Act) of its own Ordinary Shares of 3 ¼ pence each subject to the following conditions:

- a) the maximum number of Ordinary Shares authorised to be purchased may not be more than 61,113,015 Ordinary Shares;
- b) the minimum price (exclusive of expenses) which the Company may pay for each Ordinary Share is 3 ¼ pence being the nominal value of each Ordinary Share;
- c) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share shall be the higher of:
  - i) an amount equal to 105 per cent of the average of the closing price of the Company's Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; or
  - ii) an amount equal to the higher of the price of the last independent trade of a share and the highest current independent bid for a share as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments (No. 2273/2003);
- d) unless previously renewed, varied or revoked the authority shall expire at the end of the next annual general meeting of the Company or 30 June 2015, whichever is the earlier; and
- e) a contract to purchase shares under this authority may be made prior to the expiry of this authority, and executed in whole or in part after the expiry of this authority.

**17. Notice period for general meetings**

To resolve that a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice. The shorter notice period would not be used as a matter of routine for such meetings, but only where merited by the nature or urgency of the business of the meeting and considered to be to the advantage of the shareholders as a whole.

By Order of the Board

**Rachel Whiting**

Company Secretary  
25 March 2014

Spirent Communications plc  
Registered Office:  
Northwood Park  
Gatwick Road  
Crawley  
West Sussex RH10 9XN  
United Kingdom  
Registered in England and Wales  
Company No: 470893

## NOTES

1. The directors believe that all the proposals to be considered at the 2014 AGM are in the best interests of Spirent Communications plc and its shareholders as a whole. They recommend that you vote in favour of the proposed resolutions. The directors will be voting their own beneficial shareholdings in favour of all of the proposed resolutions.
2. Entitlement to attend, speak and vote at the 2014 AGM, and the number of votes which may be cast at the 2014 AGM, will be determined by reference to the Company's register of members at 6.00pm on 21 April 2014 or, if the meeting is adjourned, not more than 48 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded.
3. If you cannot come to the 2014 AGM, you can appoint another person as your proxy to come to the meeting, speak and vote for you. Alternatively you can appoint the Chairman as your proxy. If there is a poll, your proxy can vote for you and can also join in the demand for a poll. A proxy does not have to be a shareholder. If you want to appoint a proxy, fill in the Form of Proxy which is enclosed and return it to the Company's registrars.

You may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you wish to appoint multiple proxies for your shareholding please read the guidance detailed on the Form of Proxy enclosed.

4. The Company's registrars must receive your proxy instructions by 10.30am on 21 April 2014. If you fill in and send back a form of proxy you can still come to the 2014 AGM and vote instead of your proxy. If you do this and there is a poll vote, the votes you have given previously to your proxy will not be counted.
5. You may, if you wish, register the appointment of a proxy or proxies, or voting instructions for the meeting electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need to use the series of numbers made up of your Voting ID, Task ID and Shareholder Reference Number printed on your Form of Proxy. Full details of the procedure are given on the website. The proxy appointment and/or voting instructions must be received by Equiniti Ltd by 10.30am on 21 April 2014. Please note that any electronic communication sent to the Company or Equiniti that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the 2014 AGM is governed by Equiniti Ltd's conditions of use set out on the website, [www.sharevote.co.uk](http://www.sharevote.co.uk), and may be read by logging on to that site.
6. If you have received this Notice of Meeting by virtue of being a nominated person within the meaning of Section 146 of the Companies Act 2006 you may have the right to be appointed a proxy by the registered shareholder to attend, speak and vote at the meeting; and you may be able to give your voting instructions to the registered shareholder. The ability to appoint a proxy does not however apply to nominated persons.
7. Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company up to and including the date of the 2014 AGM and at the 2014 AGM from 15 minutes before the 2014 AGM until it ends:
  - i) copies of the executive directors' service contracts;
  - ii) copies of the non-executive directors' letters of appointment.
8. Shareholders are advised that unless otherwise provided, the telephone numbers, website and email addresses which may be set out in this Notice or Form of Proxy are not to be used for the purpose of serving information or documents on the Company (including the service of documents or information relating to proceedings at the Company's 2014 AGM).
9. As at 7 March 2014, being the latest practicable date before the publication of this Notice, the issued Ordinary Share capital of Spirent Communications plc consisted of 611,741,888 Ordinary Shares carrying one vote each on a poll. Therefore, the total number of voting rights in Spirent Communications plc at that date was 611,741,888.

### 10. Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the 2014 AGM to be held on 23 April 2014 and any adjournment(s) thereof by following the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") 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 to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by the latest time(s) for receipt of proxy appointments specified in this Notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti 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 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.

11. 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.
12. 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 shares.
13. Under Section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
  - i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the 2014 AGM; or
  - ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous annual general meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006.

The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the 2014 AGM includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

14. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
  - a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or
  - b) the answer has already been given on a website in a form of an answer to a question; or
  - c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. A copy of this Notice and other information required by Section 311A of the Companies Act 2006 can be found at [www.spirent.com](http://www.spirent.com).

