

Volex plc (the "Company")

Remuneration Committee

Terms of Reference

1. Overview

The Remuneration Committee has been established by resolution of the Board of Directors of the Company (the "Board"). The Remuneration Committee has delegated responsibility from the Board for the determination of the terms and conditions of employment, remuneration and benefits of each of the Chairman of the Board, the Executive Directors, and senior executives who report directly to the Chief Executive Officer / Chief Financial Officer (together, the "Senior Executives").

2. Membership

- 2.1 Members of the Remuneration Committee shall be appointed by the Board on the recommendation of the Nominations Committee, in consultation with the Chairman of the Remuneration Committee.
- 2.2 The Remuneration Committee shall consist of at least two (2) members, all of whom shall be independent Non-Executive Directors. In addition, the Chairman of the Board may also be a member if he or she was considered independent on appointment as Chairman of the Board.
- 2.3 The Board shall appoint a chairman of the Remuneration Committee, who shall be an independent Non-Executive Director, and shall decide his or her period of office. The Chairman of the Board shall not be eligible to be appointed as Chairman of the Remuneration Committee. In the absence of the Remuneration Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 2.4 Appointments to the Remuneration Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the Director remains independent and still meets the criteria for membership of the Remuneration Committee.

3. Quorum

- 3.1 The quorum for decisions of the Remuneration Committee shall be any two members. A duly convened meeting of the Remuneration Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee.
- 3.2 Notwithstanding the quorum requirements for the Remuneration Committee, all members of the Remuneration Committee should endeavour to attend all meetings of the Remuneration Committee at which matters of general remuneration policy or the contents of the Remuneration Committee's annual report to shareholders are discussed.

3.3 All of the members of the Remuneration Committee may participate in a meeting of the Remuneration Committee by means of a conference telephone or any communication equipment which allows all persons participating in a meeting to hear each other. A member of the Remuneration Committee so participating shall be deemed to be present in person at the meeting and shall be entitled to participate fully and be counted in the quorum accordingly.

4. Attendance at Meetings

4.1 Only members of the Remuneration Committee have the right to attend Remuneration Committee meetings.

4.2 The Remuneration Committee may invite other individuals, such as the Group Chief Executive, other Directors or external professional advisers, to attend and speak at meetings of the Remuneration Committee as and when appropriate.

5. Secretary

5.1 The Company Secretary or his or her deputy shall act as the secretary of the Remuneration Committee and shall keep a record of the membership of and the dates of any changes to the membership of the Remuneration Committee.

6. Frequency of Meetings

6.1 The Remuneration Committee shall normally meet at least twice each year and on a more regular basis if considered appropriate.

6.2 Meetings of the Remuneration Committee shall be called by the Chairman of the Remuneration Committee or the secretary to the Remuneration Committee at the request of any member of the Remuneration Committee.

6.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Remuneration Committee, any other person required to attend and all other Non-Executive Directors, where possible no later than five working days before the date of the meeting. Supporting papers shall be sent to the Remuneration Committee members and to other attendees as appropriate, at the same time.

7. Minutes of Meetings

7.1 The Company Secretary or his or her deputy shall minute the proceedings and discussions of all meetings of the Remuneration Committee, including recording the names of those present and in attendance.

7.2 The members of the Remuneration Committee shall, at the beginning of each meeting, declare the existence of any conflicts of interest arising, and the Company Secretary or his or her deputy shall minute them accordingly.

7.3 Draft minutes of the Remuneration Committee meetings shall be circulated promptly to all members of the Remuneration Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Chairman of the Remuneration Committee it would be inappropriate to do so.

8. Annual General Meeting

The Chairman of the Remuneration Committee (or in his or her absence at least one Remuneration Committee member) shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Remuneration Committee's activities.

9. Authority

9.1 The Remuneration Committee is authorised to:

- (a) seek any information it requires from any employee of the Company in order to perform its duties;
- (b) obtain, at the expense of the Company, external professional advice and to secure the attendance of third parties with relevant experience at meetings of the Remuneration Committee if it considers this necessary; and
- (c) call any employee to be questioned at a meeting of the Remuneration Committee as and when required.

10. Duties

10.1 The Remuneration Committee shall:

- (a) determine and agree with the Board the framework or broad policy for the remuneration of the Senior Executives. No Director or manager shall be involved in any decisions as to their own remuneration;
- (b) recommend and monitor the level and structure of remuneration for senior management;
- (c) in determining such policy, take into account all factors which it deems necessary, including remuneration trends across the Company and the Group as a whole. The objective of such policy shall be to attract, retain and motivate Senior Executives of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long-term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;

- (d) when setting remuneration policy for Directors, review and have regard to the pay and employment conditions across the Company or the Group as a whole, especially when determining annual salary increases;
- (e) review the on-going appropriateness and relevance of the remuneration policy;
- (f) within the terms of the agreed policy and in consultation with the Chairman of the Board and/or the Group Chief Executive as appropriate, determine the total individual remuneration package of each of the Senior Executives including but not limited to base salary, bonuses, incentive payments, discretionary payments, pension contributions, benefits in kind and share options or other share awards;
- (g) in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure and Transparency Rules, as well as guidance published by the Association of British Insurers and the National Association of Pension Funds and any other applicable rules, as appropriate;
- (h) obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. The Remuneration Committee shall have full authority to appoint at the Company's expense, remuneration consultants and to commission any reports, surveys or other information which it deems necessary to help it fulfil its obligations, within any budgetary restraints set by the Board;
- (i) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee;
- (j) approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes (in accordance with the provisions in Schedule A of the UK Corporate Governance Code) and monitor their operation;
- (k) review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Senior Executives and the performance targets to be used;
- (l) approve the participation in any profit sharing plan or executive share option scheme or long term incentive plan operated by the Company;
- (m) determine the policy for, and scope of, pension arrangements for each of the Senior Executives;

- (n) ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
 - (o) oversee any major changes in employee benefits structures throughout the Company or Group; and
 - (p) agree the policy for authorising claims for expenses from the Directors.
- 10.2 The Remuneration Committee shall also be responsible for the grant of awards under the Volex PLC Performance Share Plan 2009, and its successor plans, to employees of the Group.
- 10.3 The Remuneration Committee shall not consider the remuneration of any Non-Executive Director which shall be a matter for the Board subject to the constraints contained in the Company's Articles of Association.

11. Reporting Responsibilities

- 11.1 All proceedings of the Remuneration Committee shall be reported formally to the Board by the Chairman of the Remuneration Committee.
- 11.2 The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Remuneration Committee shall ensure that provisions regarding disclosure of information relating to the Senior Executives' remuneration, including where required by law, the directors' remuneration policy and its implementation, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (the "Regulations"), the Companies Act 2006, the UK Corporate Governance Code and all other relevant laws and regulations (each as amended from time to time), are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the Annual General Meeting of the Company. If the Remuneration Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.
- 11.4 Through the Chairman of the Board, the Remuneration Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.

12. Other matters

- 12.1 The Remuneration Committee shall:
- (a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
 - (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

- (c) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure and Transparency Rules as appropriate;
- (d) where required by law to do so, ensure that any remuneration payment or payment for loss of office to any current or former Chairman of the Board or Executive Director is consistent with the most recent Directors' remuneration policy that has been approved by shareholders or is otherwise approved by shareholders as required by the Regulations, the Companies Act 2006, the Financial Conduct Authority's Listing Rules and all other relevant laws and regulations;
- (e) work and liaise as necessary with all other Board committees; and
- (f) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

13. Definitions

In these terms of reference,

"Group" means the Company and its subsidiaries from time to time.

"UK Corporate Governance Code" means the UK Corporate Governance Code issued by the Financial Reporting Council in September 2012.