

THIS DOCUMENT AND THE ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (the "FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document, which comprises a prospectus relating to the New Shares has been prepared in accordance with the Listing Rules and Prospectus Rules of the UK Listing Authority (made under section 73A of FSMA) and has been approved by the Financial Conduct Authority (the "FCA") in accordance with section 85 of FSMA. A copy of this document ("Prospectus") has been filed with the FCA in accordance with the Prospectus Rules. This document, together with the documents incorporated by reference (as set out in Part 9 of this document) will be made available to the public in accordance with rule 3.2 of the Prospectus Rules.

If you sell or transfer or you have sold or otherwise transferred all of your Ordinary Shares before 8.00 a.m. on 12 June 2014 (being the date when the Ordinary Shares were marked "ex" entitlement to the Open Offer), please send this document, together with the accompanying Application Form, Circular and Form of Proxy as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be forwarded or transmitted by any means or media, in whole or in part, into any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to the US and any of the other Restricted Jurisdictions. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should refer to your stockbroker, bank or other agent through whom the sale or transfer was effected. The distribution of this Prospectus and the accompanying documents and the offering of New Shares in certain jurisdictions may be restricted by law and, accordingly, persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of the jurisdiction concerned.

The New Shares have not been, and will not be, registered under the US Securities Act or the relevant laws of any state, province or territory of the United States or any other Restricted Jurisdiction.

The distribution of this Prospectus and the accompanying Application Form in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, neither this Prospectus nor the Application Form should be forwarded, distributed or transmitted to, in or into the United States or any other Restricted Jurisdiction other than in limited circumstances. The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

The New Shares, the Application Form, the Circular and this document have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence.

VOLEX PLC

(incorporated and registered in England and Wales under the Companies (Consolidation) Act 1908, with registered number 158956)

Placing and Open Offer of 24,067,171 New Shares at 75 pence per New Share Financial Adviser, Sponsor, Underwriter and Broker

Investec Bank plc

Your attention is drawn to the Letter from the Chairman, set out in Part 1 of this document.

The whole of this document (in particular the risk factors set out on pages 15 to 22 of this document) should be read together with the documents incorporated by reference in their entirety. Shareholders and any other persons contemplating a purchase of New Shares should review the risk factors set out on pages 15 to 22 of this document for a discussion of certain factors that should be considered when deciding on what action to take in relation to the Placing and Open Offer or deciding whether or not to purchase New Shares. In making an investment decision, each investor must rely on their own examination and analysis of the terms of the Placing and Open Offer, including the merits and risks involved.

The latest time for acceptance and payment in full for the New Shares under the Open Offer is expected to be 11.00 a.m. on 30 June 2014. The procedures for application and payment are set out in Part 3 of this document and, where relevant, the Application Form. Qualifying CREST shareholders should refer to paragraph 2.2 of Part 3 of this document.

The Company and each of the Directors, whose names appear on page 28 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Shares are listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's main market for listed securities. Application will be made to the UK Listing Authority and to the London Stock Exchange for the New Shares to be admitted to the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange, respectively. It is expected that Admission will become effective and that dealings on the London Stock Exchange in the New Shares will commence at 8.00 a.m. on 2 July 2014. No application is currently intended to be made for the Existing Shares or the New Shares to be admitted to listing or dealing on any other exchange.

Investec, which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority, is acting for the Company and no-one else in connection with the Placing and Open Offer and Admission and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Placing and Open Offer or Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing and Open Offer or Admission or any matters referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by FSMA, Investec accepts no responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the New Shares, the Placing and Open Offer or Admission. Investec accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Investec may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the New Shares and/or related instruments for its own account for the purpose of hedging its underwriting exposure or otherwise. Except as required by applicable law or regulation, Investec does not propose to make any public disclosure in relation to such transactions.

Qualifying Non-CREST Shareholders (other than Overseas Shareholders in Restricted Jurisdictions) will find an Application Form enclosed with this document. It is expected that Qualifying CREST Shareholders (other than Overseas Shareholders in Restricted Jurisdictions (none of whom will receive an Application Form)), will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements which will be enabled for settlement on 8.00 a.m. on 16 June 2014. Applications under the Open Offer may only be made by a Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim arising out of a sale or transfer of Ordinary Shares prior to the ex-entitlement date. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. on 25 June 2014 or such later time as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder (other than Overseas Shareholders in Restricted Jurisdictions) in substitution for Open Offer Entitlements credited to stock accounts in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

Notice of a General Meeting of the Company to be held at 10 Eastbourne Terrace, London W2 6LG at 10.00 a.m. on 1 July 2014 is set out in the accompanying Circular. The Form of Proxy for use at the General Meeting accompanies the Circular and, to be valid, should be completed and returned in accordance with the instructions set out therein as soon as possible but, in any event, so as to reach the Company's Registrars, Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 10.00 a.m. on 27 June 2014. Completion and posting of the Form of Proxy do not prevent a Shareholder from attending and voting in person at the General Meeting.

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SUMMARY

Summaries are made up of the disclosure requirement known as 'Elements'. These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings

A.1	Introduction	This summary should be read as an introduction to this document which includes any document incorporated by reference. Any decision to invest in New Shares should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might under the national legislation of the Member State have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable; there is no subsequent resale or final placement of securities by any financial intermediary.

Section B – Issuer

B.1	Legal and Commercial Name	The Company's legal and commercial name is Volex plc.
B.2	Domicile/Legal Form/ Legislation/ Country of Incorporation	The Company was incorporated and registered in England and Wales on 19 September 1919 with registration number 158956. The Company is a public limited company, limited by shares. The principal legislation under which the Company operates is the Companies Act 2006.
B.3	Current operations and activities	<p>Volex is a global supplier of power and data cabling solutions with sales of \$400.2 million in the 52 weeks ended 30 March 2014. Volex has its global headquarters in the UK, operates from 9 manufacturing locations with a presence across 18 countries and employed an average of 6,996 people for the 52 weeks ended 30 March 2014.</p> <p>Volex has two divisions, the Power Division and the Data Division.</p>

		<p>Power Division</p> <p>The Power Division designs and manufactures power cords that are sold to the manufacturers of a broad range of electrical and electronic devices and appliances. Volex products are used in laptops, PCs and tablets, printers, TVs, games consoles, power tools, kitchen appliances and vacuum cleaners. The Power Division represented 66 per cent. of sales and 52 per cent. of underlying gross profits in the 52 weeks ended 30 March 2014.</p> <p>The market for power cords is highly competitive with customers implementing multi sourcing strategies and demanding productivity improvements and price reductions over the product lifecycle. In order to compete effectively suppliers in the market require efficient large-scale production facilities in low-cost regions.</p> <p>Data Division</p> <p>The Data Division designs and manufactures a broad range of cables and connectors that transfer electronic, radio-frequency and optical data (ranging from high-speed copper cables to complex customized optical cable assemblies). Volex products are used in a broad range of applications including data networking equipment, data centres, wireless base stations and cell-site installations, mobile computing devices, medical equipment, factory automation, vehicle telematics, agricultural equipment and alternative energy generation. The Data Division represented 34 per cent. of sales and 48 per cent. of underlying gross profits in the 52 weeks ended 30 March 2014.</p> <p>The Data Division competes by producing highly engineered, high performance, application specific data cables, in close collaboration with its customers. Focusing on this approach leads to products with longer lifecycles and less pricing pressure when compared to standard power products.</p>																																				
B.4a	Significant recent trends of the Company and its industry	The Directors are not presently aware of any significant recent trends affecting the Company or the industries in which it operates.																																				
B.5	Group structure	<p>The Company is the parent company of the Volex Group. The principal subsidiary and associated undertakings of the Company (being those which are considered by the Company to be most likely to have a significant effect on the assessment of the assets and liabilities, financial position or profits and losses of the Company) are as set out below:</p> <table border="1" data-bbox="528 1547 1390 1975"> <thead> <tr> <th data-bbox="528 1675 751 1704"><i>Name of Company</i></th> <th data-bbox="951 1644 1102 1704"><i>Country of incorporation</i></th> <th data-bbox="1155 1615 1241 1704"><i>Direct/ Indirect holding</i></th> <th data-bbox="1299 1547 1390 1704"><i>% holding and voting rights</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="528 1727 683 1749">Volex Pte Ltd</td> <td data-bbox="951 1727 1070 1749">Singapore</td> <td data-bbox="1155 1727 1230 1749">Direct</td> <td data-bbox="1321 1727 1390 1749">100%</td> </tr> <tr> <td data-bbox="528 1760 751 1783">Volex (Asia) Pte Ltd</td> <td data-bbox="951 1760 1070 1783">Singapore</td> <td data-bbox="1155 1760 1241 1783">Indirect</td> <td data-bbox="1321 1760 1390 1783">100%</td> </tr> <tr> <td data-bbox="528 1794 751 1816">PT Volex Indonesia</td> <td data-bbox="951 1794 1062 1816">Indonesia</td> <td data-bbox="1155 1794 1241 1816">Indirect</td> <td data-bbox="1321 1794 1390 1816">100%</td> </tr> <tr> <td data-bbox="528 1827 826 1850">PT Volex Cable Assembly</td> <td data-bbox="951 1827 1062 1850">Indonesia</td> <td data-bbox="1155 1827 1241 1850">Indirect</td> <td data-bbox="1321 1827 1390 1850">100%</td> </tr> <tr> <td data-bbox="528 1861 911 1883">Volex Cable Assemblies (Phils) Inc.</td> <td data-bbox="951 1861 1078 1883">Philippines</td> <td data-bbox="1155 1861 1241 1883">Indirect</td> <td data-bbox="1321 1861 1390 1883">100%</td> </tr> <tr> <td data-bbox="528 1895 715 1917">Volex Japan KK</td> <td data-bbox="951 1895 1023 1917">Japan</td> <td data-bbox="1155 1895 1241 1917">Indirect</td> <td data-bbox="1321 1895 1390 1917">100%</td> </tr> <tr> <td data-bbox="528 1928 783 1951">Volex (Taiwan) Co. Ltd</td> <td data-bbox="951 1928 1031 1951">Taiwan</td> <td data-bbox="1155 1928 1241 1951">Indirect</td> <td data-bbox="1321 1928 1390 1951">100%</td> </tr> <tr> <td data-bbox="528 1962 799 1984">Volex (Thailand) Co. Ltd</td> <td data-bbox="951 1962 1046 1984">Thailand</td> <td data-bbox="1155 1962 1241 1984">Indirect</td> <td data-bbox="1321 1962 1390 1984">100%</td> </tr> </tbody> </table>	<i>Name of Company</i>	<i>Country of incorporation</i>	<i>Direct/ Indirect holding</i>	<i>% holding and voting rights</i>	Volex Pte Ltd	Singapore	Direct	100%	Volex (Asia) Pte Ltd	Singapore	Indirect	100%	PT Volex Indonesia	Indonesia	Indirect	100%	PT Volex Cable Assembly	Indonesia	Indirect	100%	Volex Cable Assemblies (Phils) Inc.	Philippines	Indirect	100%	Volex Japan KK	Japan	Indirect	100%	Volex (Taiwan) Co. Ltd	Taiwan	Indirect	100%	Volex (Thailand) Co. Ltd	Thailand	Indirect	100%
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		Volex Cable Assembly (Vietnam) Pte Ltd	Vietnam	Indirect	100%
		Volex Cable Assemblies Sdn Bhd	Malaysia	Indirect	100%
		Volex Cables (HK) Ltd	Hong Kong	Indirect	100%
		Volex Interconnect (India) Pvt Ltd	India	Direct & Indirect	100%
		Volex Interconnect Systems (Suzhou) Co. Ltd	China	Indirect	100%
		Volex Cable Assembly (Shenzhen) Co. Ltd	China	Indirect	100%
		Volex Cable Assembly (Zhongshan) Co. Ltd	China	Indirect	100%
		Volex Holdings Inc	USA	Direct	100%
		Volex Inc.	USA	Indirect	100%
		Volex Canada Inc.	Canada	Direct	100%
		Volex de Mexico SA de CV	Mexico	Indirect	100%
		Volex do Brasil Ltda	Brazil	Direct & Indirect	100%
		Volex Europe Ltd	Ireland	Indirect	100%
		Volex Poland SP z.o.o.	Poland	Indirect	100%
		Volex Sweden AB	Sweden	Direct	100%
B.6	Notifiable interests	As at 11 June 2014 (the last practicable date prior to the publication of this document) the interests, all of which are beneficial, of the Directors and their connected persons in the share capital of the Company were as follows:			
		<i>Director</i>	<i>Number of Existing Shares</i>	<i>Percentage of Existing Shares</i>	
		Daren Morris	30,000	0.045%	
		Christoph Eisenhardt	25,000	0.038%	
		Karen Slatford	30,000	0.045%	
		Total	85,000	0.128%	

		<p>As at 11 June 2014, (the last practicable date prior to the publication of this document), in addition to those persons described above, the Company is aware of the following persons who were interested, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company:</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><i>Name</i></th> <th style="text-align: right;"><i>Number of Shares</i></th> <th style="text-align: right;"><i>Percentage of Existing Share Capital</i></th> </tr> </thead> <tbody> <tr> <td>NR Holdings Limited</td> <td style="text-align: right;">16,373,362</td> <td style="text-align: right;">24.74%</td> </tr> <tr> <td>GoldenPeaks Capital</td> <td style="text-align: right;">11,936,045</td> <td style="text-align: right;">18.03%</td> </tr> <tr> <td>Ruffer LLP</td> <td style="text-align: right;">4,832,500</td> <td style="text-align: right;">7.30%</td> </tr> <tr> <td>M&G Investment Management</td> <td style="text-align: right;">2,479,641</td> <td style="text-align: right;">3.75%</td> </tr> <tr> <td>Artemis Intertrade (via Neue Helvetische Bank)</td> <td style="text-align: right;"><u>2,240,912</u></td> <td style="text-align: right;"><u>3.39%</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u><u>37,862,460</u></u></td> <td style="text-align: right;"><u><u>57.21%</u></u></td> </tr> </tbody> </table> <p>Save as disclosed in this Element, the Company is not aware of any person who, as at 11 June 2014 (the last practicable date prior to publication of this document), directly or indirectly, had a holding which is notifiable under English Law.</p> <p>The Company is not aware of any arrangements the operation of which could result in a change of control of the Company.</p>	<i>Name</i>	<i>Number of Shares</i>	<i>Percentage of Existing Share Capital</i>	NR Holdings Limited	16,373,362	24.74%	GoldenPeaks Capital	11,936,045	18.03%	Ruffer LLP	4,832,500	7.30%	M&G Investment Management	2,479,641	3.75%	Artemis Intertrade (via Neue Helvetische Bank)	<u>2,240,912</u>	<u>3.39%</u>	Total	<u><u>37,862,460</u></u>	<u><u>57.21%</u></u>
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	Different voting rights/Controlling interests	<p>The Company's major shareholders do not have different voting rights.</p> <p>There are no controlling interests in the Company.</p>																					
B.7	Historical key financial information of the Group	<p>The selected financial information set out below has been extracted without material adjustment from the preliminary unaudited results of the Group for the 52 weeks ended 30 March 2014 and the audited consolidated accounts of the Company for the 52 weeks ended 31 March 2013, 1 April 2012 and 3 April 2011 prepared under IFRS.</p>																					

<i>Group Income Statement</i>				
	<i>52 weeks ended 30 March 2014</i>	<i>52 weeks ended 31 March 2013</i>	<i>52 weeks ended 1 April 2012</i>	<i>52 weeks ended 3 April 2011 Restated</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Revenue	400,177	473,154	517,769	490,009
Cost of Sales	(334,155)	(389,983)	(420,240)	(397,940)
Gross Profit	66,022	83,171	97,529	92,069
Operating Expenses	(70,844)	(78,976)	(74,491)	(68,596)
Operating profit/(loss)	(4,822)	4,195	23,038	23,473
Finance income	100	141	73	222
Finance costs	(2,840)	(2,410)	(3,900)	(3,383)
Profit/(loss) on ordinary activities before taxation	(7,562)	1,926	19,211	20,312
Taxation	(6,613)	(2,813)	(2,029)	(3,660)
Profit/(loss) for the period attributable to the owners of the parent	(14,175)	(887)	17,182	16,652
Underlying Operating profit:				
Operating profit/(loss)	(4,822)	4,195	23,038	23,473
Restructuring costs	8,643	7,243	–	–
Financing	1,569	–	–	–
New product start-up costs	–	1,158	4,990	–
Movement in onerous lease provision	595	(435)	–	–
Provision for historic tax claims	835	–	–	–
Share-based payments	(2,288)	181	3,976	2,602
Underlying Operating profit:	4,532	12,342	32,004	26,075
Earnings/(loss) per share (cents)				
Statutory				
Basic	(23.7)	(1.6)	30.4	29.3
Diluted	(23.7)	(1.6)	29.4	28.2
Underlying				
Basic	(9.0)	11.4	43.7	33.7
Diluted	(9.0)	11.2	42.4	32.4

<i>Group Statement of Financial Position</i>				
	<i>30 March 2014</i>	<i>31 March 2013</i>	<i>1 April 2012</i>	<i>3 April 2011 Restated</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Non-current assets				
Goodwill	3,210	2,932	3,085	3,109
Other intangible assets	5,445	4,147	2,897	2,120
Property, plant and equipment	38,732	39,691	20,022	12,465
Other receivables	795	605	543	322
Deferred tax asset	488	4,732	5,098	2,157
	<u>48,670</u>	<u>52,107</u>	<u>31,645</u>	<u>20,173</u>
Current assets				
Inventories	39,987	43,016	49,790	51,889
Trade receivables	67,044	73,026	90,612	105,200
Other receivables	10,798	10,829	15,092	12,927
Current tax assets	480	1,414	703	722
Derivative financial instruments	–	–	1,453	–
Cash and bank balances	13,675	25,044	43,578	20,397
	<u>131,984</u>	<u>153,329</u>	<u>201,228</u>	<u>191,135</u>
Total assets	<u>180,654</u>	<u>205,436</u>	<u>232,873</u>	<u>211,308</u>
Current liabilities				
Borrowings	–	1,255	2,398	27,542
Obligations under finance leases	–	–	117	195
Trade payables	57,220	73,184	88,551	91,641
Other payables	22,184	24,880	34,574	35,513
Current tax liabilities	5,793	5,924	5,938	4,393
Retirement benefit obligation	659	585	596	251
Provisions	3,626	2,266	1,078	2,940
Derivative financial instruments	1,020	399	54	296
	<u>90,502</u>	<u>108,493</u>	<u>133,306</u>	<u>162,771</u>
Net current assets	<u>41,482</u>	<u>44,836</u>	<u>67,922</u>	<u>28,364</u>
Non-current liabilities				
Borrowings	45,895	43,289	37,420	–
Obligations under finance leases	–	–	–	108
Other payables	243	575	706	–
Deferred tax liabilities	1,995	1,789	2,563	2,309
Retirement benefit obligation	2,575	3,039	2,976	1,883
Provisions	2,719	2,605	4,590	5,744
Non-equity preference shares	–	–	–	207
	<u>53,427</u>	<u>51,297</u>	<u>48,255</u>	<u>10,251</u>
Total liabilities	<u>143,929</u>	<u>159,790</u>	<u>181,561</u>	<u>173,022</u>
Net Assets	<u>36,725</u>	<u>45,646</u>	<u>51,312</u>	<u>38,286</u>
Equity attributable to owners of the parent				
Share capital	29,662	28,180	28,180	28,180
Share premium account	7,122	2,586	2,586	2,586
Non-distributable reserve	2,455			
Hedging and translation reserve	(9,730)	(6,553)	(4,252)	(4,182)
Own shares	(1,103)	(4,945)	(5,271)	(2,240)
Retained earnings	8,319	26,378	30,069	13,942
	<u>36,725</u>	<u>45,646</u>	<u>51,312</u>	<u>38,286</u>
Total equity	<u>36,725</u>	<u>45,646</u>	<u>51,312</u>	<u>38,286</u>

<i>Group Statement of cash flows</i>				
	<i>52 weeks ended 30 March 2014</i>	<i>52 weeks ended 31 March 2013</i>	<i>52 weeks ended 1 April 2012</i>	<i>52 weeks ended 3 April 2011 Restated \$'000</i>
Net cash generated from/(used in) operating activities	(11,067)	6,365	30,353	11,087
Cash flow generated from/(used in) investing activities				
Interest received	100	141	73	222
Proceeds on disposal of intangible assets, property plant and equipment	44	263	79	101
Purchases of property, plant and equipment	(8,157)	(24,860)	(10,263)	(4,363)
Purchase of intangible assets	(2,278)	(2,567)	(1,986)	(1,200)
Sale/(acquisition) of own shares (net of funds received on option exercise)	6,281	359	(3,031)	–
Net cash outflow arising on disposal of operations	–	–	–	(247)
Net cash flow generated from/(used in) investing activities	(4,010)	(26,664)	(15,128)	(5,487)
Net cash flows before financing activities	(15,077)	(20,299)	15,225	5,600
Cash generated/(used) before non-recurring items	(7,623)	(13,405)	19,932	5,847
Net cash outflow arising on disposal of operations	–	–	–	(247)
Cash utilised in respect of non-recurring items	(7,454)	(6,894)	(4,707)	–
Cash flow generated from/(used in) financing activities				
Dividends paid	(732)	(2,813)	(2,712)	–
Repayment of preference shares	–	–	(130)	–
Refinancing costs paid	–	–	(1,655)	(24)
Repayment of borrowings	(7,000)	–	(26,377)	(14,387)
New bank loans raised	8,082	6,000	39,544	–
Repayments of obligations under finance leases	–	(117)	(181)	(144)
Proceeds on issue of shares	4,804			
Net cash flow generated from/(used in) financing activities	5,154	3,070	8,489	(14,555)
Net increase/(decrease) in cash and cash equivalents	(9,923)	(17,229)	23,714	(8,955)
Cash and cash equivalents at beginning of period	23,789	41,180	18,525	27,210
Effect of foreign exchange rate changes	(191)	(162)	(1,059)	270
Cash and cash equivalents at end of period	13,675	23,789	41,180	18,525

		<p>There has been no significant change in the trading or financial position of the Group since 30 March 2014, being the date to which the 2014 Preliminary Results were prepared.</p> <p>Set out below are details of significant changes in the trading or financial position of the Group during the period covered by the audited report and accounts of the Group for the 52 weeks ended 3 April 2011, 1 April 2012 and 31 March 2013 and the unaudited preliminary results for the 52 weeks ended 30 March 2014:</p> <p>In the 52 weeks ended 3 April 2011, Group revenue grew by 34 per cent. with underlying operating profit growing 22 per cent. to \$26.1 million. Group net debt decreased by 34 per cent. to \$7.5 million.</p> <p>In the 52 weeks ended 1 April 2012 Group revenue grew by 6 per cent. with underlying operating profit growing 23 per cent. to \$32 million. Strong cash conversion led to a strong net cash position of \$3.6 million.</p> <p>In the 52 weeks ended 31 March 2013 Group revenue fell by 9 per cent. with underlying operating profit falling 61 per cent. to \$12.3 million. A reduction in revenue from some of Volex's key customers combined with planned investment in production capacity led to results that were significantly below expectations. The Group moved from a position of net cash to net debt of \$19.5 million as a result of the investment in additional capacity and the reduction in profitability.</p> <p>In the 52 weeks ended 30 March 2014 Group revenue fell by 15 per cent. with underlying operating profit falling by 63 per cent. to \$4.5 million. This downturn can largely be attributed to a loss of alignment between the Group's strategic goals and the requirements of the Group's core customers within the power cord market. Whilst customers were anticipating regular price reductions supported by productivity improvements, the Group was looking to achieve improved operating margins. As a result, the Group suffered from reduced business allocations and reduced revenues and profitability. During the year, the Group raised \$6.3 million from the sale of treasury shares and \$4.8 million from a share placing. Off-setting this inflow was a \$21.4 million free cash outflow due not only to the restructuring spend but also due to the change in supplier payment profiles following a strategic decision to move to a multi-sourcing supplier model. As a result net debt at the end of the year increased to \$32.2 million.</p>
B.8	Key pro forma financial information	As at 30 March 2014, the Group had net assets of \$36.7 million. Assuming that the Placing and Open Offer proceeds have been received and the repayment of borrowings had occurred on that date, the net assets of the Group would have increased by approximately \$28.1 million to \$64.8 million. This unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and should not be construed as indicative of the Group's actual or future financial position or results.
B.9	Profit forecast	The financial information contained in the 2014 Preliminary Results is treated as a profit forecast for the purposes of the Prospectus Rules.
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable; there are no qualifications in the audit reports of the Company's historical financial information.

B.11	Insufficiency of working capital	Not applicable; the Company is of the opinion that, taking into account its available bank facilities and the net proceeds of the Placing and Open Offer receivable by the Company, the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of publication of this document.
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Section C – Securities

C.1	Type and class of the securities admitted to trading	Ordinary shares with a nominal value of 25 pence each in the capital of the Company will be issued in connection with the Placing and Open Offer with ISIN GB0009390070.
C.2	Currency of the securities issue	The New Shares are denominated in Sterling.
C.3	Shares issued/ value per share	As at 11 June 2014 (the latest practicable date prior to publication of this document) the Company had 66,184,721 fully paid Ordinary Shares of 25 pence each in issue.
C.4	Rights attached to the securities	The New Shares, when issued and fully paid, or credited as fully paid, will rank in full for all dividends or distributions made, paid or declared after the date of issue and otherwise <i>pari passu</i> in all respects with the Existing Shares.
C.5	Restrictions on free transferability of the securities	<p>There are no restrictions on the free transferability of the Ordinary Shares set out in the constitutional documents of the Company.</p> <p>However, the making of the proposed offer of New Shares to persons who are located or resident in or who have a registered address in countries other than the United Kingdom, may be affected by the law or regulatory requirements of the relevant jurisdiction, which may include restrictions on the free transferability of the New Shares.</p>
C.6	Admission/ Regulated markets where the securities are traded	Applications will be made to the UK Listing Authority for the New Shares to be listed on the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the main market for listed securities.
C.7	Dividend policy	<p>The New Shares, when issued and fully paid, or credited as fully paid, will rank in full for all dividends or distributions made, paid or declared after the date of issue and otherwise <i>pari passu</i> in all respects with the Existing Shares.</p> <p>The Company may, by ordinary resolution, declare a final dividend to be paid to members in accordance with the respective rights and interests of the members in the profits of the Company and may fix the time for payment of such dividend provided that no dividend shall exceed the amount recommended by the Board.</p> <p>The Board may pay interim dividends if it appears to the Board to be justified by the financial position of the Company.</p> <p>The Board's dividend policy is to increase returns to Shareholders progressively over time, while taking account of the underlying profitability of the Company and the cash requirements of the business.</p> <p>The Board is not recommending a final dividend for the 52 weeks ended 30 March 2014.</p>

Section D – Risks

<p>D.1 D.2</p>	<p>Key information on the key risks specific to Volex or its industry</p>	<ul style="list-style-type: none"> ● Over 68 per cent. of total revenue is generated by the Group's top 10 customers, and a single customer accounts for more than 23 per cent. of total revenue. A loss of, or reduction in demand from, any of the Group's key customers could adversely affect revenues and margins. ● Volatility in the price of copper, other metals, PVC and other raw materials, as well as fuel and energy, could adversely affect the Group's margins if these costs are not passed on to customers. ● The Group's sales, income and growth depend largely on the economic strength of the geographic markets which it serves. If these markets weaken, the Group could suffer decreased sales and net income. ● The Group is exposed to production related challenges and risks, including design and manufacturing flaws, changes in customer demand, and challenges associated with manufacturing in fast-developing countries, which may result in increased production costs and decreased margins. ● The markets for the Group's products are highly competitive. Pricing pressures and failure to invest in product developments could adversely affect the business. In addition, advancing technologies, such as fibre-optic and wireless technologies, may make certain of the Group's products less competitive. ● The Group's products are required to meet industry technical standards or governmental safety requirements and the Group's customers place significant emphasis on product quality and reliability in selecting their suppliers. As a result, if the Group's products experience quality deficiency issues, the Group's business, results of operations and financial condition could be materially and adversely affected. ● Interruptions of supplies from the Group's key suppliers may affect the Group's ability to meet the demands of its customers, and could have an adverse effect on its results of operations and financial performance. ● If the Group fails to execute the Volex Transformation Plan in a timely and cost-effective manner, or if the plan fails to achieve the anticipated benefits, the Group's business, results of operations and financial condition could be materially adversely affected. ● Following completion of the Placing and Open Offer, and assuming that each takes up in full its entitlements under the Placing and Open Offer it is expected that NR Holdings Limited and GoldenPeaks Capital will be interested in approximately 27.74 per cent. and 18.03 per cent. respectively of the Company's issued share capital. As a result they will each be able to exercise significant influence over matters requiring approval of Shareholders.
<p>D.3</p>	<p>Key information on the key risks specific to the securities</p>	<ul style="list-style-type: none"> ● Although the New Shares are to be listed on the Official List and admitted to trading on the Main Market and will be freely transferable, the ability of Shareholders to sell their New Shares in the market, and the price which they may receive, will depend on market conditions. The market value of, and the income derived from, the Ordinary Shares can fluctuate and may not always reflect the prevailing net asset value per Ordinary Share. ● Any additional offering of Ordinary Shares by the Company, or significant sales of Ordinary Shares by major shareholders, could have an adverse effect on the market price of Ordinary Shares.

Section E – Offer

E.1	Net proceeds/ Estimate of expenses	The Company expects that the Placing and Open Offer will raise net proceeds of approximately £16.7 million, after allowing for total expenses of £1.4 million.
E.2a	Reasons for the offer/Use of proceeds/Net amount of proceeds	The Company intends to use the net proceeds of the Placing and Open Offer to reduce its indebtedness.
E.3	Terms and conditions of the offer	<p>The Company invites Qualifying Shareholders to apply for Open Offer Shares pro rata to their existing shareholdings at a price of 75 pence per Open Offer Share, payable in full in cash on application, free of all expenses, on the basis of 4 Open Offer Shares for every 11 Existing Shares held by the Qualifying Shareholders at the Record Date, rounded down to the nearest whole number. Any fractional entitlements to Open Offer Shares will not be allocated. The Open Offer Shares other than the Committed Shares have been conditionally placed with institutional and other investors at the Issue Price, subject to the clawback to satisfy valid acceptances under the Open Offer.</p> <p>The Open Offer to certain Overseas Shareholders shall be made by the Company publishing a notice in the London Gazette. The ability of Overseas Shareholders to accept the Open Offer may be restricted in certain jurisdictions.</p> <p>The Issue Price represents a discount of 6.0 per cent. to the Closing Price of 79.75 pence on 11 June 2014 (being the last Business Day before the announcement of the Placing and Open Offer).</p> <p>With the exception of the Committed Shares, the Placing and Open Offer is being fully underwritten by Investec subject to, and in accordance with, the terms of the Underwriting Agreement.</p> <p>Nathaniel Rothschild, NR Holdings Limited and those Directors who hold Ordinary Shares holding approximately 25.6 per cent. of issued Ordinary Shares in aggregate have irrevocably undertaken to subscribe in full for the Open Offer Shares to which they are entitled pursuant to their Open Offer Entitlements, representing in aggregate 6,168,446 Ordinary Shares.</p>
E.4	Interests material to the issue/Conflicting interests	Not applicable; there is no interest, including any conflicting interest, that is material to the issue/offer.
E.5	Name of the offeror/Lock-up agreements	Not applicable; no Shareholders are offering to sell Existing Shares pursuant to the Placing and Open Offer and there will be no lock-up agreements.
E.6	Dilution	Qualifying Shareholders who do not or cannot take up any of their Open Offer Entitlements in respect of the Open Offer will (excluding any New Shares issued to them if they are Conditional Placees) suffer a dilution of approximately 26.7 per cent. to their interests in the Company as a result of the Placing and Open Offer.

E.7	Estimated expenses charged to the investor	Not applicable; no expenses will be charged to the investor by the Company in respect of the Placing and Open Offer.
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RISK FACTORS

Any investment in shares is subject to a number of risks. Prior to investing in New Shares, prospective investors should carefully consider all the information in this document, including the risks described below and all of the information incorporated by reference into the document. The risks below are all those of which the Directors are aware and which they consider material and are not presented in any order of priority. However, additional risks and uncertainties not currently known to the Directors, or that the Directors currently consider immaterial, may also adversely affect the Group's business, results of operations or financial condition. If any or a combination of the following risks materialise, the Group's business, financial condition and/or operational performance could be materially adversely affected. In that case, the trading price of the Ordinary Shares may decline and investors may lose all or part of the value of their investment. The information given is as of the date of this document and except as required by the FCA, the London Stock Exchange, the Prospectus Rules, the Disclosure and Transparency Rules, the Listing Rules or any other law or regulation will not be updated. Any forward looking statements are made subject to the reservations specified under "Forward-looking statements" on page 25 of this document.

An investment in the New Shares is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. Accordingly, prospective investors are recommended to obtain independent financial advice from an adviser authorised under FSMA (or another appropriately authorised independent professional adviser) who specialises in advising upon investments in shares or other securities.

1. General investment/market risks

1.1 *Market value fluctuation*

The market value of, and the income derived from, the Ordinary Shares may fluctuate. There is no guarantee that the market price of the Ordinary Shares will fully reflect their underlying net asset value. Investors may not get back the full value of their investment and in certain circumstances investors could lose all of their investment. There is no guarantee that the investment objectives of the Company will be met.

1.2 *Suitability of Ordinary Shares as an investment*

The Ordinary Shares may not be a suitable investment for all investors. Before making a final decision, investors are advised to consult an appropriate independent investment adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities. The value of the Ordinary Shares and the income received from them can go down as well as up and investors may get back less than their original investment or may lose the whole of their investment.

1.3 *Economic and financial uncertainty*

Turmoil in the financial, debt and commodities markets could have a significant adverse impact on certain sectors of the economy. Decreased levels of economic activity could lead to a substantial reduction in ultimate customer demand and demand from Volex's customers which could adversely impact Volex's revenues, future access to finance and ultimately its earnings and share price.

2. Risks relating to Volex and its industry

2.1 *The Group's revenues are dependent on a small number of key customers*

A significant proportion of the Group's trading is with a relatively small number of large global accounts. Over 68 per cent. of total revenue is generated by the Group's top 10 customers, mostly prestigious global OEMs. One of the Group's customers individually accounts for more than 23 per cent. of total revenue. This vulnerability was highlighted in September 2012 when an unexpected change in forecast demand from the Group's primary customer had a significant adverse affect on forecast revenues and margins. The Group is taking steps to diversify its customer base and strengthen its existing relationships with key customers but remains reliant on a small number of key

customers. A loss of, or reduction in demand from, any of the Group's key customers could adversely affect revenues and margins.

2.2 *Volatility in the price of copper, other metals, PVC and other raw materials, as well as fuel and energy, could adversely affect the Group's business*

Many of the Group's products, in particular power cords, which represent the majority of Group sales, are manufactured from components that contain significant proportions of copper and, to a lesser extent, other metals and oil-based products such as PVC. The Group's cost of sales is also affected by the price of fuel, natural gas and energy. Increases in the prices of these commodities are reflected in the prices charged to customers, but delays in passing these costs through to customers can cause short term volatility in the Group's margins. Additionally, increases in the price of copper can reduce demand if customers decide to defer their purchases of copper cable products or seek to purchase substitute products.

Steps are taken to mitigate the impact of commodity pricing, including fixing copper prices with major suppliers on a quarterly basis; integrating copper clauses into customer contracts to provide for quarterly adjustments to selling prices based on input costs; and maintaining a copper hedging programme which fixes the costs for a portion of unmatched copper purchases. However, the Group remains exposed to fluctuations in commodity pricing, which may adversely affect revenue and margins.

2.3 *Political, legal, social and economic conditions may materially adversely affect the Group's business, financial condition and results of operation*

The Group is subject to the risks associated with conducting business in and with overseas territories such as China. These include the risks of changes to country's laws and policies, for example those relating to taxation, divestment, import, exports, currency, repatriation of capital, labour standards and occupational health and safety and historic and cultural preservation. The costs associated with compliance with these laws and regulations, possible future laws and regulations and changes to existing laws and regulations could cause additional expense, capital expenditure, restrictions on or suspensions of the Group's operations in China or elsewhere.

2.4 *The Group's sales, income and growth depend largely on the economic strength of the geographic markets which it serves, and if these markets weaken, the Group could suffer decreased sales and net income*

Many of the Group's customers use its products as components in their own products or in projects undertaken for their customers. The Group's ability to sell its products is largely dependent on general economic conditions, including how much its direct customers and end-users spend on consumer electrical and electronic devices, industrial equipment, healthcare equipment, datacentre infrastructure, information technology equipment and maintaining or upgrading wireless and fixed-line communications networks. Over the past few years, the Group has observed a lack of infrastructure investment in telecoms and weaker than anticipated demand for consumer electronics products from individuals and corporates relative to the Board's expectations. Reduced demand may increase competition, put pressure on pricing and reduce sales, margins and profits.

2.5 *The Group is exposed to production related challenges and risks, which could adversely affect its business*

The Group operates nine production facilities around the globe, and inefficiencies in the production process could lead to increased costs of sales and decreased margins. Further, flaws in designs or manufacturing processes could result in failure to produce products of the required specification, reliability or quality, and consequently cause delays in shipment and increased costs for product re-work or replacement.

The Group works closely with key customers to try to understand and anticipate their requirements. The Group is affected by customer design changes, changes in customer manufacturing strategies and customer inventory management initiatives, all of which impact upon customer production schedules and demand for the Group's products. Reduced demand may increase competition, put pressure on pricing and reduce sales, margins and profits.

2.6 ***If the Group's inventories become obsolete future performance and operating results will be adversely affected***

Rapid technological developments, changes in industry standards and emergence of new or substitute products in the Group's industry and the markets for the Group's products could render the Group's products and inventories obsolete. The Group's products and inventories may also become obsolete as a result of adverse changes in end market demands. If the Group fails to effectively manage its production and inventory levels or otherwise has significant levels of obsolete or excessive inventories, the Group's business, results of operations and financial condition could be materially and adversely affected.

2.7 ***The markets for the Group's products are highly competitive and pricing pressures and failure to invest in product developments and secure cost reductions from the Group's suppliers could adversely affect the business***

The markets in which the Group operates are mature and highly competitive. Many of the Group's products are made to common specifications and may be fungible with the products of its competitors. Accordingly, the Group is subject to competition in many of its markets on the basis of price, quality, product performance, technology innovation, lead times, geographic footprint and customer service.

The Directors expect that the Group will need to continue to invest in product development, productivity improvement and customer service and support in order to compete in the markets in which it operates. In the past two years, the Group has undertaken an extensive upgrade of its Shenzhen manufacturing plant at a cost of US\$12.8 million, and expanded its manufacturing plant at Batam, Indonesia at a cost of US\$6 million.

The Group continually works at reducing costs within its supply chain in order to enable it to compete, but may not be able to achieve reductions in costs proportionate to pressures on pricing. The Group has a concentrated supplier base and is working on implementing a strategy of multi-sourcing and localised sourcing in order to improve its bargaining position with suppliers. Furthermore the Group has committed to price reductions in order to secure increased business volumes from certain key customers and may not be successful in reducing costs, which may adversely affect the Group's profit margins.

An increase in products which compete with the Group's products could result in price reductions, reduced sales, increased requirements for investment and loss of contracts, which may reduce margins.

2.8 ***The Group's products are required to meet industry technical standards or governmental safety requirements and the Group's customers place significant emphasis on product quality and reliability in selecting their suppliers. As a result, if the Group's products experience quality deficiency issues, the Group's business, results of operations and financial condition could be materially and adversely affected***

The Group depends on delivering products of consistently high quality. Many of the Group's products are subject to industry standards. The Group is also required to meet product safety and other requirements imposed by the relevant government authorities in countries that its products or the end-products of the Group's customers are sold to. Moreover, the Group's customers place significant emphasis on product quality and reliability in selecting Volex as their supplier.

To ensure high quality standards, the Group's products are inspected and tested for quality in accordance with its internal procedures. There is no assurance that this quality inspection and testing procedures may be effectively complied with at all times. Failure to comply with such quality inspection and testing procedures by the Group's employees could result in faulty or defective products being delivered to the Group's customers. In addition, the quality testing procedures may not be always sufficient. As a result of the occurrence of unforeseeable performance problems, the Group's products may fail to perform. Furthermore, any changes in the relevant industry technical standards or governmental safety requirements will affect the Group's sales if its products do not meet such new standards or requirements. There is no assurance that such problems will not occur in the future. Significant quality defects of the Group's products may result in damage to the Group's

reputation and loss of customers and future sales as well as subject the Group to potential compensation claims by affected customers.

2.9 Interruptions of supplies from the Group's key suppliers may affect the Group's results of operations and financial performance

Interruptions of supplies from the Group's key suppliers could disrupt production and impact the Group's ability to maintain or increase production and sales. Unanticipated interruptions to supplies could have a material adverse effect on the Group's manufacturing ability, which could affect production and sales, and may adversely affect the Group's relationships with its customers. Further, identifying and accessing alternative supply sources may increase costs of sales.

2.10 If the Group's products fail to remain technologically competitive and address the changing requirements of its customers, the Group could lose clients or market share

The market for the Group's products is affected by changing business conditions and customer requirements. Aspects of the Group's business have relatively low barriers to entry. Product offerings and service levels must be continually improved through process and technology to avoid competition being based solely on price. The Group's ability to anticipate changes in technology and customer requirements and to successfully develop and introduce new and enhanced products on a timely basis and to the customer's cost requirement are likely to be significant factors in the Group's ability to grow and to remain competitive. Substantial expenditure is required for research and development and the introduction of new products. There can be no assurance that the Group will have sufficient resources to make such investments, that these investments will bring the full advantages or any advantage as planned, that the customer will ultimately adopt the Group's product or that it will not encounter technical or other difficulties that could delay the introduction of new technologies or enhancements in the future. There can be no assurance that the Group will be successful in developing and marketing enhancements that incorporate new technology on a timely basis or that its new solutions will adequately address the changing needs of the marketplace. Failure, for technological or other reasons, to develop in a timely manner, and market, products incorporating new technologies could have a material adverse effect on the Group's revenues, results of operations and prospects.

2.11 Advancing technologies, such as fibre-optic and wireless technologies, may make certain of the Group's products less competitive

Technological developments could adversely affect the Group's business. Whilst the Group does produce fibre-optic systems, its products are primarily copper-based, and a move in the market to fibre-optic sales may not compensate for the loss of copper-based product revenues. Advancing wireless technologies may weaken demand for the Group's products. Further, wireless communications depend heavily on a fibre-optic infrastructure and less on copper-based systems. Increases in the use of wireless technologies may have an adverse effect on sales and profitability.

2.12 A failure to attract, develop and retain key personnel could harm the Group's business

The Group's success is largely dependent on the skills, experience and knowledge of its employees. The inability to retain executive officers and other key employees, or a failure to adequately plan for succession, could negatively impact Group performance. Further, the loss of key employees with an intimate knowledge of the Group's manufacturing processes could lead to increased competition if those employees are hired by a competitor and are able to recreate the Group's manufacturing processes. The Group's future success depends on it continuing to attract, develop and retain highly qualified personnel, who are in great demand.

2.13 The Group's business involves business critical solutions delivered to pre-agreed timescales which expose it to potential liability claims

The Group's products and services support business critical processes and applications and it provides products and services for clients' specialised needs. The Group also provides products to customers in accordance with defined contractual milestones. Customers use the Group's products in their own composite products and are therefore sensitive to potential disruptions that may be caused by the use of, or any defects in, the Group's products, or by any delay in meeting contractual

milestones. As a result, the Group may be subject to product liability or contractual claims for damages related to product defects or loss of business. Claims could require the Group to spend significant time and money in remedying defects or to pay significant damages. Regardless of whether the Group prevails in respect of such claims or disputes, the diversion of key management's time and attention from the business, the incurring of substantial expenses and potential damage to its reputation might result. While the terms of the Group's sales contracts typically limit its exposure to potential liability claims or the breach of any contractual milestones, and the Group carries insurance against certain types of claim, there can be no assurance that such insurance will continue to be available on acceptable terms, if at all, or that such insurance will provide the Group with adequate protection against any such claims. A significant liability claim against the Group could have a material adverse effect on its revenues, results of operations and prospects.

2.14 *Failure to comply with applicable legal, regulatory and confidentiality requirements may result in financial loss, restrictions on the Group's ability to operate, or reputational damage*

The Group operates in diverse global markets and is exposed to a wide range of legal, fiscal and regulatory frameworks, including employment, environmental and health and safety legislation, product liability, taxation, bribery and contractual risks. The Group operates within rapidly evolving developing nations, which exposes its business to developing legal and regulatory frameworks and local risks and challenges. A failure to navigate these requirements may result in financial loss, restrictions on the Group's ability to operate in certain environments and reputational damage, and consequently loss of customers. The Group has committed to obligations in respect of managing confidential customer information. Failure to protect this information could result in loss of sales and reputational damage to the Group.

2.15 *The Group faces operational risks that may not be covered by insurance policies*

The Group holds insurance that the Directors believe is consistent with its needs. However, these insurance policies may not fully cover the consequences of damage to persons or property, business interruptions, failure of counterparties to conform to the terms of an agreement or other liabilities incurred in the Group's operations. In addition, the Group is subject to ongoing regulatory compliance issues that may affect insurance coverage on an ongoing basis. If the Group has a significant claim or number of claims on its policies, it may be subject to significant increases in premiums or even find it difficult, prohibitively expensive or impossible to obtain sufficient levels of coverage. If insurance coverage is not sufficient for any reason, the Group could incur significant out of pocket expenses, which could have a material adverse effect on its business, results of operations and financial condition.

2.16 *The Group is subject to the economic, political and other risks of maintaining facilities and selling products in a number of countries*

For the 52 weeks ended 30 March 2014, Group revenue was derived primarily from overseas markets, including 61 per cent. from Asia, 24 per cent. from the Americas and 15 per cent. from Europe. 23 per cent. of total revenue is derived other than in US dollars. The Group has major manufacturing facilities in China, Brazil, India, Indonesia, Mexico, Poland and Vietnam.

The Group is subject to currency fluctuations arising on transactional foreign currency exposures, including in respect of suppliers and customers. Its results are also exposed to the results of overseas subsidiaries, which could cause earnings and balance sheet volatility. The Group's financial results may be adversely affected by fluctuations in the value of the US dollar against foreign currencies, exchange rate controls, or regulatory restrictions on the transfer of funds. Negative tax consequences relating to repatriating foreign currencies may adversely affect cash flows.

The Group's foreign operations are also subject to risks inherent in maintaining operations abroad, such as economic and political destabilisation, international conflicts, restrictive actions by foreign governments, nationalisations, changes in regulatory and labour requirements, difficulties in effectively managing diverse global operations and adverse foreign tax laws. Non-compliance or increased costs of compliance may adversely affect the Group's business, financial position and results of operations.

2.17 ***Environmental regulations and other obligations relating to environmental matters could subject the Group to liability for fines, clean-ups and other damages or require the Group to modify its operations and increase manufacturing and delivery costs, which could have a material adverse effect on the Group's business, results of operations and financial condition***

The Group's business is subject to a broad and increasingly stringent range of environmental, health and safety laws as well as building, product and other laws, regulations and standards in the jurisdictions in which the Group operates. The nature of its operations means that the Group faces a risk of the contamination of land with hazardous wastes resulting from manufacturing processes and causing nuisance in certain circumstances. Additionally, many sites are located on previous brownfield sites or have had neighbours that undertook operations which could cause contamination to the Group's own sites.

Costs related to compliance with environmental laws concerning, and potential obligations with respect to, contaminated sites may have a significant negative impact on operating results. These include obligations related to sites currently or formerly owned or operated by the Group, if it caused or knowingly permitted any contamination there, or where the Group disposed of waste from its operations. The Group is also required to comply with stringent waste management regulations, particularly in relation to hazardous waste. Failure to comply with waste regulations could potentially result in regulatory action, fines and additional capital and/or operational costs. In addition, claims or corrective action to abate nuisance caused by the Group's operations may result in increased capital expenditure and liabilities.

The Group is unable to predict future changes in environmental laws or policies, including with respect to carbon emissions in the production of its products and the environmental impact of products. The Group is also unable to predict future changes in the ultimate cost of compliance with such laws and policies. It may be adversely affected as a result of new or revised legislation or regulations or by changes in the interpretation or enforcement of existing laws and regulations. New regulations could require modification or renewal of existing permits, the acquisition of costly equipment, the refit of existing plants, the redesign of products or result in other significant expenses being incurred. The Group's business, results of operations or financial condition could also be materially adversely affected by both domestic and foreign regulatory issues and proceedings.

2.18 ***The Group may not be able to protect its intellectual property or may be faced with claims relating to the infringement of third party intellectual property rights***

The Group relies on a combination of patents, trademarks, trade names, product certificates, confidentiality and non-disclosure clauses and agreements with employees, customers and suppliers, copyrights and registered and unregistered design rights to define and protect rights to the intellectual property in its products. It also relies on extensive product, industry, manufacturing and market "know-how" that cannot be registered and may not be subject to any confidentiality and non-disclosure clauses or agreements. Given the industry in which the Group operates, it is not uncommon for companies to be involved in intellectual property-related disputes. Although the Group intends to continue to protect its rights, there can be no guarantee that any of its know-how or registered or unregistered intellectual property rights, or claims to such rights, will now or in the future successfully protect what is considered to be the intellectual property underlying the Group's products in any or all of the jurisdictions in which it does business, or that the Group's registered or unregistered rights will not be successfully opposed or otherwise challenged.

To the extent that innovations and products are not protected by patents, copyrights or other intellectual property rights, third parties (including competitors) may be able to commercialise the Group's innovations or products or use the Group's know-how, which could have a material adverse effect on its business, results of operations and financial condition. In addition, legal protection of intellectual property rights in one country will not provide protection in certain other countries where the Group operates. If the Group fails to protect its rights and others are able to improperly use its products, this failure may have a material adverse effect on its revenues, results of operations and prospects.

The Group may face claims that it is infringing the intellectual property rights of others. If any of its products are found to infringe the patents or other intellectual property rights of others, the

manufacture and sale of such products could be significantly restricted or prohibited and the Group may be required to pay substantial damages, which could have a material adverse effect on the business, results of operations or financial condition.

2.19 *The Group may fail to achieve or manage future growth and expansions.*

The Group is in the process of implementing the Volex Transformation Plan. However, there are significant risks and uncertainties involved in such a plan, including, among others, inability to implement and execute the transformation plan in a timely and cost-effective manner and failure to achieve the anticipated benefits. If the Group fails to address the foregoing risks and uncertainties associated with its transformation plan, the business, results of operations and financial condition could be materially and adversely affected.

2.20 *Significant shareholder interests in the Company following Admission*

Immediately following Admission and assuming that each takes up in full its entitlements under the Placing and Open Offer, it is expected that NR Holdings Limited and GoldenPeaks Capital will be interested in approximately 24.74 per cent. and 18.03 per cent. respectively of the Company's issued share capital¹. In addition, it is expected that Nathaniel Rothschild who is connected to NR Holdings Limited will be interested in approximately 0.76 per cent. of the Company's issued share capital¹. As a result they will each be able to exercise significant influence over matters requiring approval of Shareholders, including the election and/or re-election of directors and significant corporate transactions, such as an acquisition or other change of control of the Group.

2.21 *Additional capital requirements to fund ongoing operations requirements in the longer-term*

Raising capital in the longer-term from either debt or equity sources may have potentially negative impacts on the prospects of the Group. Further equity financing in the longer-term may be dilutive to existing Shareholders or result in the issuance of securities whose rights, preference and privileges are senior to those of the holders of Ordinary Shares. Debt financing may require the Group to enter into covenants restricting its future operational and financial activities.

3. Risks relating to the Placing and Open Offer

3.1 *Market price fluctuation*

The market price of the New Shares and/or the Existing Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the New Shares and/or the Existing Shares (or similar securities). Such risks depend on the market's perception of the likelihood of completion of the Placing and Open Offer, and/or in response to various facts and events, including any variations in Volex's operating results and business developments of the Group and/or its competitors. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to Volex's operating performance or prospects. Furthermore, Volex's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the New Shares and/or the Existing Shares.

3.2 *Shareholders will experience dilution in their ownership of the Company*

Shareholders will experience dilution in their ownership of, and voting interest in, the Company to the extent they do not or cannot subscribe in full for their Open Offer Entitlements.

3.3 *Overseas Shareholders may not be able to take up their Open Offer Entitlements under the Placing and Open Offer*

Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Overseas Shareholders in the Placing and Open Offer. In particular, holders of Ordinary Shares who are located in the US may not be able to participate in the Placing and Open Offer. The New Shares,

¹ This assumes that the shareholders subscribe in full for their Open Offer Entitlements.

Open Offer Entitlements and Application Forms have not and will not be registered under the US Securities Act. Securities laws of certain other jurisdictions may restrict the Company's ability to allow participation by Shareholders in such jurisdictions in any future issue of shares carried out by the Company. Qualifying Shareholders who have a registered address in or who are resident in, or who are citizens of, countries other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for and/or receive New Shares.

3.4 *The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited*

The ability of an Overseas Shareholder to bring an action against the Company or the Directors may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares are governed by English law and by the Articles of Association. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors. The majority of the Directors are residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

3.5 *Timetable for listing and Admission to trading of the New Shares*

There is no assurance that the listing on the Official List and trading on the main market of the London Stock Exchange of the New Shares will take place when anticipated. See "Expected Timetable of Principal Events" on page 27 of this document for further information on the expected dates of these events.

3.6 *Future share issues and sales of Ordinary Shares in the longer-term*

It is possible that the Company may decide to offer additional shares in the longer-term. An additional offering or significant sale of shares in the Company by any of the Company's major shareholders could have an adverse effect on the market price of outstanding Ordinary Shares.

IMPORTANT INFORMATION

Notice to all investors

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering an investment in the New Shares is prohibited. By accepting delivery of this document, each offeree of the New Shares agrees to the foregoing.

The distribution of this document and/or the Application Form and/or the transfer of the New Shares into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, such documents should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. The Application Form and the New Shares are not transferable, except in accordance with, and the distribution of this document is subject to, the restrictions set out in paragraph 7 of Part 3 of this document. No action has been taken by the Company or Investec that would permit a public offer of the New Shares or rights thereto or possession or distribution of this document or any other offering or publicity material or the Application Form in any jurisdiction where action for that purpose is required, other than in the United Kingdom.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or Investec. Except to the extent imposed by FSMA, the Prospectus Rules or the Listing Rules, neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time subsequent to its date.

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult their own legal, financial or tax adviser for legal, financial or tax advice.

Notice to Overseas Shareholders

Subject to certain exceptions, this document does not constitute or form part of an offer to sell or issue, or the solicitation of an offer to subscribe for or buy, any New Shares to any person in any Restricted Jurisdiction or in any other jurisdiction where to do so would result in a breach of local securities law or regulation or impose additional obligations on the Company and is not for distribution or publication into any Restricted Jurisdiction. The New Shares have not been and will not be registered under any securities regulatory authority or under any securities laws of any state or other jurisdiction of any Restricted Jurisdiction and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any Restricted Jurisdiction where to do so would result in a breach of local securities law or regulation or impose additional obligations on the Company.

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales and operating under the 2006 Act. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations.

All Overseas Shareholders and any person (including, without limitation, a nominee, custodian or trustee) who has a contractual or other obligation to forward this document or any Application Form, if and when received, or other document to a jurisdiction outside the UK, should read paragraph 7 of Part 3 of this document.

An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors. The majority of the Directors are residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country

of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on the foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

Presentation of financial information

The Company now publishes its financial information, and published its financial information for the 52 week periods ended 1 April 2012, 31 March 2013 and 30 March 2014, in United States Dollars ("US\$" or "\$"). The abbreviations "\$ million" and "\$m" represent millions of United States Dollars, the abbreviations "\$ billion" and "\$bn" represent billions of United States Dollars and references to "cents" or "c" represent cents in the United States.

The Company published its financial statements for the year ended 3 April 2011 in pounds Sterling, its Ordinary Shares are denominated in pounds sterling and certain costs are paid in pounds Sterling ("£" or "Sterling"). The abbreviations "£ million" and "£m" represent millions of pounds Sterling, the abbreviations "£ billion" and "£bn" represent billions of pounds Sterling, and references to "pence" and "p" represent pence in the UK.

The financial information presented in a number of tables in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the sum of the numbers in a table may not conform exactly to the total figure given for that table. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Net proceeds

Pursuant to the terms of the Underwriting Agreement, Investec receives fees and commission from the Company, details of which are set out in paragraph 18 of Part 9 of this document. One element of these fees and commission is the underwriting commission payable to Investec by the Company which is between 2.0 and 2.5 per cent. of the gross proceeds from the Placing and Open Offer (excluding those relating to the Committed Shares). The calculation of the expenses of the Placing and Open Offer contained in this document has been based on the assumption that an underwriting commission of 2.25 per cent. is paid.

International Financial Reporting Standards

As required by the 2006 Act and Article 4 of the European Union IAS Regulation, the consolidated financial statements of the Group are prepared in accordance with IFRS issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the European Union.

Incorporation by reference

Certain information in relation to the Group has been incorporated by reference into this document. Please see Part 9 of this document.

No incorporation of website information

The Company's website is www.volex.com and this document is available save to certain Overseas Shareholders on that website. The information on that website, any website mentioned in this document or any website directly or indirectly linked to these websites has not been verified and is not incorporated into, and does not form part of, this document and investors should not rely on it.

Forward-looking statements

Certain statements made in this document constitute forward-looking statements. Forward-looking statements can be identified by the use of words such as “may”, “will”, “should”, “predict”, “assurance”, “aim”, “hope”, “risk”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or other similar expressions that are predictive or indicative of future events. All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Company’s expectations, intentions and beliefs concerning, amongst other things, the Group’s results of operations, financial position, growth strategy, prospects, dividend policy and the industries in which the Company operates, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Group and its Directors, which may cause the actual results, performance, achievements, dividends of the Group or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. As such, forward-looking statements are no guarantee of future performance.

Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Group will operate in the future. Among the important factors that could cause the Company’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, economic conditions in the relevant markets of the world, market position of the Company or its subsidiaries, earnings, financial position, return on capital and operating margins, political uncertainty, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation, changing business or other market conditions and general economic conditions and such other risk factors identified in the “Risk Factors” section of this document. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this document and are not intended to give assurance as to future results. The Company will update this document as required by applicable law, including the City Code, Listing Rules, Prospectus Rules and/or the Disclosure and Transparency Rules of the Financial Conduct Authority, but otherwise expressly disclaims any such obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

You are advised to read this document and, in particular, the Summary and the Risk Factors for a further discussion of the factors that could affect the Company’s future performance and the industries and markets in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may or may not occur. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this document.

Defined terms

Certain terms used in this document, including all capitalised terms and other terms, are defined and explained in Part 10 of this document.

General notice

Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional adviser for specific advice rendered on the basis of your situation.

PLACING AND OPEN OFFER STATISTICS

Issue Price per New Share	75 pence
Open Offer Entitlements under the Open Offer	4 New Shares for every 11 Existing Shares
Number of Existing Shares in issue as at 11 June 2014 (the latest practicable date prior to publication of this document)	66,184,721
Number of New Shares to be issued by the Company	24,067,171
Enlarged Ordinary Share Capital ⁽¹⁾	90,251,892
New Shares as a percentage of the Enlarged Ordinary Share Capital ⁽¹⁾	26.7 per cent.
Estimated gross proceeds of the Placing and Open Offer	£18.1 million
Estimated expenses of the Placing and Open Offer (inclusive of VAT)	£1.4 million
ISIN of Enlarged Ordinary Share Capital	GB0009390070
ISIN of Open Offer Entitlements	GB00BNB6YH20

Notes:

- (1) On the assumption that no further Ordinary Shares are issued as a result of the exercise or satisfaction of any options or awards under the Share Incentive Schemes.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change.⁽¹⁾

Record Date for entitlement under the Open Offer	Close of business on 11 June 2014
Announcement of the Placing and Open Offer	12 June 2014
Ex-entitlement date for the Open Offer	8.00 a.m. on 12 June 2014
Publication of the Prospectus	12 June 2014
Posting of the Prospectus and Application Form	13 June 2014
Open Offer Entitlement credited to stock accounts of Qualifying CREST Shareholders	As soon as possible after 8.00 a.m. on 16 June 2014
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 24 June 2014
Latest time and date for depositing Open Offer Entitlements into CREST	3.00 p.m. on 25 June 2014
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 26 June 2014
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 27 June 2014
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction	11.00 a.m. on 30 June 2014
General Meeting	10.00 a.m. on 1 July 2014
Admission and commencement of dealings in New Shares	8.00 a.m. on 2 July 2014
CREST Members' accounts credited in respect of New Shares in uncertificated form	As soon as possible after 8.00 a.m. on 2 July 2014
Despatch of definitive share certificates for New Shares in certificated form	on or before 9 July 2014

Notes:

- (1) The times set out in the expected timetable of principal events above and mentioned throughout this document are times in London unless otherwise stated, and may be adjusted by the Company in consultation with or, if required, with the agreement of Investec, in which event details of the new times and dates will be notified to the UK Listing Authority, the London Stock Exchange and, where appropriate, Shareholders.

If you have any queries on the procedure for application and payment then please call Capita Asset Services on 0871 664 0321 or, if telephoning from outside the United Kingdom, on +44 20 8639 3399 between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday. Calls to 0871 664 0321 are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Shareholder Helpline from outside the United Kingdom are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored for security and training purposes. Capita Asset Services cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Karen Slatford, <i>Chairman</i> Christoph Eisenhardt, <i>Chief Executive Officer</i> Nick Parker, <i>Chief Financial Officer</i> John Allkins, <i>Senior Independent Director</i> Geraint Anderson, <i>Independent Director</i> Martin Geh, <i>Independent Director</i> Daren Morris, <i>Independent Director</i>
Company Secretary	Nicole Pask
Registered office and Directors' Business Address	10 Eastbourne Terrace London W2 6LG
Financial Adviser, Sponsor, Underwriter and Broker	Investec Bank Plc 2 Gresham Street London EC2V 7QP
Legal advisers to the Company	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Reporting accountants and auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Legal advisers to the Financial Adviser, Sponsor, Underwriter and Broker	DLA Piper UK LLP 3 Noble Street London EC2V 7EE
Registrar	Capita Asset Services The Registry 34 Beckenham Road Kent BR3 4TU
Receiving Agent	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART 1

LETTER FROM THE CHAIRMAN OF THE COMPANY

VOLEX PLC

(Incorporated in England and Wales with registered number 158956)

Directors:

Karen Slatford, *Chairman*
Christoph Eisenhardt, *Chief Executive Officer*
Nick Parker, *Chief Financial Officer*
John Allkins, *Senior Independent Director*
Geraint Anderson, *Independent Director*
Martin Geh, *Independent Director*
Daren Morris, *Independent Director*

Registered Office:

10 Eastbourne Terrace
London
W2 6LG

12 June 2014

Dear Shareholder

Proposed Placing and Open Offer of 24,067,171 New Shares at 75 pence per New Share

1. Introduction

On 12 June 2014, the Board announced that the Company is proposing to raise gross proceeds of approximately £18.1 million (approximately £16.7 million net of expenses) by the issue of 24,067,171 New Shares through the Placing and Open Offer at 75 pence per New Share. The New Shares, excluding the Committed Shares, have been conditionally placed with institutional and other investors by Investec, subject to clawback to satisfy valid applications by Qualifying Shareholders (other than Excluded Overseas Shareholders) under the Open Offer. With the exception of the Committed Shares, the Placing and Open Offer is being fully underwritten by Investec subject to, and in accordance with, the terms of the Underwriting Agreement.

The Issue Price represents a discount of approximately 6.0 per cent. to the Closing Price of 79.75 pence per Ordinary Share on 11 June 2014 (being the last Business Day before the announcement of the Placing and Open Offer). The Placing and Open Offer is conditional, among other things, upon the approval of the Resolution by Shareholders at the General Meeting.

The purpose of this document is to (i) set out the terms of the Placing and Open Offer and explain why the Board considers the Placing and Open Offer and the passing of the Resolution to be in the best interests of the Company and its Shareholders, and to recommend you to vote in favour of the Resolution to be proposed at the General Meeting as the Directors intend to do in respect of their own Existing Shares, and (ii) notify you that the Company will be convening a General Meeting at which the Resolution will be proposed in order to permit the Placing and Open Offer to occur. The notice convening the General Meeting is set out in the Circular accompanying this document.

The Directors believe that the successful completion of the Placing and Open Offer will ensure the Company is in a stronger financial position to continue pursuing its corporate strategy.

2. Background to and reasons for the Placing and Open Offer

Following several years of achieving revenue growth (revenue from continuing operations grew 42 per cent. from \$365.4 million for the 52 weeks ended 4 April 2010 to \$517.8 million for the 52 weeks ended 1 April 2012) through a strategy of increased investment and a focus on larger customers, the Group has experienced a significant downturn in demand for its products over the last 2 years. The Group's revenue fell 23 per cent. from \$517.8 million for the 52 weeks ended 1 April 2012 to \$400.2 million for the 52 weeks ended 30 March 2014 with underlying operating profit (after non-recurring items and share-based payments) falling 86 per cent. from \$32.0 million to \$4.5 million.

The downturn was caused by a loss of alignment between the Group's strategic goals and the requirements of the Group's core customers in the power cord market and a reduction in demand from the Group's key infrastructure customers, arising from completion of 4G roll-out projects in the US and Japan in the data market. This resulted in a reduction in sales orders from a number of the Group's larger customers, which, coupled with the Group's operational investment in increased production capacity, caused a significant reduction in profitability for the Group.

A new CEO was appointed in July 2013 to lead the recovery of the Group. The new management team is currently executing the Volex Transformation Plan, which aims to improve the Group's relationships with its customers and reduce its costs so that it is able to continue to offer quality products at competitive prices.

The downturn in the Group's trading and its reduction in profitability have meant that the level of debt within the Group is now deemed by the Board to be too high, restricting the ability to execute the Volex Transformation Plan. Net debt has increased from \$7.4 million as at 3 April 2011 to \$32.2 million as at 30 March 2014 as a result of lower sales, increased costs and the Group's increased investment (purchases of property, plant and equipment were \$10.3 million in the 52 weeks ended 1 April 2012, \$24.9 million in the 52 weeks ended 31 March 2013 and \$8.2 million in the 52 weeks ended 30 March 2014). As a result of the downturn, the management team requires greater financial flexibility in order to execute the Volex Transformation Plan.

The Company has entered into an amendment letter dated 11 June 2014 with its lenders Lloyds TSB Bank plc, HSBC Bank plc and Clydesdale Bank PLC (the "June Amendment Letter"). Under the terms of the June Amendment Letter, the terms of the Company's existing Facility (details of which are more fully set out in paragraph 18 of part 8 of this document) will be amended to limit the available facility up to US\$45 million (previously US\$75 million) and extend the termination date from 15 June 2015 to 15 June 2017. In addition the Company has negotiated revisions to its financial covenants and interest rate margins. In consideration of these amendments, the Company will pay its Lenders a work fee of US\$300,000 and prepay US\$25 million of its outstanding bank debt. The June Amendment Letter is conditional upon the Placing and Open Offer completing.

The Directors believe that these amendments combined with the reduction of outstanding bank debt from the net proceeds of the Placing and Open Offer will provide a more stable and certain funding structure of the Group for the next 3 years, to June 2017.

The Board considers the Placing and Open Offer to be a suitable fundraising structure as it may allow access to new investors to broaden the Company's shareholder base, whilst providing existing Shareholders with the opportunity to participate on a *pro rata* basis to their existing shareholding in the fundraising through the Open Offer.

In the event that the Placing and Open Offer does not complete, and the June Amendment Letter does not become effective, the Facility will expire in June 2015 and the Company will be required to refinance its debt facilities during the forthcoming 12 months. Pending refinancing and in order to maintain compliance with financial covenants in the Facility, the Company may have to undertake a number of mitigating actions available to it, in the event that actual performance falls below current expectations. These mitigating actions may slow the financial recovery of the Company, since they would include a reduction in capital expenditure that is focused upon growing revenues and a slowing down of cost reduction exercises that are currently under way. The Directors believe that they have the financial controls and monitoring in place, which will enable these mitigating actions to be implemented in a timely manner, in the event that actual performance falls below current expectations.

Use of Proceeds

The Company intends to use the net proceeds of the Placing and Open Offer to reduce indebtedness and has agreed with the Lenders to prepay \$25 million of its outstanding financial indebtedness from the net proceeds of the Placing and Open Offer.

3. Principal terms of the Placing and Open Offer

The Company is proposing to raise gross proceeds of £18.1 million (approximately £16.7 million net of expenses) by the issue of 24,067,171 New Shares by way of a Placing and Open Offer at 75 pence per

New Share. The New Shares, excluding the Committed Shares, have been conditionally placed with institutional and other investors by Investec subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer.

The ability of Overseas Shareholders to accept the Open Offer may be restricted in certain jurisdictions. The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

The Issue Price was set having regard to the prevailing market conditions and the size of the Placing and Open Offer. The Issue Price of 75 pence per New Share represents a discount of approximately 6.0 per cent. to the Closing Price of 79.75 pence per Ordinary Shares on 11 June 2014 (the last Business Day before the announcement of the Placing and Open Offer). In setting the Issue Price, the Directors have considered the price at which the New Shares need to be offered to investors to ensure the success of the Placing and Open Offer.

The Placing and Open Offer is expected to result in 24,067,171 New Shares being issued (representing approximately 36.4 per cent. of the existing issued share capital and 26.7 per cent. of the Enlarged Ordinary Share Capital³). With the exception of the Committed Shares, the Placing and Open Offer is being fully underwritten by Investec subject to, and in accordance with, the terms of the Underwriting Agreement.

The Directors recognise the importance of pre-emption rights to Shareholders and consequently the New Shares are being offered to existing Shareholders by way of the Open Offer. The Open Offer provides an opportunity for Qualifying Shareholders to participate in the fundraising by subscribing for their respective Open Offer Entitlements. Under the Placing and Open Offer, the Company intends to issue 24,067,171 New Shares at the Issue Price (representing gross proceeds of approximately £18.1 million and 26.7 per cent. of the Enlarged Ordinary Share Capital).

As part of the Placing and Open Offer, the New Shares, excluding the Committed Shares, are being allocated to Conditional Placees who have agreed to subscribe for the Conditional Placed Shares pursuant to the Placing. The Conditional Placed Shares are subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer. In the event that valid applications are not received in respect of any of the Open Offer Shares under the Open Offer, unallocated Open Offer Shares will be placed under the Placing.

Open Offer Entitlements

Qualifying Shareholders are being offered the opportunity to subscribe at the Issue Price for Open Offer Shares on the following basis:

4 Open Offer Shares for every 11 Existing Shares

registered in their name on the Record Date.

Open Offer Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will not be allocated. The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer will not exceed 24,067,171 New Shares.

If you have sold or otherwise transferred all of your Existing Shares before the ex-entitlement date, you are not entitled to participate in the Open Offer.

The ability of Overseas Shareholders to accept the Open Offer may be restricted in certain jurisdictions. The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

New Shares

The New Shares, when issued and fully paid, or credited as fully paid, will rank in full for all dividends or distributions made, paid or declared after the date of issue and otherwise *pari passu* in all respects with the Existing Shares.

³ On the assumption that no further Ordinary Shares are issued as a result of the exercise or satisfaction of any options or awards under the Share Incentive Schemes.

Dilution

Qualifying Shareholders who do not or cannot take up any of their Open Offer Entitlements in respect of the Open Offer will (excluding any New Shares issued to them if they are also Conditional Placees) suffer a dilution of approximately 26.7 per cent. to their interests in the Company as a result of the Placing and Open Offer⁴.

Shareholder approval and notice of General Meeting

The Directors do not currently have sufficient authority to issue Ordinary Shares pursuant to the Placing and Open Offer. The Company is therefore seeking the authority of Shareholders at the General Meeting to allot Ordinary Shares on a pre-emptive basis pursuant to the Placing and Open Offer.

The Resolution will be proposed as an ordinary resolution, requiring a simple majority of the votes cast at the General Meeting voting in favour of the Resolution. Notice of the General Meeting at which Shareholder approval for the Resolution will be sought is set out in Part II of the Circular which accompanies this document.

Conditionality

The Placing and Open Offer is conditional, *inter alia*, upon:

- (a) the passing of the Resolution without amendment to be proposed at the General Meeting to be held on 1 July 2014;
- (b) the Underwriting Agreement having become unconditional in all respects and not having been terminated in accordance with its terms; and
- (c) Admission becoming effective by no later than 8.00 a.m. on 2 July 2014 (or such later time and date as the Company and Investec may agree, not being later than 8.00 a.m. on 16 July 2014).

Prior to Admission, Investec may terminate the Underwriting Agreement in certain defined circumstances. Following Admission, the Underwriting Agreement cannot be terminated.

If the conditions to the Underwriting Agreement are not fulfilled or waived (where capable of waiver) on or before 8.00 a.m. on 16 July 2014, application monies will be returned to Applicants (at the Applicant's risk) without interest as soon as practicable thereafter.

Important Notice

The Open Offer will be made to Shareholders who have no registered address within a member state of the European Economic Area and who have not supplied the Company with an address in the European Economic Area by the Company publishing a notice in the London Gazette stating where copies of this document and the Application Form may be inspected or obtained on personal application by or on behalf of Qualifying Shareholders. The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

The Open Offer is not a rights issue. Invitations to apply for New Shares under the Open Offer are not transferable unless to satisfy bona fide market claims and the Application Form is not a document of title and cannot be traded. Qualifying Shareholders should be aware that, in the Open Offer, unlike in the case of a rights issue, any Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Shareholders, but will be allocated under the Placing, with the proceeds being retained for the benefit of the Company.

To be valid, completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) must be received by Capita Asset Services no later than 11.00 a.m. on 30 June 2014. Further information on the Open Offer, including the procedure for application and payment, is set out in Part 3 of this document and, where applicable, the Application Form.

⁴ On the assumption that no further Ordinary Shares are issued as a result of the exercise or satisfaction of any options or awards under the Share Incentive Schemes.

4. Impact of the Placing and Open Offer on the Company

The Placing and Open Offer will result in 24,067,171 New Shares being issued (representing approximately 36.4 per cent. of the existing issued share capital and 26.7 per cent. of the Enlarged Ordinary Share Capital).

A pro forma statement of net assets of the Company illustrating the effect of the Placing and Open Offer and repayment of US\$25 million of the long-term borrowings on the Company's unaudited net assets as at 30 March 2014, as if it had been undertaken at that date, is set out in Part 7 of this document. This information is unaudited and has been prepared for illustrative purposes only.

Adjusting for the receipt of the net proceeds of the Placing and Open Offer of approximately £16.7 million, the pro forma net assets of the Company as at 30 March 2014 would have been \$64.8 million with pro forma net debt of \$4.1 million.

Had the proceeds of the Placing and Open Offer been available to the Company during the 52 weeks ended 30 March 2014, the effect would have been to increase earnings through a reduction in interest payments on the long-term borrowing of the Group.

5. Current Trading and Prospects

Revenue reduced by 15.4 per cent. from \$473.2 million to \$400.2 million in the 52 weeks to 30 March 2014, while underlying operating profit fell to \$4.5 million (FY2013: \$12.3 million). This downturn is largely attributed to a failure to adapt strategy to meet the requirements of core customers within the power cord market. The realignment of the business has necessitated a wider-ranging restructuring of the Group than envisaged which has resulted in higher exceptional costs than previously expected. Volex expects further restructuring costs in the next financial year, albeit at a greatly reduced level. As a result of the disappointing trading performance in the year coupled with the high level of exceptional expenditure, the loss before tax for the year is \$7.6 million (FY2013: profit of \$1.9 million). This has resulted in a statutory loss per share of 23.7 cents (FY2013: 1.6 cents).

The new executive team has realigned strategy in accordance with customers' specifications and price expectations without compromising on reputation for high quality. The new strategy is having an immediate effect with revenues for the second half of the 2014 financial year up 3.6 per cent. on the first half, contrary to the historic seasonality of the business.

During 2013, the Company raised \$6.3 million from the sale of treasury shares and \$4.8 million from a share placing. Offsetting this inflow was a \$21.4 million free cash outflow due not only to the restructuring spend but also due to the change in supplier payment profiles following a strategic decision to move to a multi-sourcing supplier model. As a result net debt at the end of the year was \$32.2 million (FY2013: \$19.5 million).

There has been no significant change to the trading or financial position of the Group since 30 March 2014.

6. Overseas Shareholders

Information for Shareholders who have registered addresses outside the United Kingdom, who are citizens or residents of countries other than the United Kingdom or who are US persons, appears in paragraph 7 of Part 3 of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of this document.

7. Taxation

Information regarding taxation in the UK in relation to the Ordinary Shares is set out in paragraph 19 of Part 8 of this document. Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their appropriate adviser as soon as possible.

8. Risks and Additional Information

Shareholders' attention is drawn to the risks and additional information contained in the Summary, Risk Factors and Part 8 (Additional Information) sections of this document. Shareholders are advised to read the whole of the document and not rely only on the summary information presented in this letter.

9. Irrevocable undertakings

9.1 *Directors' irrevocable undertakings*

Each of the Directors is supportive of the fundraising and the Directors holding Ordinary Shares have irrevocably undertaken to subscribe or apply, in aggregate, for their full Open Offer entitlements, amounting to 30,908 New Shares in aggregate, under the Placing and Open Offer as follows:

<i>Director</i>	<i>New Shares</i>
Karen Slatford	10,909
Christoph Eisenhardt	9,090
Daren Morris	10,909
Total	<u>30,908</u>

Certain Directors also intend to acquire Ordinary Shares in the market following publication of this document.

In addition, each of the Directors holding Ordinary Shares has irrevocably undertaken to vote, or procure that the registered holder of their Ordinary Shares votes, in favour of the Resolution in respect of his/her own beneficial holdings. The combined beneficial holdings of the Directors together amount to 85,000 Ordinary Shares, representing approximately 0.13 per cent. of the Ordinary Shares in issue as at 11 June 2014 (being the last practicable date prior to the publication of this document).

9.2 *Shareholders' irrevocable undertakings*

Nathaniel Rothschild and NR Holdings Limited have irrevocably undertaken to subscribe in full for the Open Offer Shares to which they are entitled pursuant to their Open Offer Entitlements, representing 6,137,538 Ordinary Shares.

Nathaniel Rothschild and NR Holdings Limited holding 16,878,232 Ordinary Shares in aggregate, representing approximately 25.5 per cent. of the Ordinary Shares in issue as at 11 June 2014 (being the last practicable date prior to the publication of this document), have also irrevocably undertaken to vote in favour of the Resolution to be proposed at the General Meeting in respect of their beneficial holdings.

10. Dividends and dividend policy

The Board's dividend policy is to increase returns to Shareholders progressively over time, while taking account of the underlying profitability of the Company and the cash requirements of the business.

The Board is not recommending a final dividend for the 52 weeks ended 30 March 2014.

The amount of the dividend per share paid for each of the financial years ended 3 April 2011, 1 April 2012 and 31 March 2013 (as adjusted to cater for changes in the number of Ordinary Shares of the Company to make it comparable) was:

<i>Date</i>	<i>Amount of dividend</i>
3 April 2011	2 pence per Ordinary Share
1 April 2012	4.5 cents per Ordinary Share
31 March 2013	5 cents per Ordinary Share

11. Effect on the Share Incentive Schemes

The Remuneration Committee will consider whether any adjustments should be made as a result of the Placing and Open Offer (subject, where appropriate, to HMRC approval) to the number of Ordinary Shares subject to existing options and awards. Participants in the Share Incentive Schemes will be advised separately after conclusion of the Placing and Open Offer of any adjustment to existing schemes or awards made or to be made.

12. Admission to trading and dealing arrangements

Applications will be made to the UK Listing Authority and to the London Stock Exchange for the New Shares to be admitted to the Official List and to trading on the London Stock Exchange. It is expected that Admission will become effective, and dealings in the New Shares will commence at 8.00 a.m. on 2 July 2014. No application is currently intended to be made for the Existing Shares or the New Shares to be admitted to listing or dealing on any other exchange.

The New Shares will be capable of being held in certificated or uncertificated form.

Subject to satisfaction of the conditions of the Placing and Open Offer, the New Shares will be registered in the names of the persons to whom they are issued, either:

- (a) in certificated form, with the relevant share certificate expected to be despatched by post, at the Applicant's risk, by 9 July 2014; or
- (b) in CREST, with delivery (to the designated CREST account) of the New Shares applied for expected to take place as soon as possible after 8.00 a.m. on 2 July 2014 (unless the Company exercises its rights to issue New Shares in certificated form).

The results of the Placing and Open Offer will be announced on a Regulatory Information Service.

13. General Meeting

You will find set out in the Circular accompanying this document a Notice of General Meeting convening a General Meeting to be held at 10.00 a.m. on 1 July 2014 at 10 Eastbourne Terrace, London W2 6LG. The full text of the Notice of General Meeting is set out in the Circular.

At the General Meeting, the Resolution will be proposed to grant the Directors authority pursuant to section 551 of the 2006 Act to allot the New Shares on a pre-emptive basis under the Placing and Open Offer.

14. Action to be taken

In respect of the General Meeting

You will find enclosed with this document the Circular and a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting in person, it is important that you complete and return the Form of Proxy in accordance with the instructions printed on it to Capita Asset Services, PXS, the Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 10.00 a.m. on 27 June 2014. Completion and return of the Form of Proxy will not preclude you from attending the General Meeting in person, if you so wish and are entitled.

You may also submit your proxies electronically using the reference number, card ID and account number on the Form of Proxy. If you hold shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita (CREST Participant RA10) so that it is received by no later than 10.00 a.m. on 27 June 2014.

In respect of the Open Offer

If you are a Qualifying Non-CREST Shareholder (other than an Excluded Overseas Shareholder), you will find enclosed with this document an Application Form to apply for Open Offer Shares under the Open Offer. If you wish to take up any or all of your Open Offer Share Entitlement, you should complete the enclosed Application Form in accordance with the instructions set out in paragraph 2.1 of Part 3 of this document and in the Application Form. Completed Application Forms, accompanied by full payment in accordance

with the instructions in paragraph 2.1 of Part 3 should be returned by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in either case as soon as possible and in any event so as to be received by no later than 11.00 a.m. on 30 June 2014.

If you are a Qualifying CREST Shareholder, no Application Form is enclosed and unless you are an Excluded Overseas Shareholder you will receive a credit to your appropriate stock account in CREST in respect of your Open Offer Entitlements under the Open Offer. You should refer to the procedure for application set out in paragraph 2.2 of Part 3 of this document.

The Open Offer will be made to Shareholders who have no registered address within a member state of the European Economic Area and who have not supplied the Company with an address in the European Economic Area by the Company publishing a notice in the London Gazette stating where copies of this document and the Application Form may be inspected or obtained on personal application by or on behalf of Qualifying Shareholders. The ability of Overseas Shareholders to accept the Open Offer may be restricted in certain jurisdictions. The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

The latest time applications and payments in full under the Open Offer should be received whether from Qualifying Non-CREST Shareholders or Qualifying CREST Shareholders is 11.00 a.m. on 30 June 2014. The procedure for application and payment depends on whether, at the time at which the application and payment is made, you have an Application Form in respect of your Open Offer Entitlements or you have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlements. The procedures for applications and payment are set out in paragraph 2 of Part 3 of this document. Further details also appear in the Application Forms which have been sent to Qualifying Non-CREST Shareholders (other than Excluded Overseas Shareholders).

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

If you are in any doubt as to the action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under FSMA if you are resident in the UK or, if not, from another appropriately authorised independent financial adviser.

You will find some helpful questions and answers in Part 2 of this document. Further details of the Open Offer, including the procedure for acceptance and payment are set out in Part 3 of this document.

15. Recommendation

The Board considers the Placing and Open Offer and the passing of the Resolution to be in the best interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends unanimously that Shareholders vote in favour of the Resolution, as each of the Directors holding Ordinary Shares has irrevocably undertaken to do in respect of their own beneficial holdings, which together amount to 85,000 Ordinary Shares representing approximately 0.13 per cent. of the Ordinary Shares in issue as at 11 June 2014 (being the last practicable date prior to the publication of this document).

Shareholders should also be aware that, if the Resolution to be proposed at the General Meeting is not passed and Admission does not take place, the Placing and Open Offer will lapse, resulting in the net proceeds not being received by the Company and the amendments to the Facility will not occur.

Yours sincerely

Karen Slatford
Chairman

PART 2

QUESTIONS AND ANSWERS ON THE OPEN OFFER

The questions and answers set out in this Part 2 are intended to be in general terms only and, as such, you should read Part 3 of this document for full details of what action you should take. In the event of any inconsistency between Parts 2 and 3, Part 3 shall prevail. If you are in any doubt as to what action you should take, you are recommended to seek immediately your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser, duly authorised under the FSMA if you are resident in the UK or, if not, from another appropriately authorised independent financial adviser. This Part 2 deals with general questions relating to the Placing and Open Offer and more specific questions relating principally to Existing Shares held by persons resident in the United Kingdom who hold their Existing Shares in a certificated form only. If you are an Overseas Shareholder, you should read paragraph 7 of Part 3 of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your rights.

The Ordinary Shares can be held in certificated form (that is, represented by a share certificate) or in uncertificated form (that is, through CREST). Accordingly, the questions and answers in this Part 2 are split into four sections:

- Section 1 (“**General**”) answers general questions relating to the Open Offer.
- Section 2 (“**Ordinary Shares in certificated form**”) answers questions you may have in respect of the procedures for Qualifying Shareholders who hold their Ordinary Shares in certificated form. You should note that Sections 1 and 4 may still apply to you.
- Section 3 (“**Ordinary Shares in CREST**”) answers questions you may have in respect of the equivalent procedures for Qualifying Shareholders who hold their Ordinary Shares in CREST. If you are a CREST sponsored member, you should also consult your CREST sponsor. You should note that Sections 1 and 4 may still apply to you.
- Section 4 (“**Further procedures for Ordinary Shares whether in certificated form or in CREST**”) answers some detailed questions about your rights and the actions you may need to take and is applicable to Ordinary Shares whether held in certificated form or in CREST.

If you are a Qualifying CREST Shareholder who is a CREST sponsored member, you should also consult your CREST sponsor.

If you do not know whether your Existing Shares are in a certificated or uncertificated form, please call Capita Asset Services on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399 between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday. Calls to the Capita Asset Services 0871 664 0321 number are charged at 10 pence per minute plus any of your service provider’s network extras. Calls to the Capita Asset Services +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Asset Services cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

Timetable dates in this Part 2 have been included on the basis of the expected timetable set out on page 27 of this document.

1. General

What is a placing and open offer?

A placing and open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholders (an open offer) and providing for new investors to acquire new shares in the company (a

placing subject to clawback under the open offer). The fixed price is normally a discount to the market price of the existing ordinary shares prior to the announcement of the open offer.

Am I eligible to participate in the Placing

A placing is where specific investors procured by a company's advisers agree to subscribe for placed shares. Unless you are a Conditional Placee, you will not participate in the Placing.

What is an open offer?

An open offer is a way for companies to raise money. Companies do this by giving their existing shareholders a right to buy further shares in proportion to their existing shareholdings.

The offer under the Open Offer is 4 Open Offer Shares for every 11 Existing Shares at a price of 75 pence per Open Offer Share. If you held Ordinary Shares on the Record Date and did not sell them before the ex-entitlement date, and are a Qualifying Shareholder you will be entitled to subscribe for Open Offer Shares under the Open Offer. If you hold your Ordinary Shares in certificated form, your entitlement will be set out in your Application Form. The ability of Overseas Shareholders to accept the Open Offer may be restricted in certain jurisdictions. The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

Open Offer Shares are being offered to Qualifying Shareholders in the Open Offer at a discount to the share price on the last dealing day before the details of the Open Offer were announced on 12 June 2014. The Issue Price of 75 pence per Open Offer Share represents a discount of approximately 6.0 per cent. to the Closing Price as derived from the Daily Official List of 79.75 pence per Ordinary Share on 11 June 2014, the last Business Day prior to the date of announcement of the Placing and Open Offer.

An Open Offer is not a rights issue and therefore, if you are a Qualifying Shareholder and you do not want to buy the Open Offer Shares to which you are entitled, you will not be able to sell or transfer your entitlement to those Open Offer Shares.

2. Ordinary Shares in certificated form

2.1 *How do I know if I am eligible to acquire shares under the Open Offer?*

If you receive an Application Form and you are a Qualifying Shareholder then you should be eligible to acquire Open Offer Shares under the Open Offer (as long as you did not sell all of your Ordinary Shares before 8.00 a.m. on 12 June 2014 (the time when the Ordinary Shares were marked "ex-entitlements" by the London Stock Exchange)).

The ability of Overseas Shareholders to accept the Open Offer may be restricted in certain jurisdictions. The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

2.2 *What do I need to do in relation to the Open Offer?*

If you hold your Ordinary Shares in certificated form and are not an Excluded Overseas Shareholder, you should have received an Application Form with this document that shows:

- (a) how many Ordinary Shares you held at the close of business on 11 June 2014 (the Record Date for the Open Offer);
- (b) how many Open Offer Shares you are entitled to buy; and
- (c) how much you need to pay if you want to take up your entitlements to buy all of the Open Offer Shares which you are entitled to buy.

If you are an Excluded Overseas Shareholder, subject to certain exceptions, you will not have received and will not receive an Application Form. The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

2.3 I am a Qualifying Shareholder with a registered address in the UK. What are my choices and what should I do with the Application Form?

(a) If you want to take up all of your Open Offer Entitlements

If you want to take up all of your Open Offer Entitlements to acquire Open Offer Shares, you should complete and sign your Application Form, and send this, together with your cheque or banker's draft in pounds sterling for the full amount of your Open Offer Entitlements, payable to Capita Registrars Limited re Volex plc – Open Offer Acceptance A/C and crossed "A/C Payee only", by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham Kent, BR3 4TU as soon as possible and in any event so as to be received by no later than 11.00 a.m. on 30 June 2014. Full instructions are set out in Part 3 of this document and in the Application Form.

Please note that third party cheques may not be accepted other than building society cheques or banker's drafts. If payment is made by a building society cheque (not being drawn on an account of an Applicant) or a banker's draft, the building society or bank must endorse on the cheque or draft the Applicant's name and number of an account held in the Applicant's name at the building society or bank, such endorsement being validated by a stamp and an authorised signature.

Subject to Shareholders approving the Resolution at the General Meeting to be held on 1 July 2014 and Admission occurring thereafter, a definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you on or before 9 July 2014.

(b) If you do not want to take up your Open Offer Entitlements

If you do not want to take up your Open Offer Entitlements to Open Offer Shares, you do not need to do anything. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 30 June 2014 the size of the Open Offer will be reduced and such shares made available in the Placing. You will not receive any payment in respect of any entitlement which is not taken up by you.

(c) If you want to take up some but not all of your Open Offer Entitlements

If you want to take up some but not all of your entitlement, you should complete Boxes 2 and 3 of the Application Form and return it together with your cheque or banker's draft in pounds sterling for the full amount due, payable to Capita Registrars Limited re Volex plc – Open Offer Acceptance A/C and crossed "A/C Payee only", by post or hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, to arrive by no later than 11.00 a.m. on 30 June 2014. Full instructions are set out in Part 3 of this document and in the Application Form.

2.4 I bought my Ordinary Shares prior to the Record Date. What if I have not received an Application Form?

If you have not received an Application Form with this document but hold your Ordinary Shares in certificated form, this probably means that you may not be able to participate in the Open Offer. Some Qualifying Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to acquire Open Offer Shares under the Open Offer, namely:

- (a) Qualifying CREST Shareholders who held their Ordinary Shares in uncertificated form on 11 June 2014 and who have converted them to certificated form;
- (b) Shareholders who bought Ordinary Shares before 8.00 a.m. on 12 June 2014 and who hold such Ordinary Shares in certificated form but were not registered as the holder of those Ordinary Shares at close of business on 11 June 2014; and
- (c) certain Overseas Shareholders.

If you have not received an Application Form but think that you should have received one, please contact Capita Asset Services on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399

between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday. Calls to the Capita Asset Services 0871 664 0321 number are charged at 10 pence per minute plus any of your service provider's network extras. Calls to the Capita Asset Services +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Asset Services cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If you bought your shares before the Record Date but were not the registered holder of those shares at the close of business on the Record Date you should consult your stockbroker, bank manager or other appropriate financial adviser or whoever arranged your share purchase to ensure that you can claim your entitlement.

2.5 *If I have bought Ordinary Shares after the Record Date but before 8.00 a.m. on 12 June 2014 will I be eligible to participate in the Open Offer?*

If you bought Ordinary Shares after the Record Date but prior to 8.00 a.m. on 12 June 2014 (the time when the Ordinary Shares started to trade ex entitlements on the London Stock Exchange), you may be eligible to participate in the Open Offer.

If you are in any doubt, please consult your stockbroker, bank manager or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement. If you bought Ordinary Shares at or after 8.00 a.m. on 12 June 2014, you will not be eligible to participate in the Open Offer in respect of those Ordinary Shares.

2.6 *If I take up my entitlement, when will I receive my new share certificate?*

Subject to the conditions of the Open Offer being satisfied or waived, share certificates in respect of all Open Offer Shares to be issued in certificated form are expected to be despatched by post on or before 9 July 2014.

2.7 *What should I do if I have sold some or all of my Ordinary Shares?*

If you held Ordinary Shares in the Company directly and you have sold some or all of your Ordinary Shares before 8.00 a.m. on 12 June 2014, you should contact the buyer or the person/company through whom you sold your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer.

If you sell any of your Existing Shares after 8.00 a.m. on 12 June 2014, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

2.8 *How do I transfer my entitlement into the CREST System?*

If you are a Qualifying Non-CREST Shareholder but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST Deposit Form (set out in Box 11 of the Application Form), and ensure they are delivered to CCSS to be received by 3.00 p.m. on 25 June 2014 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your entitlement into the CREST system, you should refer to paragraph 2.2 of Part 3 of this document for details on how to pay for the Open Offer Shares.

3. Ordinary Shares in CREST

3.1 *How do I take up my entitlement using the CREST system?*

If you are a Qualifying CREST Shareholder you should refer to paragraphs 2.2 of Part 3 of this document for details on how to take up your entitlement.

If you are an Overseas Shareholder, your attention is drawn to paragraph 7 of Part 3 of this document.

3.2 If I bought Ordinary Shares before 8.00 a.m. on 12 June 2014 will I be eligible to participate in the Open Offer?

If you bought Ordinary Shares before 8.00 a.m. on 12 June 2014 (the time when the Ordinary Shares started to trade ex rights on the London Stock Exchange) but were not registered as the holder of those Ordinary Shares at the Record Date, you may still be eligible to participate in the Open Offer. Euroclear UK will raise claims in the normal manner in respect of your purchase and your Open Offer Entitlements will be credited to your stock account on settlement of those claims.

3.3 If I take up my entitlement, when will New Shares be credited to my CREST stock account(s)?

Subject to the conditions of the Open Offer being satisfied or waived, all Open Offer Shares to be issued in uncertificated form are expected to be credited to the appropriate CREST stock account as soon as possible after 8.00 a.m. on 2 July 2014 unless the Company exercises the right to issue such Open Offer Shares in certificated form, in which case definitive certificates are expected to be despatched by post on or before 9 July 2014.

4. Further procedures for Ordinary Shares whether in certificated form or in CREST

4.1 What should I do if I think my holding of Ordinary Shares is incorrect?

If you have bought or sold Ordinary Shares shortly before 11 June 2014, your transaction may not be entered on the Register of Members in time to appear on the register at the Record Date. If you are concerned about the figure in the Application Form or otherwise concerned that your holding of Shares is incorrect, please contact Capita Asset Services on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399 between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday. Calls to the Capita Asset Services 0871 664 0321 number are charged at 10 pence per minute plus any of your service provider's network extras. Calls to the Capita Asset Services +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Asset Services cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

4.2 What happens if the number of Ordinary Shares I hold is not exactly divisible by eleven? Am I entitled to fractions of the New Shares?

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number. Any fractions of Open Offer Shares will not be allocated.

4.3 Will I be taxed if I take up my entitlement?

If you are resident in the UK for tax purposes, you should not have to pay UK tax when you take up your entitlement, although the Open Offer will affect the amount of UK tax you may pay when you subsequently sell your Ordinary Shares.

Further information for Qualifying Shareholders who are resident in the UK for tax purposes is contained in paragraph 19 of Part 8 of this document. This information is intended as a general guide to the current tax position in the UK and Qualifying Shareholders should consult their own appropriately qualified tax advisers regarding the tax treatment of the Open Offer in light of their own circumstances.

4.4 Do I need to comply with the Money Laundering Regulations (as set out in paragraph 3 of Part 3 of this document)?

Qualifying Non CREST Shareholders and Qualifying CREST Shareholders should refer to paragraph 3 of Part 3 of this document for a description of the requirements of the Money Laundering Regulations.

4.5 What if I am entitled to Ordinary Shares under a Share Option Scheme?

Participants in the Share Incentive Schemes will be advised separately of adjustments (if any) to their rights pursuant to the Share Incentive Schemes.

4.6 ***What should I do if I live outside the United Kingdom?***

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Your attention is drawn to the information in paragraph 7 of Part 3 of this document.

The Company has made arrangements under which Investec as agent of the Company, will find investors to take up your entitlements and those of other Shareholders who have not taken up their entitlements under the Open Offer. You will not receive any money when these Open Offer Shares are sold.

4.7 ***Further assistance***

Should you require further assistance please call Capita Asset Services on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399 between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday. Calls to the Capita Asset Services 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Asset Services +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Asset Services cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

4.8 ***What if I change my mind?***

Once you have sent your Application Form and payment to the Registrar, you cannot withdraw your application or change the number of Open Offer Shares you have applied for, except in the very limited circumstances which are set out in paragraph 2.3 of Part 3 of this document.

4.9 ***Will the Ordinary Shares that I hold now be affected by the Open Offer?***

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

PART 3

TERMS AND CONDITIONS OF THE OPEN OFFER

INTRODUCTION

As explained in the letter from the Chairman set out in Part 1 of this document, the Company is proposing to raise approximately £18.1 million (approximately £16.7 million net of expenses) by way of the Placing and Open Offer. With the exception of the Committed Shares the New Shares have been conditionally placed with institutional and other investors by Investec, subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer. The Open Offer is an opportunity for Qualifying Shareholders to apply for, in aggregate, 24,067,171 Open Offer Shares *pro rata* to their current holdings at the Issue Price of 75 pence per share in accordance with the terms of the Open Offer. Participation in the Placing does not prevent Qualifying Shareholders from acquiring Open Offer Shares. With the exception of the Committed Shares, the Placing and Open Offer is being fully underwritten by Investec subject to, and in accordance with, the terms of the Underwriting Agreement. The principal terms of the Underwriting Agreement are summarised in paragraph 18 of Part 8 of this document.

This Part 3 and, for Qualifying Non-CREST Shareholders, the accompanying Application Form, contain the formal terms and conditions of the Open Offer. Your attention is drawn to the letter from the Chairman at Part 1 of this document which sets out the background to and reasons for the Placing and Open Offer.

Upon completion of the Placing and Open Offer, the New Shares will represent approximately 26.7 per cent. of the Enlarged Ordinary Share Capital and the Existing Shares will represent approximately 73.3 per cent. of the Enlarged Ordinary Share Capital.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is close of business on 11 June 2014. If you are a Qualifying Non-CREST Shareholder (other than an Excluded Overseas Shareholder), you will find enclosed an Application Form. Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders (other than an Excluded Overseas Shareholder) in CREST as soon as possible after 8.00 a.m. on 2 July 2014. The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 30 June 2014 with Admission and commencement of dealings in the New Shares expected to take place at 8.00 a.m. on 2 July 2014.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Existing Shares prior to 8.00 a.m. on 12 June 2014 is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

The Placing and Open Offer is conditional, *inter alia*, on the Underwriting Agreement becoming wholly unconditional in accordance with its terms and on the passing of the Resolution at the General Meeting.

1. Details of the Open Offer

Qualifying Shareholders are invited to apply to subscribe for Open Offer Shares at the Issue Price, subject to the terms and conditions below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), payable in full in cash on application.

The Issue Price of 75 pence per Open Offer Share represents a discount of approximately 6.0 per cent., to the Closing Price of an Ordinary Share of 79.75 pence on 11 June 2014 (being the last Business Day prior to the date of the announcement of the Placing and Open Offer).

Qualifying Shareholders have a Open Offer Entitlement of:

4 Open Offer Shares for every 11 Existing Shares

registered in their name on the Record Date.

The ability of Overseas Shareholders to accept the Open Offer may be restricted in certain jurisdictions.

The Open Offer is being made in accordance with the statutory pre-emption provisions contained in sections 561 and 562 of the 2006 Act.

Open Offer Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares and any fractional entitlements to Open Offer Shares will not be allocated. Accordingly, Qualifying Shareholders holding fewer than eleven Existing Shares will have no entitlement to subscribe under the Open Offer for New Shares.

The Open Offer Entitlements, in the case of Qualifying Non-CREST Shareholders, are set out in Box 5 on their Application Form or, in the case of Qualifying CREST Shareholders, are equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

The Open Offer Shares (other than the Committed Shares) have been conditionally placed by Investec with institutional and other investors at the Issue Price but are subject to clawback to satisfy valid applications made by Qualifying Shareholders under the Open Offer.

If you are a Qualifying Non-CREST Shareholder (other than an Excluded Overseas Shareholder), the Application Form shows the number of Existing Shares registered in your name on the Record Date (in Box 4) and also shows the maximum number of Ordinary Shares for which you are entitled to apply if you apply for your Open Offer Entitlement in full (Box 5).

If you are a Qualifying CREST Shareholder (other than an Excluded Overseas Shareholder), you will have Open Offer Entitlements credited to your stock account in CREST and should refer to paragraph 2.2 of this Part 3 and also to the CREST Manual for further information on the relevant CREST procedure.

Qualifying Shareholders (other than Excluded Overseas Shareholders) may apply for any whole number of Open Offer Shares up to (and including) the maximum to which they are entitled under the Open Offer. No application in excess of the aggregate of a person's Open Offer Entitlement will be met and any person so applying, and whose application is otherwise valid in all respects, will be deemed to have applied only for the aggregate of the maximum number of Open Offer Shares as specified on the Application Form as the Open Offer Entitlement (or, in the case of Qualifying CREST Shareholders, for the Open Offer Entitlement standing to the credit of their stock account in CREST) and any monies received in excess of the amount due will be returned without interest as soon as practicable by way of cheque or CREST payment (as appropriate) at such applicant's sole risk and without payment of interest.

Any Qualifying Shareholder who validly completes and returns an Application Form or requests registration of the Open Offer Shares comprised therein, or who is a CREST member or CREST sponsored member who makes or is treated as making a valid acceptance in accordance with the procedures set out in this Part 3 will be deemed to make the representations and warranties to the Company contained in paragraphs 3.1 and 6 of this Part 3.

Qualifying Shareholders who do not take up any of their Open Offer Entitlements in respect of the Open Offer will (excluding any New Shares issued to them if they are also Conditional Placees) suffer a dilution of approximately 26.7 per cent. to their interests in the Company as a result of the Placing and Open Offer.

The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by Euroclear UK's claims processing unit. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Open Offer Shares not applied for under the Open Offer will not be sold in the market for those who do not apply to take up their Open Offer Entitlements or those Qualifying Shareholders who are not eligible to take up such entitlements. Any Open Offer Shares not applied for under the Open Offer will be taken up by the Conditional Placees with whom they have been conditionally placed pursuant to the Placing and the net proceeds retained for the benefit of the Company.

The attention of Overseas Shareholders is drawn to paragraph 7 of this Part 3.

The Open Offer will remain open for acceptance until 11.00 a.m. on 30 June 2014.

The Open Offer Shares will when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid by the Company after the date of Admission and otherwise *pari passu* in all respects with the Existing Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

The Placing and Open Offer is conditional, *inter alia*, upon:

- (a) the passing of the Resolution without amendment to be proposed at the General Meeting to be held on 1 July 2014;
- (b) the Underwriting Agreement having become unconditional in all respects and not having been terminated in accordance with its terms; and
- (c) Admission becoming effective by no later than 8.00 a.m. on 2 July 2014 (or such later time and/or date as the Company and Investec may agree being no later than 8.00 a.m. on 16 July 2014).

Accordingly, if these and the other conditions to which the Open Offer is subject are not satisfied or waived (where capable of waiver), the Placing and Open Offer will be revoked and will not proceed and any applications made by Qualifying Shareholders will be rejected. In these circumstances, application monies received by the Receiving Agent in respect of Open Offer Shares will be returned (at the Applicant's sole risk), without payment of interest, as soon as reasonably practicable thereafter.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. In respect of those Qualifying Shareholders who have elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST as soon as possible after 8.00 a.m. on 2 July 2014. In respect of those Qualifying Shareholders who have elected to hold their Open Offer Shares in certificated form, definitive certificates are expected to be posted by 9 July 2014.

Applications will be made to the UKLA and the London Stock Exchange for the New Shares to be listed on the Official List and to be admitted to trading on the main market of the London Stock Exchange respectively. Admission is expected to occur on 2 July 2014 when dealings in the Open Offer Shares are expected to commence.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

Paragraph 2 below contains further details of the application and payment procedure for Qualifying Non-CREST Shareholders and for Qualifying CREST Shareholders.

2. Procedure for application and withdrawal rights

If you are in any doubt as to the action you should take, or the contents of this document, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent adviser duly authorised under FSMA if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom, who specialises in advising on the acquisition of shares and other securities.

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether at the relevant time they have received an Application Form in respect of their entitlement under the Open Offer, or they have Open Offer Entitlements credited to their CREST stock account in respect of such entitlement.

If a Qualifying CREST Shareholder is a CREST sponsored member, they should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Subject to the provisions of paragraph 4 of this Part 3 entitled “Settlements and Dealings”, Qualifying Shareholders who hold their Existing Shares in certificated form and hold such shares on the Record Date will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold part of their Existing Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to the Open Offer Shares arises as a result of holding Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 2.2.7 of this Part 3.

The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Shareholders are encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy.

2.1 If you have an Application Form in respect of your entitlement under the Open Offer

2.1.1 General

Subject as provided for in paragraph 7 of this Part 3 in relation to certain Overseas Shareholders, Qualifying Non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Shares registered in your name at the Record Date in Box 4, and the number of Open Offer Shares which represent your Open Offer Entitlements, taking into account that they will not be entitled to take up an Open Offer Share in respect of any fraction of an Open Offer arising when their entitlement was calculated, such entitlement being rounded down to the nearest whole number of Ordinary Shares and set out in Box 5. Box 6 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. You may also hold such an Application Form by virtue of a bona fide market claim.

Any fractional entitlements to New Shares that would otherwise have arisen will not be allocated.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

2.1.2 Market claims

Applications for the Open Offer Shares may only be made on the Application Form which is personal to the Qualifying Non-CREST Shareholder(s) named thereon, and may not be sold, assigned or transferred, except to satisfy bona fide market claims in relation to purchases of Ordinary Shares through the market prior to 8.00 a.m. on 12 June 2014, being the date on which the Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may be split, but only to satisfy bona fide market claims, up to 3.00 p.m. on 26 June 2014. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has, prior to 8.00 a.m. on 12 June 2014, sold or otherwise transferred some or all of their Ordinary Shares should contact their stockbroker, bank or other agent authorised under FSMA through whom the sale or transfer was effected as soon as possible, since the invitation to subscribe for Open Offer Shares under the Open Offer may represent a benefit which can be claimed from them by purchasers or transferees. The Application Form should not be forwarded to or transmitted in or into the United States or any Restricted Jurisdiction. The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 2.2.5 below entitled “Deposit of Open Offer Entitlements into, and withdrawal from, CREST”.

2.1.3 *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply for all or any of the Open Offer Shares to which they are entitled should complete and sign the enclosed Application Form in accordance with the instructions printed thereon and return it by post or by hand (during normal business hours only), in the reply-paid envelope provided, together with a remittance for the full amount payable, to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to arrive as soon as possible and, in any event, so as to arrive no later than 11.00 a.m. on 30 June 2014, at which time, subject to limited exceptions below, the Open Offer will close.

Applications made under the Open Offer will not be acknowledged and receipts will not be issued for amounts paid on application. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms and remittances received after 11.00 a.m. on 30 June 2014.

If a Qualifying Non-CREST Shareholder posts his Application Form within the UK by first class post, he is recommended to allow at least four Business Days for delivery.

Applications, once made, will be irrevocable (save for any statutory withdrawal rights arising after the publication of a prospectus supplementing this document).

Multiple applications will not be accepted. In the event of receipt of multiple applications, the Company may, in its sole discretion, determine which application is valid and binding on the person by whom or on whose behalf it is lodged.

All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk.

2.1.4 *Payments*

All payments by Qualifying Non-CREST Shareholders must be made by cheque or banker's draft in Sterling drawn on an account (to which they have joint or sole title to the funds) of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man, which is either a settlement member of the Cheque and Credit Clearing Company Limited or of the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided for members of either of those companies, and must bear the appropriate sort code number in the top right hand corner. Any application which does not comply with these requirements will be treated as invalid. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the back of the cheque or draft to such effect. The account name should be the same as that shown on the application. Cheques or banker's draft will be presented for payment upon receipt. The Company reserves the right to instruct Capita Asset Services to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due.

Cheques or banker's drafts should be made payable to "Capita Registrars Limited re Volex plc — Open Offer Acceptance A/C" and crossed "A/C Payee only".

Any person returning an Application Form with a remittance in the form of a cheque or banker's draft thereby warrants that the cheque will be honoured on first presentation. If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are satisfied or waived (where capable of waiver), the monies will be kept in a separate bank account until the conditions are fully met. In the event that the Placing and Open Offer does not become unconditional by 8.00 a.m. on 2 July 2014 (or such later time and/or date, being not later than 8.00 a.m. on 16 July 2014, as the Company and Investec may agree), the Open Offer will lapse and all application monies will be returned (at the Applicants' sole risk) to Applicants as soon as practicable thereafter. If any cheque is not honoured on first presentation, the relevant application may be deemed to be invalid and the Company may undertake any action to recover

the value of the Application and any costs associated with such recovery (including the forfeiture and sale of any Open Offer Shares allotted pursuant to such Application).

If Open Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Company shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of such Qualifying Non-CREST Shareholder, for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares. Neither the Receiving Agent nor the Company, nor any other person, shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholder as a result.

2.1.5 *Incorrect sums*

If an Application Form encloses a payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (a) to reject the application in full and return the cheque or banker's draft or refund the payment to the Qualifying Non-CREST Shareholder in question; or
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate account by the Receiving Agent.

2.1.6 *Effect of application*

All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk. By completing and delivering an Application Form, you (as the Applicant):

- (a) agree with the Company and Investec that all applications under the Open Offer, and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of England and Wales;
- (b) confirm to the Company and Investec that in making the application you are not relying on any information or representation in relation to the Company or the Group other than that contained in this document, and you agree that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such other information or representation not so contained and you further agree that, having had the opportunity to read this document, you will be deemed to have had notice of all the information concerning the Company or the Group contained herein (including information incorporated by reference);
- (c) confirm to the Company and Investec that no person has been authorised to give any information or make any representation concerning the Company or the Group or the New Shares (other than as contained in this document) and if given or made any such information or representation should not be relied upon as having been authorised by the Company or Investec;
- (d) represent and warrant to the Company and Investec that you have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise your rights, and perform your obligations under any contracts resulting therefrom and that you are not a person otherwise prevented by

legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

- (e) represent and warrant to the Company and Investec that you are the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that you are entitled to such Open Offer Entitlement by virtue of a bona fide market claim;
- (f) request that the Open Offer Shares to which you will become entitled be issued to you on the terms set out in this document and the Application Form and subject to the articles of association of the Company from time to time;
- (g) subject to certain exceptions as may be agreed by the Company, represent and warrant to the Company and Investec that you are not, and you are not applying on behalf of any person who is, a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and you are not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction nor are you acting on behalf of any such person on a non-discretionary basis nor prevented by legal or regulatory restrictions from applying for Open Offer Shares, under the Open Offer;
- (h) represent and warrant to the Company and Investec that you are not and nor are you applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986; and
- (i) confirm to the Company and Investec that in making the application you are not relying and have not relied on Investec or any person affiliated with Investec in connection with any investigation of the accuracy, completeness or verification of any information contained in this document or your investment decision.

Qualifying Shareholders who complete and deliver an Application Form must also make the representations and warranties set out in paragraphs 3.2 and 7.2 of this Part 3.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

For legal reasons, Capita will only be able to provide information contained in this document (and, in addition, information relating to Volex's register of members) and will be unable to give advice on the merits of the Open Offer or to provide financial, legal or tax advice.

If you do not wish to apply for the Open Offer Shares under the Open Offer, you should take no action and should not complete or return the Application Form.

2.17 Proxy

If you do not wish to apply for the Open Offer Shares under the Open Offer, you should take no action and should not complete or return the Application Form. You are, however, encouraged to vote at the General Meeting by completing and returning the Form of Proxy accompanying this document. You may also submit your proxies electronically using the reference number, card ID and account number on the Form of Proxy.

2.2 **If your Open Offer Entitlements are credited to your stock account in CREST**

2.2.1 *General*

Subject as provided in paragraph 7 of this Part 3 in relation to Excluded Overseas Shareholders, each Qualifying CREST Shareholder (other than Excluded Overseas Shareholders) will receive a credit to his stock account in CREST of his Open Offer Entitlements under the Open Offer. Open Offer Entitlements to Open Offer Shares will be rounded down to

the nearest whole number. Any fractional entitlements to New Shares that would otherwise have arisen will not be allocated.

The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

The CREST stock account to be credited will be an account under the participant ID and Member Account ID that apply to the Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 25 June 2014 or such later time as the Company and Investec may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST Members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Capita Asset Services on the telephone number set out on page 37 of this document. Please note that Capita Asset Services cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

2.2.2 Market claims

Each of the Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim transaction. Transactions identified by the CREST claims processing unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement will thereafter be transferred accordingly.

2.2.3 USE instructions

Qualifying CREST Shareholders who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear UK which, on its settlement, will have the following effect:

- (a) the crediting of a stock account of Capita Asset Services under the participant ID and member account ID specified below, with Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (b) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Capita Asset Services in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 2.2.3(a) above.

2.2.4 Content of USE instructions in respect of Open Offer Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear UK's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to Capita Asset Services);
- (b) the ISIN of the Open Offer Entitlements. This is GB00BNB6YH20;

- (c) the participant ID of the accepting CREST member;
- (d) the Member Account ID of the accepting CREST member from which the Open Offer Entitlements is to be debited;
- (e) the participant ID of Capita Asset Services, in its capacity as Receiving Agent. This is 7RA33;
- (f) the Member Account ID of Capita Asset Services, in its capacity as Receiving Agent. This is 28298VOL;
- (g) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (a) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 30 June 2014; and
- (i) the corporate action number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 30 June 2014.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (j) a contact name and telephone number (in the free format shared note field); and
- (k) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 30 June 2014 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing and Open Offer does not become unconditional by 8.00 a.m. on 2 July 2014 (or such later time and date as the Company and Investec shall agree, being not later than 8.00 a.m. on 16 July 2014), the Placing and Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter.

2.2.5 Deposit of Open Offer Entitlements into, and withdrawal from, CREST

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form in Box 5 may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a bona fide market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 30 June 2014.

In particular, having regard to normal processing times in CREST and on the part of Capita Asset Services, the recommended latest time for depositing an Application Form with the Euroclear UK Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 25 June 2014, and the recommended latest time for receipt by Euroclear UK of a

dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 24 June 2014, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 30 June 2014.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a declaration to the Company, Investec and Capita Registrars from the relevant CREST Member(s) that it/they is/are not citizen(s) or resident(s) of any countries in a Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a bona fide market claim.

2.2.6 Validity of application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 30 June 2014 will constitute a valid application under the Open Offer.

2.2.7 CREST procedures and timings

Qualifying CREST Shareholders who are CREST members and (where applicable) their CREST sponsors should note that Euroclear UK does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 30 June 2014. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

2.2.8 Proxy

If you do not wish to apply for the Open Offer Shares under the Open Offer, you should take no action. You are, however, encouraged to vote at the General Meeting. Qualifying CREST Shareholders may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita (CREST Participant RA10) so that it is received by no later than 10.00 a.m. on 27 June 2014.

2.2.9 Incorrect Sums

If a USE instruction includes a CREST payment for an incorrect sum, the Company through Capita Registrars reserves the right:

- (a) to reject the application in full and refund the payment to the CREST member in question (with any interest retained for the benefit of the Company);
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (with any interest retained for the benefit of the Company and save that any sums of less than £1 will be retained for the benefit of the Company); or
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question save that any sums of less than £1 will be retained for the benefit of the Company.

2.2.10 *Effect of Valid Application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (a) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Registrars payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay the amount payable on application);
- (b) agrees with the Company and Investec that all applications under the Open Offer and contracts resulting therefrom and any non-contractual obligations related thereto shall be governed by, and construed in accordance with, the laws of England;
- (c) confirms to the Company and Investec that in making such application he is not relying on any information or representation in relation to the Company or the Group other than that contained in this document and agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such other information or representation and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company or the Group contained herein (including information incorporated by reference);
- (d) represents and warrants to the Company and Investec that he is the Qualifying CREST Shareholder originally entitled to the Open Offer Entitlements or, if he has received some or all of his Open Offer Entitlements from a person other than the Company, that he has received such Open Offer Entitlements by virtue of a bona fide market claim;
- (e) represents and warrants to the Company and Investec that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (f) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the articles of association of the Company from time to time;
- (g) subject to certain exceptions as may be agreed by the Company, represents and warrants to the Company and Investec that he is not, and is not applying on behalf of any person who is, a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction, nor is he acting on behalf of any such person on a non-discretionary basis or prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (h) represents and warrants to the Company and Investec that he is not and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986; and
- (i) confirms to the Company and Investec that in making the application he is not relying and has not relied on Investec or any person affiliated with Investec in connection with any investigation of the accuracy, completeness or verification, of any information contained in this document or his investment decision.

Any CREST member or sponsored member who makes or is treated as making a valid application in accordance with the above procedures must also make the representations and warranties set out in paragraphs 3.2 and 7.2 of this Part 3.

2.2.11 *Company's Discretion as to Rejection and Validity of Applications*

The Company may in its sole discretion:

- (a) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3;
- (b) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (c) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Registrars have received actual notice from Euroclear UK of any of the matters specified in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (SI 2001/3755) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (d) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrars in connection with CREST.

2.2.12 *Lapse of the Open Offer*

In the event that the Placing and Open Offer does not become unconditional by 8.00 a.m. on 2 July 2014 (or such later time and date as the Company and Investec may agree being not later than 8.00 a.m. on 16 July 2014), the Placing and Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as reasonably practicable thereafter.

2.3 **Withdrawal rights**

Qualifying Shareholders wishing to exercise statutory withdrawal rights pursuant to section 87Q(4) of FSMA after the publication by the Company of a prospectus supplementing this document must do so by lodging a written notice of withdrawal (which shall include a notice sent by any form of electronic communication) which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such a person is a CREST member, the Participating ID and the member account ID of such CREST member with Capita Asset Services, by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to arrive, not later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant Qualifying Shareholder of his subscription in full and the allotment of Open Offer Shares to such Qualifying Shareholder becoming unconditional. In such event Shareholders are recommended to seek independent legal advice.

3. Money Laundering

3.1 Holders of Application Forms

The verification of identity requirements of the Money Laundering Regulations 2007 will apply and verification of the identity of the Applicant(s) for Open Offer Shares may be required. If an Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations 2007, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted in the Application Form. If the value at the Issue Price of the Open Offer Shares for which you are applying does not exceed the Sterling equivalent of fifteen thousand euros (€15,000) (and is not one of a series of linked applications, the aggregate value of which exceeds that amount), you may not be required to satisfy the verification of identity requirements described below. However, if such a value exceeds that amount, then failure to provide the necessary evidence of identity may result in your application being treated as invalid or in delaying acceptance of your application. In order to avoid this, all payments should be made by means of a cheque drawn by the person named in the Application Form (or one of such persons). If this is not practicable and you use a cheque drawn by a third party (for example, a building society cheque or banker's draft), you should:

3.1.1 write the name, address and date of birth of the person named on the Application Form (or one of such persons) on the back of the cheque, building society cheque or banker's draft;

3.1.2 if a building society cheque or banker's draft is used, ask the building society or bank to endorse the name and account number of the person whose building society or bank account is being debited on the cheque or banker's draft; and

3.1.3 if you are making the application as agent for one or more persons, indicate on the Application Form whether you are a UK or EC regulated person or institution (e.g. a bank or broker) and specify your status. If you are not a UK or EC regulated person or institution, you should contact Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

If you deliver your Application Form personally by hand, you should ensure that you have with you evidence of your identity bearing your photograph (e.g. your passport and separate evidence of your address such as a utility bill). In any event, if it appears to Capita Asset Services that an Applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the Applicant appears to be acting may be required. In relation to any application in respect of which the necessary verification of the identity of the Applicant or the person on whose behalf the Applicant appears to be acting has not been received on or before 11.00 a.m. on 30 June 2014 the Company may, in its absolute discretion, elect to treat the relevant application as invalid and/or delay the allotment of the relevant number of Open Offer Shares until the necessary verification has been provided. If an Application Form is treated as invalid the money paid in respect of the application will be returned (at the Applicant's risk and without interest).

By lodging an Application Form, each Qualifying Shareholder undertakes to provide such evidence of its identity at the time of lodging the Application Form or, at the absolute discretion of the Company, at such specified time thereafter as may be requested to ensure compliance with the Money Laundering Regulations 2007.

Capita Asset Services is entitled, in its absolute discretion, to determine whether verification of identity requirements apply to any Applicant and whether such requirements have been satisfied. Neither Capita Asset Services nor the Company shall be responsible or liable to any person for any loss or damage suffered as a result of the exercise of their discretion hereunder.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Capita Asset Services has not received evidence satisfactory to it as aforesaid, the Company may treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the Applicants' risk) without interest to the

account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Capita Registrars and Investec from the Applicant that the Money Laundering Regulations 2007 will not be breached by application of such remittance.

3.2 Open Offer Entitlements in CREST

If you hold your Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Capita Asset Services is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Capita Asset Services before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to Capita Asset Services such information as may be specified by Capita Asset Services as being required for the purposes of the Money Laundering Regulations 2007. Pending the provision of evidence satisfactory to Capita Asset Services as to identity, Capita Asset Services may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

4. Settlements and dealings

The result of the Open Offer is expected to be announced on 1 July 2014. Application for Admission will be made to the London Stock Exchange and the UKLA. Subject to the Placing and Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that Admission will become effective and that dealings in the New Shares will commence at 8.00 a.m. on 2 July 2014. No dealings will commence before this date. The Open Offer cannot be revoked after dealings have commenced on 2 July 2014 or such later date as is notified to Shareholders.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 30 June 2014 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 2 July 2014, Capita Asset Services will instruct Euroclear UK to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 2 July 2014). The stock accounts to be credited will be accounts under the same participant IDs and Member Account IDs in respect of which the USE instruction was given.

Subject to the conditions of the Open Offer being satisfied or waived, all Open Offer Shares to be issued in uncertificated form are expected to be credited to the appropriate CREST stock accounts on 2 July 2014, unless the Company exercises the right to issue such Open Offer Shares in certificated form, in which case definitive certificates are expected to be despatched by post on or before 9 July 2014. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of the Open Offer Shares by Qualifying Non-CREST Shareholders will be certified against the share register held by Capita Asset Services. All documents or remittances sent by or to an Applicant (or his agent as appropriate) will (in the latter case) be sent through the post and will (in both cases) be at the risk of the Applicant. Qualifying Shareholders whose Ordinary Shares are held in CREST should note that they will be sent no confirmation of the credit of the Open Offer Shares to their CREST stock account nor any other written communication by the Company in respect of the issue of the Open Offer Shares.

Notwithstanding any other provision in this document, the Company reserves the right to send a Qualifying CREST Shareholder an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and/or to issue any Open Offer Shares in certificated form for any reason. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and systems operated by the Receiving Agent in connection with CREST. This right may be exercised if CREST member account details held by Capita Registrars on behalf of Shareholders are incorrect or if Capita Asset Services is unable for any reasons to credit the CREST member account.

5. Structure of the offer

For technical reasons, the Company will issue the New Shares in consideration for the transfer to it by Investec (the “Newco Subscriber”) of the issued ordinary shares of Newco held by the Newco Subscriber and the entire issued redeemable preference share capital of Newco, which will result in the Company owning the entire issued share capital of Newco, the only assets of which will be its cash resources. These resources will represent the net proceeds of the Placing and Open Offer. The Company will be able to utilise this amount by redeeming the redeemable preference shares it will then hold in Newco and, during any interim period prior to redemption, by procuring that Newco lends the amount to the Company or another member of the Group. The structure of the Placing and Open Offer is expected to have the effect of creating distributable reserves equal to the net proceeds of the Placing and Open Offer less the par value of the New Shares. Accordingly, by applying for New Shares in the Open Offer and submitting a valid payment in respect thereof, Qualifying Shareholders instruct the Receiving Agent to: (i) hold such payments on the Shareholder’s behalf until Admission and, if Admission does not take place, to return such payment, without interest, to the Shareholder; (ii) following Admission and to the extent of a successful application under the Open Offer, to apply such payment (after deduction of certain agreed fees, costs and expenses) on behalf of the Newco Subscriber solely for the purposes of acquiring preference shares in Newco; and (iii) to the extent of an unsuccessful application under the Open Offer, to return the relevant payment without interest to the shareholder.

The Board may elect to implement all or part of the Placing and Open Offer without using the structure described above if it deems it to be in the Company’s interest to do so.

6. Taxation

Your attention is drawn to the section headed “United Kingdom Taxation” set out in paragraph 19 of Part 8 of this document. Shareholders who are in any doubt as to their tax position in relation to taking up their entitlement under the Open Offer or who are subject to tax in any jurisdiction other than the United Kingdom should immediately consult a suitable professional adviser.

7. Overseas Shareholders

This document has been approved by the FCA, being the competent authority in the United Kingdom, in accordance with Section 85 of FSMA.

7.1 General

THE OFFER OF OPEN OFFER SHARES TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, COUNTRIES OTHER THAN THE UNITED KINGDOM MAY BE AFFECTED BY THE LAW OR REGULATORY REQUIREMENTS OF THE RELEVANT JURISDICTION. IT IS THE RESPONSIBILITY OF ALL PERSONS (INCLUDING, WITHOUT LIMITATION, NOMINEES AND TRUSTEES) OUTSIDE THE UNITED KINGDOM WHO WISH TO APPLY FOR OPEN OFFER SHARES TO SATISFY THEMSELVES AS TO FULL OBSERVANCE OF THE LAWS AND REGULATORY REQUIREMENTS OF THE RELEVANT TERRITORY IN CONNECTION THEREWITH, INCLUDING OBTAINING ALL NECESSARY GOVERNMENTAL OR OTHER CONSENTS, COMPLYING WITH ANY OTHER RELEVANT FORMALITIES AND PAYING ANY ISSUE, TRANSFER OR OTHER TAXES DUE IN SUCH TERRITORIES.

Overseas Shareholders who are in any doubt as to whether they require any governmental or other consents or need to observe any other formalities to enable them to accept and apply for their entitlement to Open Offer Shares should consult their own professional advisers.

Subject to certain exceptions, Application Forms will not be sent to Overseas Shareholders, nor will Open Offer Entitlements be credited to a stock account of Overseas Shareholders, who are in the United States or any other Restricted Jurisdiction Territory or to US persons except that Application Forms may be sent to, or Open Offer Entitlements may be credited to the stock account in CREST of, certain of these Overseas Shareholders if they can prove to the satisfaction of the Company that such action would not result in a contravention of any applicable legal or regulatory requirements.

Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this document and/or an Application Form will be deemed to have been sent for information only and should not be copied or redistributed.

Accordingly, persons receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements to any person in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his/her agent or nominee, he/she must not seek to apply for his/her entitlement to Open Offer Shares under the Open Offer except under an express written agreement between him/her and the Company. Any person who does forward this document and/or an Application Form or transfer the Open Offer Entitlements into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 7.

The comments set out in this paragraph 7 are intended as a general guide only and any Qualifying Shareholder who is in doubt as to his/her ability to accept the offer of Open Offer Shares should consult his/her professional adviser immediately.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of the offer of Open Offer Shares which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the legislation of any jurisdiction or if it believes, or its agents believe, that the same may violate applicable legal or regulatory requirements or if a Qualifying Shareholder, in the case of an application on an Application Form, provides an address for delivery of share certificates for Open Offer Shares in any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Overseas Shareholder to apply for his/her entitlement to Open Offer Shares under the Open Offer if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question or would not result in the contravention of any applicable legal or regulatory requirements.

Those Shareholders who wish, and are permitted, to subscribe for Open Offer Shares should note that payments must be made as described in paragraph 2 above of this Part 3.

7.2 United States of America

The Open Offer Shares have not been and will not be registered under the US Securities Act and, subject to certain exceptions, may not be directly or indirectly offered, sold, taken up, delivered or transferred in or into the United States or to, or for the account or benefit of, a US person.

This document does not constitute an offer for, or an invitation to apply for, or an offer or invitation to purchase or subscribe for, Open Offer Shares and Application Forms are not being sent to, and no Open Offer Entitlements will be credited to a stock account in CREST of, and applications will not be accepted from, any Shareholder or other person with a registered address in the United States, unless otherwise determined by the Company in its sole discretion and effected in a lawful manner.

Subject to certain exceptions, envelopes containing Application Forms should not be postmarked or otherwise despatched from the United States. Application Forms which appear to the Company to have been sent from or which are postmarked in the United States may be deemed to be invalid and the Company will not be bound to authorise the delivery of any Open Offer Shares in the United States

or to any person who provides an address in the United States for receipt of Open Offer Shares or who fails to make the representations and warranties set out in the Application Form and in paragraph 7.5 below to the effect that such person is not in the United States and is not acting for the account or benefit of a US person.

Until 40 days after the commencement of the Open Offer, an offer or sale of Open Offer Shares within the United States by a dealer that is not participating in the Open Offer may violate the registration requirements of the US Securities Act.

7.3 Overseas territories

Due to restrictions under the securities laws of the United States and the other Restricted Jurisdictions no Application Forms in relation to the Open Offer will be sent to Qualifying Shareholders who have registered addresses, or are resident or located, in the United States or any of the other Restricted Jurisdictions. Similarly, Open Offer Entitlements will not be credited to the CREST accounts of Qualifying Shareholders who have registered addresses, or are resident or located in the United States or any of the other Restricted Jurisdictions. Qualifying Shareholders who have a registered address, or are resident or located, in the United States or any of the other Restricted Jurisdictions will not be entitled to take up rights under the Open Offer unless the Company is satisfied that such action would not result in the contravention of any registration or other legal or regulatory requirement in any jurisdiction. No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any other Restricted Jurisdictions.

The notice in the London Gazette referred to in paragraph 7.4 below will state where a copy of this document and the Application Form may be inspected or obtained. Any person in the United States or another Restricted Jurisdiction who obtains a copy of an Application Form is required to disregard it, except with the express consent of the Company.

Application Forms will be posted to all Overseas Shareholders who are Qualifying Non-CREST Shareholders other than Qualifying Shareholders who have a registered address, or are resident or located in the United States or any of the other Restricted Jurisdictions, and Open Offer Entitlements will be credited to the CREST accounts of all Overseas Shareholders who are Qualifying Shareholders other than Qualifying Shareholders who have registered addresses, or are resident or located, in the United States or any of the other Restricted Jurisdictions. Such Overseas Shareholders may, subject to the laws of the relevant jurisdictions, accept their rights under the Open Offer in accordance with the instructions set out in this document and, if relevant, the Application Form.

This document has been approved by the FCA, being the competent authority in the United Kingdom. It is expected that Qualifying Shareholders in each member state of the European Economic Area will be able to participate in the Open Offer.

Qualifying Shareholders who have registered addresses in or who are located in or who are citizens of, all countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to take up their rights under the Open Offer.

7.4 Notice in the London Gazette

Pursuant to section 562 of the 2006 Act, the Open Offer to Qualifying Shareholders who have no registered address within a member state of the European Economic Area and who have not supplied to the Company an address within a member state of the European Economic Area for the service of notices will be made by the Company publishing a notice in the London Gazette on 13 June 2014 stating where copies of this document and the Application Form may be inspected or obtained on personal application by or on behalf of such Qualifying Shareholders. However, in order to facilitate acceptance of the Open Offer by Qualifying Shareholders by virtue of such publication, this document and, subject to paragraphs 7.1 to 7.3 above, Application Forms, have also been posted to such Qualifying Shareholders (other than Excluded Overseas Shareholders). Such Shareholders, if it is lawful to do so, may accept the Open Offer either by returning the Application Form posted to them in accordance with the instructions set out therein or, subject to surrendering the original Application Form posted to them, by obtaining a copy thereof from the place stated in the notice in the London Gazette and returning it in accordance with the instructions set out therein. Similarly, Open Offer

Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders (other than Excluded Overseas Shareholders).

7.5 Representations and warranties relating to Overseas Shareholders

Any person completing and returning an Application Form or requesting registration of the New Ordinary Shares comprised therein represents and warrants to the Company and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant New Ordinary Shares from within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire New Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within the United States or any other Restricted Jurisdiction at the time the instruction to accept was given; and (iv) such person is not acquiring New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Shares into the United States or any other Restricted Jurisdiction. The Company and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of New Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or another Restricted Jurisdiction or in a manner that may involve breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or another Restricted Jurisdiction for delivery of the share certificates of New Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the representation and warranty required by this paragraph 7.5.

7.6 Waiver

The provisions of this paragraph 7 and of any other terms of the Open Offer relating to Overseas Shareholders (whether in this document or the Application Form, if relevant) may be waived, varied or modified as regards specific Qualifying Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of this paragraph 7 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 7 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 7 shall apply to them jointly and to each of them.

8. Times and dates

The Company shall, in agreement with Investec and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances notify the UK Listing Authority, and make an announcement on a Regulatory Information Service approved by the UK Listing Authority but Qualifying Shareholders may not receive any further written communication.

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

9. Further information

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

10. Governing law

The terms and conditions of the Open Offer as set out in this Part 3 and in the Application Form shall be governed by, and construed in accordance with, English law. The Courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document and/or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form.

By taking up their Open Offer Entitlements in accordance with the instructions set out in this document and (where applicable) the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the Courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART 4

INFORMATION ON THE COMPANY

1. Operating Markets Overview

1.1 Introduction

Volex is a global supplier of power and data cabling solutions with sales of \$400.2 million in the 52 weeks ended 30 March 2014. Volex has its global headquarters in the UK, operates from 9 manufacturing locations with a presence across 18 countries and employed an average 6,996 people for the 52 weeks ended 30 March 2014.

1.2 Volex's Markets

The primary end markets for the Company's products are:

- Power Cables – principally for consumer electronics devices and appliances.
- Data Cables – for a broad range of applications including data networking equipment, data centres, wireless base stations and cell-site installations, mobile computing devices, medical equipment, factory automation, vehicle telematics, agricultural equipment and alternative energy generation.

1.3 Power

Volex designs and manufactures power cords that are sold to the manufacturers of a broad range of electrical and electronic devices and appliances. Volex products are used in laptops, PCs, tablets, printers, TVs, games consoles, power tools, kitchen appliances and vacuum cleaners.

Volex produces approximately 178 million power cords and duckheads annually for major customers including Dell, Lenovo, Epson, Philips, Dyson, Black & Decker and Sony.

The market for power cords is highly competitive with customers implementing multi sourcing strategies and demanding productivity improvements and price reductions over the product lifecycle. In order to compete effectively suppliers in the market require efficient large scale production facilities in low-cost regions.

A large number of Volex's competitors in the market are large scale Taiwanese and Chinese producers including Longwell, Isheng Electronics, Leoni, Well Shin Technology, Luxshare ICT and Hong Lin.

1.4 Data

Volex designs and manufactures a broad range of cables and connectors (ranging from high-speed copper cables to complex customised optical cable assemblies) that transfer electronic, radio-frequency and optical data. Volex products are used in a broad range of applications including data networking equipment, data centres, wireless base stations, cell-site installations, mobile computing devices, medical equipment, factory automation, vehicle telematics, agricultural equipment and alternative energy generation.

The Company estimates that the worldwide sales of interconnect products were approximately \$50 billion in 2013. The Company believes that the worldwide industry for interconnect products and systems is highly fragmented with over 2,000 producers of connectors and interconnect systems worldwide. Volex is positioned as a solution provider for specific customer and market niches within this increasingly complex and diversified market. Volex's major customers include Philips, Ericsson, Cielo, Qualcomm, Mellanox and Alcatel Lucent.

Volex competes by producing highly engineered, high performance, application specific data cables, in close collaboration with its customers. Focusing on this approach leads to products with longer lifecycles and less pricing pressure when compared to standard power products.

The Company's larger competitors include Molex, Amphenol, Hon Hai Precision Industry and TE Connectivity.

1.5 **Industry Trends**

Industry trends that the Directors believe are relevant to Volex's industry include:

- **Globalisation:** Volex's customers are global and design, manufacture and sell products in different countries around the world in an efficient and seamless process. For example, Volex's customers' products may be designed in Singapore, manufactured in China and sold in multiple geographies.
- **Convergence of products:** Products traditionally developed for the consumer electronics, computing and mobile devices markets are converging, resulting in more electronic devices offering broad-based functionality.
- **Increasing storage and bandwidth requirements:** The global demand and use of streaming information, such as audio and video, requires increased storage capacity and high-speed retrieval capabilities. Increasing internet traffic is taxing existing network infrastructure, resulting in equipment upgrades and capacity additions.
- **Product size reduction:** High-density, micro-miniature technologies originally developed for consumer product applications are expanding to the mobile devices markets, leading to smaller devices and greater mobility.
- **Consolidating supply base:** Generally, global OEMs are consolidating their supply chain by selecting global companies possessing broad expertise and scale for the majority of their cable and inter-connect requirements.
- **Pricing pressure:** Due to rapidly evolving innovation in the technology industry, Volex's customers experience pressure to reduce their prices to meet consumer expectations. As a result, component suppliers are generally expected to lower prices.
- **Competitive market:** There are a large number of competitors in the global cable and connector industry.
- **Rising input costs:** Input costs, including employee costs in developing countries, continue to increase and affect gross margin.

2. **History and Development**

Volex can trace its history back to the late 19th century, founded as Ward & Goldstone, which went on to become a major UK-based manufacturer of electrical plugs, cable, wiring harnesses and related accessories.

The Company was rebranded Volex in 1984 and during the 1990s underwent a period of rapid international expansion making a series of acquisitions, including outsourcing in-house operations from customers, to create a power cord manufacturer with a truly global presence.

An over reliance on the telecoms and data markets in Europe and North America resulted in a severe downturn in the business in the 52 weeks ended 31 March 2002, following the burst of the dotcom bubble. The following years saw a change in the dynamics of the cable assembly business, with consolidation and outsourcing from Original Equipment Manufacturers to Electronic Manufacturing Service providers and a shift from regional to global sourcing.

The Company has been through a difficult period of major restructuring and refocusing over the last decade, which has been hampered by limited financial resources. The number of manufacturing facilities has reduced from 29 in the 52 weeks ended 31 March 2001 to 9 in the 52 weeks ended 31 March 2010. Employees reduced from 11,445 to 6,794 over the same period and the cumulative cost of this historic restructuring (including asset impairments) was \$85 million over this 9 year period.

Since 30 March 2010, the Company has invested \$6.1 million in new product start-up costs and a further \$15.9 million in restructuring costs. Capital expenditure to upgrade its facilities has exceeded \$45 million.

The key milestones since 30 March 2010 are set out below:

- June 2010: Ongoing restructuring costs of £3.1 million including relocating the corporate headquarters from Warrington to London.
- May 2011: Refinancing of credit facility with a new four-year \$75 million facility with Lloyds, HSBC and Clydesdale banks.
- July 2011: Exceptional start-up costs of \$5 million were incurred in relation to the introduction of halogen-free power cords.
- September 2011: The Company changed its presentation currency from Pounds Sterling to US Dollars.
- June 2012: Capital expenditure of \$10 million was incurred upgrading the Shenzhen plant in China.
- January 2013: Acquisition of the active optical technology platform of Applied Micro Circuits Corporation for \$1.8 million.
- June 2013: An extensive upgrade of the Shenzhen manufacturing plant was completed at a cost of \$13 million, and the plant at Batam, Indonesia was expanded at a cost of \$6 million. A group-wide restructuring programme was conducted across all functions and regions at a cost of \$8.6 million.
- July 2013: Appointment of new CEO in order to improve company performance and to rebuild shareholder value.
- November 2013: Implementation of Volex Transformation Plan focussed on delivering sustainable revenue growth and to drive supply chain excellence. Announcement of the plan to restructure the business around two distinct divisions – Power and Data.
- December 2013: Share placing and secondary share sale to raise £7 million (\$11 million).
- June 2014 – In the 52 weeks ended 30 March 2014, the Group incurred \$8.6 million of exceptional restructuring spend. Included within the \$8.6 million are the severance packages for the outgoing executive management, recruitment fees for the new senior management team, closure costs of certain sites and other targeted redundancies and associated costs. Capital expenditure reduced to \$8.2 million for this 52 week period, and was largely in relation to machinery and tooling specifically required for new business wins and opportunities.

3. Principal Activities

Volex is a global supplier of power and data cabling solutions with sales of \$400.2 million in the 52 weeks ended 30 March 2014.

The Company sells its products through its own global sales force to Original Equipment Manufacturers and Electronic Manufacturing Services companies in approximately 45 countries throughout the world. In the 52 weeks ended 30 March 2014 approximately 61 per cent. of the Company's sales were in Asia, 24 per cent. were in the Americas and 15 per cent. were in Europe. The Company's largest customer accounted for 23 per cent. of sales in the 52 weeks ended 30 March 2014.

The Directors believe that its global presence is an important competitive advantage as it allows the Company to provide high quality products on a timely and worldwide basis to its multinational customers.

The Company designs, manufactures and assembles its products at facilities in Asia, the Americas and Europe. The Company has international manufacturing and assembly facilities in Brazil, China, India, Indonesia, Mexico, Poland and Vietnam. The Company has sales and engineering offices in Canada, China, Ireland, Japan, Malaysia, Philippines, Singapore, Taiwan, Thailand and the USA. The Company's international manufacturing and assembly facilities generally serve the respective local markets and coordinate product design and manufacturing responsibility with the Company's other operations around the world.

Volex is recognized industry-wide for its quality products and it continues to invest in training and equipment to maintain its leadership in meeting ever more demanding performance standards. Volex's commitment to quality is shown in its extensive range of industry specific product safety approvals, its customer quality awards and its investment in various ISO certifications, ranging from ISO 9001:2000 to

ISO 14001 (Environmental Management System), OHSAS 18001 and other industry specific certifications such as TL 9000, QS 9000 and ISO13845.

Power Division

<i>\$ millions</i>	<i>2014</i>	<i>2013</i> <i>Restated</i>	<i>2012</i> <i>Restated</i> <i>unaudited</i>
Revenue	265.4	323.1	332.6
Underlying Gross Profit	34.5	48.5	60.4
<i>Gross Margin</i>	13.0%	15.0%	18.2%
Underlying Operating Profit	7.3	18.8	31.8
<i>Operating Margin</i>	2.7%	5.8%	9.6%

The Power Division has its divisional head office in Singapore, close to its customer base and manufacturing facilities. The key manufacturing facilities are located in South-East China, Indonesia, Mexico, India and also in Brazil. However, all the Group's facilities throughout the world can be utilised to manufacture power cable products with facilities not being wholly product specific.

Revenue for the 52 weeks ended 30 March 2014 was \$265.4 million, down 18 per cent. on the prior period. This reduction in revenue was due to the challenging market conditions with significant price competition at a time when the Group's focus was upon improving operating margins, leading to decreased allocations from its customers.

In the second half of the year, through the implementation of a revised strategy and the VTP, significant steps have been taken towards re-establishing revenue growth within the Power Division through improving relations with all of the Group's major customers and potential new customers. This has involved dedicated sales and engineering teams working alongside the customers to understand their needs as they arise.

Encouragingly the Group has already begun to see the benefits of the new strategy with the second half revenue 6.9 per cent. up on the first half. This is in contrast to the historic seasonality seen in the business in the last two years in which the stocking up for the Holiday Season leads to the first half revenues being stronger than the second.

The underlying gross margin has reduced from 15.0 per cent. in the 52 weeks ended 31 March 2013 to 13.0 per cent. in the 52 weeks ended 30 March 2014. This is in part due to the deleveraging effect of reduced revenues over a fixed cost of production and in part due to the time lag of raw material cost reductions arising from the new "design to cost" methodology having an impact. As volumes continue to grow and factory utilisation is increased, the Group expects a recovery in gross margin.

The Group's ongoing cost reduction programme has mitigated some of the gross margin decline with a number of direct and indirect production personnel removed from the organisation. This same cost reduction programme has also helped reduce the Power Division's underlying operating costs from \$29.7m in the 52 weeks ended 31 March 2013 to \$27.2 million in the 52 weeks ended 30 March 2014 despite certain manufacturing countries experiencing significant wage inflation.

As Volex continues to roll-out its design-to-cost manufacturing methodology and it begins to see the benefits from its multi-source supplier arrangements, the Directors' are confident that it will further improve price competitiveness, leading to new business through increased allocations from customers. The clear emphasis of Volex's customer base on cost reduction and price competitiveness means that any business involved in this market needs to benefit from economies of scale and the Directors believe Volex is ideally positioned within its competitive and geographic landscape to deliver on this advantage. Volex's high quality, Tier 1 customer base and its products have in recent years been a driver for growth within Volex and the Directors believe there is no reason why this should not be the case again in the future.

Revenue for the 52 weeks ended 31 March 2013 was \$323.1 million, down 3 per cent. on the prior period. Sales to the Group's largest customer increased by 35 per cent. during the period, but this was offset by weak demand and reduced sales from most of the Group's other customers in the sector. The underlying gross margin has reduced from 18.2 per cent. in the 52 weeks ended 1 April 2012 to 15.0 per cent. in the

52 weeks ended 31 March 2013, as a result of increased production capacity which was not utilised in the period, decreasing sales versus a fixed cost of production, and increased pricing pressure.

Data Division

<i>\$ millions</i>	<i>2014</i>	<i>2013</i> <i>Restated</i>	<i>2012</i> <i>Restated</i> <i>unaudited</i>
Revenue	134.8	150.1	185.1
Gross Profit	32.0	36.7	42.1
<i>Gross Margin</i>	23.8	24.5%	22.7%
Operating Profit	12.7	12.8	17.1
<i>Operating Margin</i>	9.4%	8.5%	9.2%

Volex competes by producing highly engineered, high performance, application specific data cables, in close collaboration with its customers. Focussing on this approach leads to products with longer lifecycles and less pricing pressure when compared to standard power products.

The Data Division is headquartered in the USA with manufacturing facilities supplying product from Mexico, Brazil, Continental Europe, India and China, all within close proximity to many existing and potential new customers. It operates in a fragmented market that is growing rapidly and Volex has several strong niche positions within data centres and the telecoms and healthcare sectors where customers utilise Volex expertise and manufacturing competencies.

Revenue for the 52 weeks ended 30 March 2014 was \$134.8 million, down 10.2 per cent. on the prior year. This was primarily due to a decline in revenue from Volex's key telecoms customers arising from completion of 4G infrastructure roll out projects in the US and Japan which had benefitted the prior period, whilst certain other regional deployments were delayed. Further Volex experienced significant pricing pressure from its European telecoms customers as they themselves suffered from intense market competition from their Asian counterparts. Off-setting the decline in telecoms revenue, Volex saw strong growth in revenue from its healthcare customers with the Group's largest healthcare customer's revenue up 21 per cent. year on year. The Directors believe this was due to strong MRI cable sales following a collaborative development project over the past two years.

The leading edge technologies that the Group's customers employ mean that there are constant uncertainties involved with the speed at which new programmes are launched. Delivery timescales of new projects such as 4G roll-out and the above MRI scanner project can have a significant impact upon call off schedules for the Group's data cable products.

Despite the revenue reduction, the underlying gross profit margin within the division remained strong at 23.8 per cent..

In terms of operating costs, the benefit of the ongoing cost reduction programme can be evidenced from the reduction in operating costs from \$24.0 million in the 52 weeks ended 31 March 2013 to \$19.4 million in the 52 weeks ended 30 March 2104, a fall of 19.2 per cent..

The rapidly increasing demand for faster access to more data is driving new technologies with higher performance and increased scalability. The OEM customers that Volex serves recognise that the limiting factor for data throughput is the connectivity within data centres and other high technology environments such as the medical sector. This is leading them towards the critical "design-to-spec" capabilities that Volex can deliver. The Directors believe that the Group's niche position within this market means that we can deliver advanced products in line with our customers' price expectations.

Revenue for the 52 weeks ended 31 March 2013 was \$150.1 million, down 19 per cent. on the prior period. The reduction in sales was as a result of weaker demand from the Group's telecom, healthcare and industrial customers in the data sector. The underlying gross margin increased from 22.7 per cent. in the 52 weeks ended 1 April 2012 to 24.5 per cent. in the 52 weeks ended 31 March 2013, as a result of a change of mix in favour of higher margin high speed copper and passive optical datacoms products.

Geographic markets

A breakdown of the Group's revenues by geographical market for the 52 weeks ended 3 April 2011 is given on page 71 of its 2011 Annual Report and Accounts (which is incorporated into this document by reference). A breakdown of the Group's revenues by geographical market for the 52 weeks ended 1 April 2012 is given on page 92 of its 2012 Annual Report and Accounts (which is incorporated into this document by reference). A breakdown of the Group's revenues by geographical market for the 52 weeks ended 31 March 2013 is given on page 81 of its 2013 Annual Report and Accounts (which is incorporated into this document by reference). A breakdown of the Group's revenues by geographical market for the 52 weeks ended 31 March 2014 is given on page 23 of its 2014 Preliminary Results (which is incorporated into this document by reference).

4. Key Strengths

The Directors believe that Volex has the following key strengths which the Company intends to capitalize upon in order to increase its revenues and improve its competitive position:

- Established position in the power cord market with the expertise, qualifications, brand recognition and leadership position to sustain a competitive advantage.
- Blue chip customer base and a history of technological collaboration with its customers.
- Extensive global manufacturing and sales footprint that positions the Company close to its customers in both developed and developing markets.
- Reputation for quality and delivery excellence backed with established systems that ensure consistent performance.
- Continuous efforts to develop an efficient, low cost manufacturing footprint and processes.

5. Strategy

Given the underlying growth in the existing markets that Volex serves and the requirement of the customer base to have price competitive products delivered on time to an acceptable quality, the Group's strategy to achieve its objectives can be summarised as follows:

- **Quality supplier:** Build upon the Group's reputation as the quality supplier within the industries that it serves.
- **Design-to-cost:** Design the products for which the customer has submitted a Request For Quotation (RFQ) such that the products meet both the customer's quality and price expectations and Volex's margin targets.
- **Global manufacturing:** Utilise the Group's well-invested global manufacturing base, so that it can provide localised manufacturing and assembly in low cost facilities throughout the world within the geographic regions that are relevant for its customers.
- **Raw material prices:** Ensure that suppliers to the Group deliver raw materials at prices that truly reflect the volumes that are being supplied and therefore assist the Group in giving its customers highly price-competitive products.
- **Factory utilisation:** Grow sales volumes such that the utilisation rates within the production facilities are significantly increased, thus providing margin enhancement from today's low trends.
- **Productivity:** Ensure that the Group's productivity in manufacturing when combined with quality controls delivers a competitive advantage.

Volex is currently executing the Volex Transformation Plan which focuses on the following key elements:

- **Increase customer focus:** Re-organization of sales and engineering to a regional level to improve relationships with Volex's high quality customer base and to better understand and address evolving customer requirements. To this end, sales teams for Greater China, Asia Pacific, Europe and Middle East and the Americas have been established.
- **Design-to-cost manufacturing:** In order to meet the pricing requirements of the Group's customers (primarily in the power market) whilst maintaining an acceptable profit margin, the Group has begun a rigorous design-to-cost pricing and manufacturing methodology. Rather than allowing the

engineering and supply chain functions to lead the new business quotation process, the sales team is now identifying the required customer-target price and the engineering team and supply team are identifying ways to engineer the product at an acceptable cost.

- **Enhance our field application engineering function:** For the Data division, where product development is key, understanding the needs of Volex's customers is of vital importance. To this end, the Group is strengthening the number and quality of engineers visiting and talking to its customers (Volex's field application engineers), to identify exactly the problems customers face and then, along with our product development engineers, develop a cable solution.
- **Supply chain management:** To assist in the design-to-cost manufacturing approach, the Group is significantly changing its supply chain management, moving to a multi-sourcing, localised model rather than a small number of centralised suppliers. By engaging in pro-active supplier management, it is forecast that raw material costs can be reduced significantly.
- **Improved financial management:** The implementation of the Power and Data divisional set up is well under way with full profit and loss accountability and to ensure that the Group removes unnecessary cost and is well placed to deliver profitable and cash generative growth going forward.

6. Research and Development

Spending on Research and Development has remained broadly constant including investment in design engineers in order to support Volex's customer requirements. Spending on Research and Development for the financial years to 1 April 2012, 31 March 2013 and 30 March 2014 was as follows:

<i>\$ millions</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>
R&D – Expenses	1.8	3.9	4.6
R&D – Capital	2.0	0.2	–

7. Principal investments

A description of the Company's principal investments during the 52 weeks ended 3 April 2011 is given on pages 76 to 78 of its 2011 Annual Report and Accounts (which is incorporated into this document by reference). A description of the Company's principal investments during the 52 weeks ended 1 April 2012 is given on pages 99 to 101 of its 2012 Annual Report and Accounts (which is incorporated into this document by reference). A description of the Company's principal investments during the 52 weeks ended 31 March 2013 is given on pages 88 to 90 of its 2013 Annual Report and Accounts (which is incorporated into this document by reference). A description of the Company's principal investments during the 52 weeks ended 30 March 2014 is given on page 15 of its 2014 Preliminary Results (which is incorporated into this document by reference).

The Group has made no further principal investments between 30 March 2014 and 11 June 2014 (the latest practicable date prior to the publication of this document).

8. Information on the Board

The directors of the Company and their principal functions are as follows:

<i>Name</i>	<i>Position</i>
Karen Slatford	<i>Chairman</i>
Christoph Eisenhardt	<i>Chief Executive Officer</i>
Nick Parker	<i>Chief Financial Officer</i>
John Allkins	<i>Senior Independent Director</i>
Geraint Anderson	<i>Independent Director</i>
Martin Geh	<i>Independent Director</i>
Daren Morris	<i>Independent Director</i>

Karen Slatford – Chairman

Length of service on the board: 6 years

Relevant skills and experience to the Group:

Karen Slatford was appointed Chairman on 7 August 2013 following 5 years as a Non-executive Director. Karen is currently Chairman of The Foundry Visionmongers, e-economic international a/s, and is a Non-executive Director of Micro Focus PLC, Intelliflo Ltd, Neverfail Group and Cambridge Broadband Networks Ltd. Karen was previously a Non-executive Director for HAL Knowledge Solutions, Portwise AB, The Listening Company, Via Net.Works, Inc and Compel Group plc. Between 1983 and 2001 Karen was employed by Hewlett Packard Ltd and whilst working across various capacities and roles, was focused on improving the group's sales and marketing throughout the UK and globally. In 2000, Karen was appointed Chairman of Hewlett Packard UK Ltd and also undertook the position of Vice President and General Manager Worldwide of Sales and Marketing, Business Customer Organisation until 2001.

Board committees:

- Nomination Committee (Chairman)
- Remuneration Committee

Christoph Eisenhardt – Chief Executive Officer

Length of service on the board: 11 months

Relevant skills and experience to the Group:

Christoph Eisenhardt, 46, was appointed as Chief Executive Officer on 1 July 2013. Christoph joined Volex from the KVT-Koenig Group where he was Chief Executive Officer, overseeing an extensive transformation and growth process. Prior to that Christoph spent four years as Chief Executive of the Commercial Vehicles and Automotive Aftermarket division of Siemens VDO, later Continental AG, and four years at Siemens Building Technologies Group, where his roles focussed on transformation and growth. He also served as Chief Executive Officer of Raab Karcher Sicherheit & Services GmbH, managing its sale to Tyco Fire & Security Inc. Christoph's international experience was developed through earlier sales and operational roles at Groupe Bull S.A. and Compaq Computer AG. In addition to his role at Volex, Christoph is also a non-executive director of Lista Holding AG, a company based in Switzerland.

Nick Parker – Chief Financial Officer

Length of service on the board: 9 months

Relevant skills and experience to the Group:

Nick Parker was appointed Chief Financial Officer on 1 September 2013. Nick joined Volex from WANdisco plc where he was Chief Financial Officer and part of the team that delivered one of the most successful IPOs in recent years. From 2008-2011, Nick was the Chief Executive Officer of Sheffield Wednesday Football Club and a member of the board of Sheffield Wednesday plc. Nick also served for eight years as Group Finance Director of Dyson Group plc, the industrial materials group, where he focused upon margin improvement, product rationalisation and growth. Prior to that Nick spent seven years at Carclo PLC and was closely involved, along with the Chief Executive Officer, in realigning the focus of the group from low margin steel and wire products towards high tolerance technical plastics, again with a focus upon growth and margin improvement.

John Allkins – Senior Independent Director

Length of service on the board: 7 months

Relevant skills and experience to the Group:

John Allkins was appointed as Non-executive Director and Chairman of the Audit Committee of Volex plc on 16 September 2013. John has wide ranging Non-executive Director and public company experience, and currently sits on the boards and is Chairman of the Audit Committee of Punch Taverns plc, Renold plc and Fairpoint Group plc. John was previously Group Finance Director of MyTravel plc, Chief Financial Officer of Equant NV and Finance Director of BT Overseas, BT International and BT Worldwide Networks.

Board committees:

- Audit Committee – Chairman
- Remuneration Committee
- Nomination Committee

Geraint Anderson – Independent Director

Length of service on the board: 6 months

Relevant skills and experience to the Group:

Geraint Anderson was appointed as Non-executive Director and Chairman of the Remuneration Committee of Volex plc on 13 November 2013. Geraint is currently Group Chief Executive of TT Electronics plc having joined them in August 2008. He spent the previous 8 years with Cisco systems in a number of international roles. He led the sale of Pirelli's Photonics business to Cisco in 2000 having spent the previous 10 years with Pirelli first as UK CEO and then as Senior VP Telecoms based in Milan Italy.

Board committees:

- Remuneration Committee – Chairman
- Nomination Committee

Martin Geh – Independent Director

Length of service on the board: 7 months

Relevant skills and experience to the Group:

Martin Geh is a 25-year veteran in the technology and telecoms sectors, having lived in the US and Asia and worked with global leaders in semiconductors, computer systems, telecom equipment and consumer devices. Martin was most recently the Managing Director of Logitech's Asia Pacific and Japan Region Business Unit. Prior to Logitech, he was President of Lucent Technologies Asia Pacific, Managing Director at Apple Computer responsible for the Asia Pacific region, and held several executive roles at Intel Corporation in the US and Asia. Martin has served on the Board of Advisors of Malaysia's Multimedia Super Corridor, a strategic IT infrastructure project initiated by then Prime Minister of Malaysia, Dr Mahathir Mohammad. He has also served as Non-executive Director, Chairman of the Remuneration Committee, and member of the Budget Committee on the board of Zetex Semiconductors, which was acquired by Diodes Inc.

Board committees:

- Audit Committee
- Nomination Committee
- Remuneration Committee

Daren Morris – Independent Director

Length of service on the board: 4 months

Relevant skills and experience to the Group:

Daren Morris joined the Board of Volex plc as a Non-executive director on 17 January 2014. Until recently, Daren was Group Head of M&A at Asia Resource Minerals plc and had previously spent the majority of his career in the financial services industry where he was a managing director at UBS Investment Bank and Morgan Stanley, advising manufacturing and technology companies on their expansion and financing strategies. Daren is a qualified Chartered Accountant and holds a degree in Physics from Oxford University.

Board committees:

- Audit Committee
- Remuneration Committee

PART 5

OPERATING AND FINANCIAL REVIEW AND FINANCIAL INFORMATION ON THE COMPANY

The following discussion of Volex's financial condition and results of operations should be read in conjunction with the full text of the 2011 Annual Report and Accounts, 2012 Annual Report and Accounts, 2013 Annual Report and Accounts, Half Year Results and 2014 Preliminary Results, the detailed information included in Part 4 of this document and the other information incorporated by reference into this document. You should not rely solely on key and summarised information.

Except as otherwise stated, the financial information included in this Part 5 has been extracted without material adjustment from the financial statements set out in the 2011 Annual Report and Accounts, 2012 Annual Report and Accounts, 2013 Annual Report and Accounts, Half Year Results and 2014 Preliminary Results and incorporated by reference in this document as described in Parts 6 and 9 of this document.

This Part 5 contains forward-looking statements. Volex's actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this document, particularly in the sections headed "Risk Factors" and "Important Information—Forward-looking statements".

1. Current Trading and Prospects

Revenue reduced by 15.4 per cent. from \$473.2 million to \$400.2 million in the 52 weeks to 30 March 2014, while underlying operating profit fell to \$4.5 million (FY2013: \$12.3 million). This downturn is largely attributed to a failure to adapt strategy to meet the requirements of Volex's core customers within the power cord market. Whilst customers were anticipating sharing in Volex's productivity improvements, Volex was looking to achieve improved operating margins through higher pricing. As a result, the Company suffered from reduced business allocations.

The new executive team has realigned strategy in accordance with customers' specifications and price expectations without compromising on reputation for high quality. Volex's sales, engineering, manufacturing and purchasing teams are working together to ensure that Volex better meets customer product specifications through implementation of a rigorous "design to cost" methodology. The new strategy is having an immediate effect with revenues for the second half of the 2014 financial year up 3.6 per cent. on the first half, contrary to the historic seasonality of the business.

The realignment of the business has necessitated a wider-ranging restructuring of the Group than envisaged which has resulted in higher exceptional costs than previously expected. In the 52 weeks to 30 March 2014, Volex incurred \$8.6 million (FY2013: \$7.2 million) of exceptional restructuring spend. Included within the \$8.6 million are the severance packages for the outgoing executive management, recruitment fees for the new senior management team, closure costs of certain sites and other targeted redundancies and associated costs. Volex expects further restructuring costs in the next financial year, albeit at a greatly reduced level.

Additionally Volex has incurred \$1.4 million (FY2013: \$nil) of exceptional professional fees and banking costs in relation to financing. During the year, the Group has explored a number of alternate financing opportunities to ensure that sufficient funds are available to complete the transformation plan and return the Group to growth. Further exceptional provisions have been charged in the year in relation to sales tax disputes in emerging markets and onerous lease charges.

As a result of the disappointing trading performance in the year coupled with the high level of exceptional expenditure, the loss before tax for the year is \$7.6 million (FY2013: profit of \$1.9 million). This has resulted in a statutory loss per share of 23.7 cents (FY2013: 1.6 cents).

During the year, the Company raised \$6.3 million from the sale of treasury shares and \$4.8 million from a share placing. Offsetting this inflow was a \$21.4 million free cash outflow due not only to the restructuring spend but also due to the change in supplier payment profiles following a strategic decision to move to a

multi-sourcing supplier model. As a result net debt at the end of the year was \$32.2 million (FY2013: \$19.5 million).

2. Operating and Financial Review

2014

The key information that comprises the operating and financial review of the Company for the 52 weeks ended 30 March 2014 can be found in the following sections of the 2014 Preliminary Results and is incorporated by reference herein:

<i>Section</i>	<i>Page reference</i>
Operational Review	7-12
Financial Review	13-16

2013

The key information that comprises the operating and financial review of the Company for the 52 weeks ended 31 March 2013 can be found in the following sections of the 2013 Annual Report and Accounts and is incorporated by reference herein:

<i>Section</i>	<i>Page reference</i>
Operating Review	16-25
Financial Review	26-31

2012

The key information that comprises the operating and financial review of the Company for the 52 weeks ended 1 April 2012 can be found in the following sections of the 2012 Annual Report and Accounts and is incorporated by reference herein:

<i>Section</i>	<i>Page reference</i>
Operating review	22-33
Financial review	34-39

2011

The key information that comprises the operating and financial review of the Company for the 52 weeks ended 3 April 2011 can be found in the following sections of the 2011 Annual Report and Accounts and is incorporated by reference herein:

<i>Section</i>	<i>Page reference</i>
Operating review	20-27
Financial review	14-19

3. Capital Resources and Liquidity

	<i>30 March</i>	<i>31 March</i>	<i>1 April</i>	<i>3 April</i>
	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
<i>Net cash/(debt)</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Cash and bank balances	13,675	25,044	43,578	20,397
Borrowings due within 1 year	–	(1,255)	(2,398)	(27,542)
Borrowings due beyond 1 year	(45,895)	(43,289)	(37,420)	–
Obligations under finance leases due within 1 year	–	–	(117)	(195)
Obligations under finance leases due beyond 1 year	–	–	–	(108)
Net cash/(debt)	<u>(32,220)</u>	<u>(19,500)</u>	<u>3,643</u>	<u>(7,448)</u>

The Group's principal sources of liquidity to finance its operations are cash generated by operating activities and bank borrowing.

On 31 May 2011, the Group entered into a US\$75 million four-year multicurrency facility with Lloyds TSB Bank plc, HSBC Bank plc and Clydesdale Bank PLC (as more fully described in paragraph 18 of Part 8 of this document).

As at 30 March 2014, \$46.4 million had been drawn down under the Facility.

Each borrower under the Facility has granted security over its assets by way of a debenture in favour of Lloyds TSB Bank plc, as security agent, as security for all liabilities and obligations under the Facility. In addition, the Company has granted share pledges over its shares in certain subsidiaries and each borrower, along with certain subsidiaries, has given a guarantee in respect of each borrower's liabilities and obligations under the facility.

Conditional upon Admission, this Facility will be partially prepaid (by US\$25 million) and amended to reduce the facility limit to US\$45 million and to extend its availability period from 15 June 2015 to 15 June 2017.

During 2013, the Company raised \$4.8 million net by way of a placing of new shares and US\$6.3 million from the sale of treasury shares.

3.1 **Statement of capitalisation and indebtedness**

3.1.1 *Capitalisation*

The table below sets out the capitalisation of Volex Group as at 30 March 2014. The capitalisation figures have been extracted without material adjustment from the 2014 Preliminary Results, incorporated by reference into this document.

	<i>As at 30 March 2014</i> <i>(\$ in thousands)</i>
Shareholders' Equity⁽¹⁾	
Share capital	29,662
Share premium	7,122
Other reserves	<u>(8,378)</u>
Total⁽²⁾	<u><u>28,406</u></u>

⁽¹⁾ Shareholders' equity does not include the profit and loss account reserve.

⁽²⁾ There has been no material change in the capitalisation of Volex Group since 30 March 2014.

3.1.2 *Indebtedness*

The table below sets out the gross and net unaudited financial indebtedness of the Volex Group as at 27 April 2014, extracted without material adjustment from Volex Group's accounting records and prepared under IFRS using policies which are consistent with those used in 2014 Preliminary Results incorporated by reference into this document.

	<i>As at 27 April 2014</i> <i>unaudited</i> <i>(\$ in thousands)</i>
Total current debt	
– Guaranteed	–
– Secured ⁽¹⁾	–
– Unguaranteed/Unsecured ⁽³⁾	<u>7,532</u>
	<u><u>7,532</u></u>
Total non-current debt	
– Guaranteed	–
– Secured ⁽¹⁾⁽²⁾	43,073
– Unguaranteed/Unsecured	<u>–</u>
	<u>43,073</u>
Total indebtedness	<u><u>50,605</u></u>

⁽¹⁾ Secured non-current debt is a US\$75 million multicurrency facility secured by fixed and floating charges over the assets of certain Group companies.

⁽²⁾ The Group's debt is shown net of unamortised issue costs.

⁽³⁾ Unguaranteed/unsecured current debt is bank overdrafts.

3.1.3 *Net financial indebtedness*

	<i>As at 27 April 2014</i> <i>(unaudited)</i> <i>(\$ in thousands)</i>
Cash at bank and in hand	<u>12,533</u>
Liquidity	–
Current financial receivable	–
Current bank debt	(7,532)
Current portion of non-current debt	–
Other current financial debt	<u>–</u>
Current financial indebtedness	<u>(7,532)</u>
Net current financial indebtedness	–
Non-current bank loan	(43,073)
Bonds Issued	–
Other non-current financial debt ⁽¹⁾	<u>–</u>
Non-current financial indebtedness	<u>(43,073)</u>
Net financial indebtedness	<u><u>(38,072)</u></u>

⁽¹⁾ The Volex Group has no indirect or contingent indebtedness as at 27 April 2014

4. **Significant Trends and Development**

4.1 **Significant events**

There has been no significant change in the trading or financial position of the Group since 30 March 2014, being the date to which the 2014 Preliminary Results were prepared.

4.2 **Trends**

The Directors are not presently aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for the year ending 5 April 2015.

PART 6

HISTORICAL FINANCIAL INFORMATION ON THE GROUP

The consolidated financial statements of the Group included in the following documents, are incorporated by reference into this document:

- 2014 Preliminary Results
- 2014 Half Year Results
- 2013 Annual Report and Accounts, together with the audit report thereon
- 2012 Annual Report and Accounts, together with the audit report thereon
- 2011 Annual Report and Accounts, together with the audit report thereon

The consolidated financial statements for the financial years ended 3 April 2011, 1 April 2012 and 31 March 2013 were prepared in accordance with IFRS, and the audit report for each such financial year was unqualified.

1. Financial statements set out in the 2014 Preliminary Results (52 weeks ended 30 March 2014)

The page numbers below refer to the relevant pages of the 2014 Preliminary Results.

	<i>Page Number</i>
● Consolidated Statement of Financial Position	19
● Consolidated Income Statement	17
● Consolidated Statement of Comprehensive Income	18
● Consolidated Statement of Cash Flows	20
● Notes to the Financial Statements	22-29

2. Financial statements set out in the unaudited 2014 Half Year Results (26 weeks ended 29 September 2013)

The page numbers below refer to the relevant pages of the Half Year Results.

● Consolidated Statement of Financial Position	14-15
● Consolidated Income Statement	12-13
● Consolidated Cash Flow Statement	16
● Notes to the Interim Statements	17-22

3. Financial statements set out in the 2013 Annual Report and Accounts (52 weeks ended 31 March 2013)

The page numbers below refer to the relevant pages of the 2013 Annual Report and Accounts.

● Independent Auditors' Report	64-65
● Consolidated Statement of Financial Position and Statement of Changes in Equity	68-69
● Consolidated Income Statement and Consolidated Statement of Comprehensive Income	66-67
● Consolidated Cash Flow Statement	70
● Notes to the Financial Statements	71-110

4. Financial statements set out in the 2012 Annual Report and Accounts (52 weeks ended 1 April 2012)

The page numbers below refer to the relevant pages of the 2013 Annual Report and Accounts.

● Independent Auditors' report	73-74
● Consolidated Statement of Financial Position and Statement of Changes in Equity	77-78
● Consolidated Cash Flow Statement	79
● Consolidated Income Statement and Consolidated Statement of Comprehensive Income	75-76
● Notes to the Financial Statements	80-122

5. Financial statements set out in the 2011 Accounts (52 weeks ended 3 April 2011)

The page numbers below refer to the relevant pages of the 2011 Annual Report and Accounts.

● Independent Auditors Report	56
● Consolidated Statement of Financial Position and Statement of Changes in Equity	59-60
● Consolidated Cash Flow Statement	61
● Consolidated Income Statement and Consolidated Statement of Comprehensive Income	57-58
● Notes to the Financial Statements	62-93

The financial statements set out in the 2011 Annual Report and Accounts are in pounds Sterling. The financial statements set out in the 2012 Annual Report and Accounts and incorporated by reference into this document contain comparative figures for the financial year ended 3 April 2011 in United States Dollars.

PART 7

UNAUDITED PRO FORMA NET ASSETS STATEMENT AS AT 30 MARCH 2014

Section A: Accountant's report on the Unaudited Pro Forma net assets statement

The Directors
Volex plc
10 Eastbourne Terrace
London
WC2 6LG

Investec Bank (the "**Sponsor**")
2 Gresham Street
London
EC2V 7QP

12 June 2014

Dear Sirs

Volex plc (the "Company")

We report on the pro forma financial information (the "**Pro Forma Financial Information**") set out in Section B of Part 7 of the Company's prospectus dated 12 June 2014 (the "**Prospectus**") which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the proposed Placing and Open Offer and repayment of borrowings might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 30 March 2014. This report is required by item 7 of Annex II to the PD Regulation and is given for the purpose of complying with that PD Regulation and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Annex II to the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II to the PD Regulation as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the

evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3 R(2)(f), we are responsible for this report as part of the Prospectus and we declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP

Chartered Accountants

UNAUDITED PRO FORMA NET ASSET STATEMENT AS AT 30 MARCH 2014

Section B: Unaudited Pro Forma Financial Information

The unaudited pro forma net assets statement of the Group set out below has been prepared on the basis set out in the notes below to illustrate the impact of the Placing and Open Offer and the repayment of borrowings as at 30 March 2014 as if they had taken place at that date. The unaudited pro forma information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results.

The unaudited pro forma information does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006. Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part 7 (Unaudited Pro Forma Net Assets Statement). PricewaterhouseCoopers LLP's report on the unaudited pro forma net assets statement is set out in this Part 7 (Unaudited Pro Forma Net Assets Statement).

In addition, the unaudited pro forma financial information does not purport to represent what the Group's financial position and results of operations actually would have been if the Placing and Open Offer and repayment of borrowings had been completed on the date indicated nor do they purport to represent the results of operations for any future period or the financial condition at any future date.

	30 March 2014 \$'000 (Note 1)	<i>Placing and Open Offer and repayment of borrowings</i> \$'000 (Note 2)	<i>Pro forma Total</i> \$'000 (Note 3)
Non-current assets			
Goodwill	3,210	–	3,210
Other intangible assets	5,445	–	5,445
Property, plant and equipment	38,732	–	38,732
Other receivables	795	–	795
Deferred tax asset	488	–	488
	<u>41,670</u>	<u>–</u>	<u>48,670</u>
Current assets			
Inventories	39,987	–	39,987
Trade receivables	67,044	–	67,044
Other receivables	10,798	–	10,798
Current tax assets	480	–	480
Derivative financial instruments	–	–	–
Cash and bank balances	13,675	3,080	16,755
	<u>131,984</u>	<u>3,080</u>	<u>135,064</u>
Total assets	<u>180,654</u>	<u>3,080</u>	<u>183,734</u>
Current liabilities			
Borrowings	–	–	–
Obligations under finance leases	–	–	–
Trade payables	57,220	–	57,220
Other payables	22,184	–	22,184
Current tax liabilities	5,793	–	5,793
Retirement benefit obligation	659	–	659
Provisions	3,626	–	3,626
Derivative financial instruments	1,020	–	1,020
	<u>90,502</u>	<u>–</u>	<u>90,502</u>
Net current assets/(liabilities)	<u>41,482</u>	<u>–</u>	<u>41,482</u>
Non-current liabilities			
Borrowings	45,895	(25,000)	20,895
Other payables	243	–	243
Deferred tax liabilities	1,995	–	1,995
Retirement benefit obligation	2,575	–	2,575
Provisions	2,719	–	2,719
	<u>53,427</u>	<u>(25,000)</u>	<u>28,427</u>
Total liabilities	<u>143,929</u>	<u>(25,000)</u>	<u>118,929</u>
Net assets	<u>36,725</u>	<u>28,080</u>	<u>64,805</u>

Notes

1. The financial information has been extracted, without material adjustment, from the 2014 Preliminary Results of the Group for the 52 weeks ended 30 March 2014, incorporated by reference into this document.
2. The net proceeds of the Placing and Open Offer of \$28.080 million are calculated on the basis that the Company issues 24,067,171 New Shares at a price of 75 pence per share, net of estimated expenses in connection with the Placing and Open Offer of approximately \$2.185 million. For the purposes of the pro forma net asset statement, an exchange rate of £1: \$1.6767 has been assumed. As described in "Part 1, paragraph 2, Use of Proceeds", of the net proceeds of the Placing and Open Offer (\$28.080 million), \$25 million is being used to reduce non-current borrowings and \$3.080 million will be treated as available cash.
3. The unaudited pro forma statement of net assets does not reflect any trading or other transactions undertaken by the Group since 30 March 2014.

PART 8

ADDITIONAL INFORMATION

1. Responsibility Statement

The Company, whose registered office is set out on page 28, and each of the Directors, whose names and principal functions are set out in paragraph 7.1 of this Part 8, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and Registered Office

- 2.1 The Company was incorporated under the name of Ward & Goldstone Limited on 19 September 1919 under the Companies Acts 1908 to 1917 as a private company limited by shares registered in England and Wales with registered number 00158956.
- 2.2 On 1 October 1984, the Company changed its name to Volex Group plc and subsequently changed its name on 11 August 2011 to Volex plc. On 21 August 1981, the Company was re registered as a public limited company under the Companies Acts 1948 to 1980.
- 2.3 The liability of the members of the Company is limited.
- 2.4 On 20 July 1939, the Ordinary Shares were admitted to the Official List and were admitted to trading on the main market of the London Stock Exchange's market for listed securities.
- 2.5 The registered office of the Company is situated at 10 Eastbourne Terrace, Paddington, London W2 6LG. The telephone number of the Company is 020 3370 8830.
- 2.6 The principal legislation under which the Company operates is the 2006 Act and the Ordinary Shares have been created under the Companies Act 1985 and the 2006 Act and the regulations made thereunder.
- 2.7 The principal activities of the Group comprise the provision of interconnect solutions and power products, servicing the consumer, telecoms/datacoms, healthcare and industrial sectors.

3. Share Capital

- 3.1 From 1 October 2009, the 2006 Act abolished the requirement for a company to have an authorised share capital. The issued and fully paid ordinary share capital of the Company as at 11 June 2014 (the latest practicable date prior to the publication of this document) is as follows:

	<i>Issued and fully paid</i>	
	<i>Number</i>	<i>Amount</i>
		<i>(£)</i>
Ordinary Shares of 25 pence each	66,184,721	16,546,180.25

- 3.2 Following the Placing and Open Offer, the issued share capital of the Company (assuming no options or awards under the Share Incentive Schemes are exercised) is expected to be:

	<i>Issued and fully paid</i>	
	<i>Number</i>	<i>Amount</i>
		<i>(£)</i>
Ordinary Shares of 25 pence each	90,251,892	22,562,973.00

3.3 The number of Ordinary Shares outstanding at the beginning and end of the last financial year is as follows:

	<i>Issued and fully paid</i>	
	<i>Number</i>	<i>Amount</i>
		<i>(£)</i>
31 March 2013	62,493,578	15,623,394
30 March 2014	66,184,721	16,546,180

3.4 The Company was incorporated with a share capital of 200,000 shares of £1 each, of which 100,000 were Ordinary Shares and 100,000 were Preference Shares. The Preference Shares conferred the right to a fixed cumulative preferential dividend at the rate of 7 per cent. per annum on the amount paid up or credited as paid up and the right, whenever such dividend had been paid, to participate in any further dividend to the extent of 0.25 per cent. for every 1 per cent. (over and above the said 7 per cent.) declared and paid for such year on the Ordinary Shares in the capital of the Company.

3.5 The following alterations to the issued share capital of the Company have taken place between 31 March 2010 and 31 March 2014:

3.5.1 On 1 October 2010, 4,897,015 Ordinary Shares were issued for 25 pence each.

3.5.2 On 6 December 2010, 775,000 Ordinary Shares were issued for 25 pence each.

3.5.3 On 31 August 2011, the Company reduced its share capital to 62,493,578 Ordinary Shares of 25 pence each with an aggregate nominal value of £15,623,394.50 by means of the cancellation, extinguishment and repayment of all of the 80,000 7 per cent. cumulative preference shares of £1 each in the Company then in issue, effected by a special resolution of the Company dated 25 July 2011.

3.5.4 On 14 August 2013, 426,667 Ordinary Shares of 25 pence each were issued and the amount paid on each share was 98 pence.

3.5.5 On 17 October 2013, 566,467 Ordinary Shares of 25 pence each were issued and the amount paid on each share was £1.1595.

3.5.6 On 13 December 2013, 2,698,009 Ordinary Shares of 25 pence each were issued and the amount paid on each share was £1.16.

3.6 The Company has no convertible securities, exchangeable securities or securities with warrants in issue.

3.7 There are no treasury shares held by the Company.

3.8 With the exception of options granted under the Share Incentive Schemes, there are no acquisition rights or other obligations over the unissued share capital of the Company.

3.9 As at 11 June 2014 (the last practicable date prior to publication of this document), 1,555,000 Ordinary Shares in the Company are held by the Volex Group plc Employee Share Trust and 80,000 Ordinary Shares are held by the Volex Group Guernsey Purpose Trust.

3.10 Save for the options granted under the Share Incentive Schemes including those set out in paragraph 11 of this Part 8 there is no part of the share capital of the Company or any member of the Group which is under option or agreed conditionally or unconditionally to be put under option.

3.11 **Existing Authorities**

3.11.1 At the annual general meeting of the Company held on 22 July 2013, the Directors were granted authority to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £5,207,798 (which represented approximately one third of the issued Ordinary Share capital of the Company as at 18 June 2013). A further authority was conferred on the

Directors to allot equity securities (within the meaning of Section 560(1) of the Act) up to an aggregate nominal amount of £5,207,798 (which represented approximately one third of the issued Ordinary Share capital of the Company as at 18 June 2013) in connection with a rights issue. Both authorities will expire on the earlier of the conclusion of the annual general meeting of the Company in 2014 or 30 September 2014.

3.11.2 At the annual general meeting of the Company held on 22 July 2013, the Directors were granted authority to allot equity securities (which includes the sale of treasury shares) for cash up to an aggregate nominal amount of £781,169 (which represented approximately 5 per cent. of the issued Ordinary Share capital of the Company as at 18 June 2013). The statutory pre-emption provisions were disapplied in relation to the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering, where the entitlements to equity securities pursuant to such issue or offering are (as nearly as may be practicable) proportionate to the number of equity securities held by such persons. Such disapplication was made in respect of the allotment of shares in the Company up to an aggregate nominal amount of £5,207,798 (which represented approximately one third of the issued Ordinary Share capital of the Company as at 18 June 2013), and, in respect of rights issues only, up to a further aggregate nominal amount of £5,207,798 (which represented approximately one third of the issued Ordinary Share capital of the Company as at 18 June 2013). The Directors were granted authority to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems that may arise. This authority will expire on the earlier of the conclusion of the next annual general meeting of the Company in 2014 or 30 September 2014.

3.12 **Authorities proposed to be granted at the General Meeting**

At the General Meeting to be held at 10.00 a.m. on 1 July 2014 at the offices of the Company, the Resolution will be proposed to grant the Directors authority pursuant to section 551 of the 2006 Act to allot up to £6,016,792.75 in nominal amount of Ordinary Shares on a pre-emptive basis under the Placing and Open Offer.

4. **Auditors**

4.1 The auditors of the Company for the financial years ended 3 April 2011, 1 April 2012 and 31 March 2013, were PricewaterhouseCoopers LLP, chartered accountants, registered auditors and members of the Institute of Chartered Accountants of England and Wales, whose registered office is 1 Embankment Place, London WC2N 6RN.

4.2 The Audit Committee and the Board consider auditor objectivity and independence, ensuring, in particular, that this is not compromised where the auditor provides non audit services. It is the Group's policy to use the services of advisers other than the external auditors for non audit work where conflicts may arise for significant new assignments, but it is also recognised that in certain cases the incumbent auditor is often best placed to provide a cost and time efficient service, in particular in areas such as tax advice and compliance and due diligence. In order to safeguard and help ensure independence, the chairman of the Audit Committee is consulted prior to each major non audit engagement where the use of the auditors is proposed.

5. **Articles of Association**

The Articles of Association of the Company adopted on 22 July 2013 contain provisions, *inter alia*, to the following effect:

(i) **Voting rights**

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held and any restriction on voting referred to below, every member who, being an individual, is present in person or, being a corporation, is present by a duly authorised representative and every proxy (regardless of the number of members for whom he is proxy) shall have one vote on a show of hands. On a poll, every Shareholder present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder.

Preference Shares shall not confer on the holders the right to attend and vote, either in person, by a corporate representative or by proxy at a general meeting, or to have notice of such meeting unless the meeting is convened for reducing the capital, or winding up, or sanctioning a sale of undertaking, or where the proposition to be submitted to the meeting directly affects the rights and privileges of such holders, or the dividend on the Preference Shares is in arrear for more than three months.

The duly authorised representative of a corporate shareholder may exercise the same powers on behalf of that corporation as it could exercise if it were an individual shareholder.

A shareholder is not entitled to vote unless all calls due from him have been paid.

A shareholder is also not entitled to attend or vote at meetings of the Company in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 793 of the 2006 Act and, having failed to comply with such notice within the period specified in such notice (being not less than 28 days from the date of service of such notice), is served with a disenfranchisement notice. Such disenfranchisement will apply only for so long as the notice from the Company has not been complied with or until the Company has withdrawn the disenfranchisement notice, whichever is the earlier.

(ii) **General meetings**

The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time.

At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings, not less than 14 clear days' written notice must be given. The notice for any general meeting must state: (i) whether the meeting is an annual general meeting; (ii) the date, time and place of the meeting; (iii) the general nature of the business of the meeting; (iv) any intention to propose a resolution as a special resolution; (v) specify the names of any directors who are retiring and are offering themselves for re-election; and (vi) that a member entitled to attend and vote is entitled to appoint a proxy and that a proxy need not be a member of the Company. All members who are entitled to receive notice under the Articles must be given notice.

The notice of any general meeting must contain a statement that a member is not entitled to attend and vote unless his name is entered on the Register at a time specified in the notice of the meeting but which is not more than 48 hours before the time fixed for the meeting.

Before a general meeting starts, there must be a quorum, being two members present in person or by proxy.

Each Director can attend and speak at any general meeting.

(iii) **Dividends**

Subject to the 2006 Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the 2006 Act, the Board may from time to time pay to the shareholders of the Company such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit. Provided that the Board acts in good faith, none of the Directors shall incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

Except insofar as the rights attaching to, or the terms of issue of, any share carrying a preferential or special right to dividends, all dividends shall be apportioned and paid *pro rata* according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. If the terms of issue of a share provide that it will rank for dividend as from or after a particular date, or be entitled to dividends

declared after a particular date, that share will rank for or be entitled to the dividend on that basis. Any dividend unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to the Company.

The Board may, if authorised by an ordinary resolution, offer the holders of Ordinary Shares the right to elect to receive additional Ordinary Shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.

The Board may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for payment and pay interim dividends of such amounts and on such dates as they think fit. The Preference Shares confer on the holders the right to a fixed cumulative preferential dividend at the rate of 7 per cent. per annum on the amount paid or credited as paid thereon.

No dividend or other moneys payable by the Company in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

The Board may withhold dividends payable on shares representing not less than 0.25 per cent. by number of the issued shares of any class after there has been a failure to comply with any notice under section 793 of the 2006 Act requiring the disclosure of information relating to interests in the shares concerned as referred to in paragraph 5(i) above.

The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if such instruments have been returned undeliverable to, or left uncashed by, that member (i) on at least two consecutive occasions or (ii) if the Company, after reasonable enquiries is unable to establish any new address for that person.

The Company must recommence sending cheques or warranties (or using another method of payment) in respect of dividends if the member or other person entitled to the dividend claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

(iv) ***Return of capital***

On a voluntary winding-up of the Company the liquidator may, with the sanction of a special resolution of the Company and subject to the 2006 Act and the Insolvency Act 1986 (as amended), divide amongst the shareholders of the Company in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.

The Preference Shares confer on the holders the right in a winding up to receive the capital paid up or credited as paid up on such Preference Shares and all arrears of dividend, whether declared or not up to the commencement of the winding up, paid off in priority to any payment of capital on the Ordinary Shares but without any further right to participate in profits or assets.

(v) ***Transfer of shares***

The Ordinary Shares are in registered form.

Subject to such of the restrictions in the Articles as shall be applicable, any member may transfer all or any of his shares. In the case of shares represented by a certificate, the transfer shall be made by an instrument of transfer in writing in the usual form or in any other form which the Board may approve. A transfer of a shares held through a system for holding shares in uncertificated form (such shares being referred to as "participating securities") may only be transferred through a relevant system in accordance with the Uncertified Securities Regulations 2001 and the facilities and requirements of the relevant system.

The instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members.

The Board may, in its absolute discretion refuse to register any instrument of transfer of shares held in certificated form in any of the following circumstances:

- (a) if the Company has a lien on a partly paid share unless to do so would prevent dealings in partly paid shares from taking place on an open and proper basis;
- (b) if a notice has been served in respect of a share pursuant to section 793 of the 2006 Act concerning the disclosure of interests in voting shares and (i) the shares represent at least 0.25 per cent. in aggregate of that class of shares and (ii) the person(s) on whom the notice was served failed to comply with the requirements of the notice within the period for compliance specified in the notice (being not less than 14 days from the date of service of the notice) and remains in default in complying with the notice, unless the transfer in question is to a bona fide unconnected third party such as a sale through a recognised investment exchange or an overseas exchange or as a result of an acceptance of a takeover offer; or
- (c) if the transfer is of a share or shares (whether fully paid or not) in favour of more than four persons jointly.

The Board may also refuse to recognise any share transfer document unless:

- (a) it is in respect of only one class of share and is deposited at the place where the Register of Members is situated (or such other place as the Directors may from time to time decide); and
- (b) it is accompanied by the relevant share certificate(s) and if the share transfer document is executed by another person on behalf of the transferor, the authority of that person so to do.

The Board may only register or refuse to register the transfer of a share in uncertificated form in accordance with the Uncertificated Securities Regulations. If the Board refused to register a transfer of any share it shall, within two months after the date on which the instrument of transfer was lodged or the operator instruction received in the case of an uncertificated share, send to the transferee notice of the refusal.

(vi) **Variation of rights**

Subject to the 2006 Act, all or any of the rights attached to any class of share may (unless otherwise provided by the terms of issue of shares of that class) be varied (whether or not the Company is being wound up) either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of such holders. The quorum at any such general meeting is two persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of his shareholding. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled, on a poll, to one vote for every share of the class held by him. Except as mentioned above, such rights shall not be varied.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the Articles or the conditions of issue of such shares, be deemed to be varied by the creation or issue of new shares ranking *pari passu* therewith or subsequent thereto.

(vii) **Share capital and changes in capital**

Subject to and in accordance with the provisions of the 2006 Act, the Company may issue redeemable shares. Without prejudice to any special rights previously conferred on the holders of any existing shares, any share may be issued on terms that they are, at the option of the Company or a member liable, to be redeemed on such terms and in such manner as may be determined by the Board (such terms to be determined before the shares are allotted).

Subject to the provisions of the Articles and the 2006 Act, the power of the Company to offer, allot and issue any new shares in the Company and any shares lawfully held by the Company or on its behalf (such as shares held in treasury) shall be exercised by the Board at such time and for such consideration and upon such terms and conditions as the Board shall determine.

The Company may by ordinary resolution alter its share capital in accordance with the 2006 Act. The resolution may determine that, as between the holders of shares resulting from the sub-division, any of the shares may have any preference or advantage or be subject to any restriction as compared with the others.

(viii) **Disclosure of interests in shares**

Section 793 of the 2006 Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests. When a shareholder receives a statutory notice of this nature, he or she has 28 days (or 14 days where the shares represent at least 0.25 per cent. of their class) to comply with it, failing which the Company may decide to restrict the rights relating to the relevant shares and send out a further notice to the holder (known as a “disenfranchisement notice”). The disenfranchisement notice will state that the identified shares no longer give the shareholder any right to attend or vote at a shareholders’ meeting or to exercise any other right in relation to shareholders’ meetings.

Once the disenfranchisement notice has been given, if the Directors are satisfied that all the information required by any statutory notice has been supplied, the Company shall, within not more than seven days, withdraw the disenfranchisement notice.

The Articles do not restrict in any way the provisions of section 793 of the 2006 Act.

(ix) **Non-UK shareholders**

Shareholders with addresses outside the United Kingdom are not entitled to receive notices from the Company unless they have given the Company an address within the United Kingdom at which such notices shall be served.

(x) **Untraced shareholders**

Subject to various notice requirements, the Company may sell any of a shareholder’s shares in the Company if, during a period of 12 years, at least three dividends on such shares have become payable and no dividend has been claimed during that period in respect of such shares and the Company has received no communication from such shareholder.

(xi) **Borrowing powers**

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital and subject to any relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or any third party provided that the Board shall restrict the borrowings of the Company, and exercise all powers of control exercisable by the Company in relation to its subsidiaries, so as to secure (in relation to its subsidiaries so far as the Board is able) that the aggregate amount for the time being of all borrowings by the Group (excluding any money owed between members of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to three times the adjusted capital and reserves or any higher limit fixed by ordinary resolution of the Company which is applicable at the relevant time.

These borrowing powers may be varied by an alteration to the Articles which would require a special resolution of the shareholders.

(xii) **Directors**

Subject to the 2006 Act, and provided he has made the necessary disclosures, a Director may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company or in which the Company is otherwise interested or a proposed transaction or arrangement with the Company.

The Board has the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175 of the 2006 Act to avoid a situation in

which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with, the interests of the Company. Any such authorisation will only be effective if the matter is proposed in writing for consideration in accordance with the Board's normal procedures, any requirement about the quorum of the meeting is met without including the Director in question and any other interested director and the matter was agreed to without such directors voting (or would have been agreed to if the votes of such directors had not been counted). The Board may impose terms or conditions in respect of its authorisation.

Save as mentioned below, a Director shall not vote in respect of any matter in which he has, directly or indirectly, any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall (in the absence of material interests other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

- (a) the giving of any guarantee, security or indemnity to him or any other person in respect of money lent to, or an obligation incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiaries;
- (b) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its subsidiaries for which he himself has assumed any responsibility in whole or in part alone or jointly under a guarantee or indemnity or by the giving of security;
- (c) the granting to such director of any indemnity or provision of funding pursuant to Article 180 of the Articles, which permits the Company to indemnify the Directors in respect of certain losses incurred in the exercise of his duties, unless the terms of such arrangement confer upon such director a benefit not generally available to another director;
- (d) any proposal concerning his being a participant in the underwriting or sub-underwriting of an offer of shares, debentures or other securities by the Company or any of its subsidiaries;
- (e) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company (or of any corporate third party through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances);
- (f) any arrangement for the benefit of employees of the Company or any of its subsidiaries which does not accord to any Director any privilege or advantage not generally accorded to the employees to which such arrangement relates; and
- (g) the purchase and/or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.

The Directors (other than any Directors who are managing or executive directors) shall be paid out of funds of the Company at such rates as the Directors may from time to time determine provided that such fees do not in the aggregate exceed the sum of £350,000 per annum or such other figure as the Company may by ordinary resolution determine.

The Directors shall also be paid out of the funds of the company all their travelling, hotel and other expenses properly incurred by them in and about the discharge of their duties, including their expenses of travelling to and from the meetings of the Board, committee meetings and general meetings.

The Board may grant special remuneration to any Director who devotes special attention to the business of the Company, or otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a director.

The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of past directors who held executive office or

employment with the Company or any of its subsidiaries or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependants of any such Directors.

The Directors and officers of the Company are entitled to be indemnified against all losses and liabilities which they may sustain in the execution of the duties of their office, except to the extent that such an indemnity is not permitted by sections 232 or 234 of the 2006 Act. Subject to sections 205(2) to (4) of the 2006 Act, the Company may provide a Director with funds to meet his expenditure in defending any civil or criminal proceedings brought or threatened against him in relation to the Company. The Company may also provide a Director with funds to meet expenditure incurred in connection with proceedings brought by a regulatory authority.

The Directors are obliged to retire by rotation and are eligible for re-election at the third annual general meeting after the annual general meeting at which they were elected. Any non-executive Director who has held office for nine years or more is subject to re-election annually. Any Director appointed by the Board holds office only until the next annual general meeting, when he is eligible for re-election.

There is no age limit for Directors.

Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall not be less than 3 and not more than 15 in number.

(xiii) **Redemption**

The Ordinary Shares are not redeemable.

(xiv) **Electronic communication**

The Company may communicate electronically with its members in accordance with the provisions of the Electronic Communications Act 2000.

(xv) **Lien and forfeiture**

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable (whether or not due) in respect of that share. The Board may either generally or in any particular case declare any shares to be wholly or in part exempt from such lien. The Company may sell any share on which it has a lien, in such manner as the Board may decide, if the sum payable is due and is not paid within 14 days after notice has been sent to the shareholder of the person entitled by transmission to the share. Subject to the terms of allotment, the Board may from time to time make calls on the members in respect of any moneys unpaid on their shares. If a payment is not made when due, the Board may give not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. If that notice is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares which have not been paid before the forfeiture.

The above is a summary only of certain provisions of the Articles, the full provisions of which are available for inspection as described in paragraph 28 below.

6. Mandatory takeover bids and squeeze out and sell out rules

6.1 Mandatory Bids

The City Code applies to the Company. Under the City Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of an acquirer and its concert parties to an interest in Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending upon the circumstances, its concert parties, would be required (except with the consent of The Panel on Takeovers and Mergers) to make a cash offer for the outstanding Ordinary Shares in the Company at a price not less than the highest price paid for the Ordinary Shares in the Company by the acquirer or its concert parties during the previous 12 months. A similar obligation

to make such a mandatory offer would also arise on the acquisition of Ordinary Shares by a person holding (together with its concert parties) Ordinary Shares carrying between 30 to 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

6.2 **Squeeze out**

Under the 2006 Act, if an offeror were to acquire, or unconditionally contract to acquire 90 per cent. of the shares to which the offer relates and 90 per cent. of the voting rights attached to those shares, within three months of the last day on which its offer can be accepted, it could compulsorily acquire the remaining 10 per cent.. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the 2006 Act must, in general, be the same as the consideration that was available under the takeover offer.

6.3 **Sell out**

The 2006 Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares any holder of shares to which the offer related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those shares.

The offeror would be required to give any Shareholder notice of his right to be bought out within one month of the right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

6.4 **Takeover bids**

No public takeover bid has been made in relation to the Company during the last financial year or the current financial year.

7. **Directors and Senior Managers**

7.1 The names and principal functions of the Directors and Senior Managers of the Company are set out below:

Directors

Karen Slatford, *Chairman*
Christoph Eisenhardt, *Chief Executive Officer*
Nick Parker, *Chief Financial Officer*
John Allkins, *Senior Independent Director*
Geraint Anderson, *Independent Director*
Martin Geh, *Independent Director*
Daren Morris, *Independent Director*

Senior Managers

Jill Ezard, *Chief Human Resources Officer*
Bill Davidson, *Vice President of Quality and Excellence*
Allan Lam, *Divisional Chief Executive, Power Division*
Patrick Heinzer, *Chief Information Officer*
Matthew Becker, *Head of Data Division*

- 7.2 The Directors and Senior Managers have their business address at the registered office of the Company.
- 7.3 The biographical details of the Directors are set out in paragraph 8 of Part 4 of this document. The biographical details of the Senior Managers are:

Jill Ezard – Chief Human Resources Officer

Length of service with Volex: 8 months

Relevant skills and experience to the Group:

Jill Ezard has over 20 years' experience in HR across the retail, manufacturing, financial services, and technology sectors. She joined Volex plc in September 2013 to lead people change in the Volex Transformation Programme, having previously held the position of Global Director of HR with Pace plc, leading the people change programme through two transformations. Jill joined Pace plc from Capital One, where she held various roles focusing on employee engagement, change management and leadership development. Prior to this, she had spent 11 years with Boots plc, where she held a number of senior HR positions.

Bill Davidson – Vice President of Quality and Excellence

Length of service with Volex: 4 years

Relevant skills and experience to the Group:

Bill Davidson has over 25 years experience in the IT and telecom industries. He joined Volex plc in May 2010 to lead Operational improvement, having previously held the position of Operations Director with Jabil Circuit's Consumer Division. Bill joined Jabil from Nokia, where he held the position of Head of Corporate Quality. Prior to this, he had spent 17 years with Compaq/Hewlett Packard, where he held a number of senior Operational, Engineering and Quality positions. He has been a Council Director with the Conference Board since 2007.

Allan Lam – Divisional Chief Executive, Power Division

Length of service with Volex: 6 months

Relevant skills and experience to the Group:

Allan Lam leads all the activities in the Power Division, representing 2/3 of the group's revenue.

Allan has more than 34 years of experience in the semiconductor and electronics industry. Prior to this position he was the Executive Vice President, Global Sales and Marketing and Senior Vice President of Standard Products Group (SPG) of Fairchild Semiconductor for 5 years and 2 years respectively. Allan has held a number of other senior management positions such as Vice President of Sales for Vishay Intertechnology Asia and Vice President of their Standard Products Unit. He has also held positions in management, quality, marketing, sales and engineering with Temic, BBS Electronics, CiNERGI, SGS-Thomson Microelectronics and National Semiconductor.

Allan holds a BA in business administration from the Royal Melbourne Institute of Technology in Melbourne, Australia. He also holds diplomas in both management studies from the Singapore Institute of Management and electronics engineering from Hong Kong Polytechnic. He has also graduated in the Executive Leadership program from Insead and is a fluent speaker of Cantonese, Mandarin and English.

Patrick Heinzer – Chief Information Officer

Length of service with Volex: 8 months

Relevant skills and experience to the Group:

Patrick Heinzer joined Volex on 1 October 2013 from KVT-Koenig Group. With a long track record in CIO roles, Patrick brings over 10 years' experience running global IT operations for leading corporations. Most recently, Patrick served as Chief Information Officer of KVT-Koenig Group, where he was responsible for group wide IT-Infrastructure and business applications. During his time at KVT, Patrick led the company through a major transformation, which included improving the reliability and effectiveness of the company's information systems, shifting focus more toward employee enablement, and upgrading core IT infrastructure including ERP and CRM. Before joining KVT, Patrick served as chief information officer and head of product management of Schurter group.

Matthew Becker – Head of Data Division

Length of service with Volex: 1 month

Relevant skills and experience to the Group:

Matthew Becker has over 20 years' experience in technical, sales and executive leadership roles predominantly in the automotive and commercial vehicles sector. He joined Volex plc in May 2014 as Chief Executive of the Data Division to develop and lead the growth agenda, having previously been the President and Chief Executive Officer of KVT-Koenig LLC, a member of KVT-Koenig Group. In that role, he led the team to double revenues within 3 years, turning the business from loss to profit making at the same time. Matthew joined KVT-Koenig LLC from Continental Automotive where he was Global Account Executive and Director of Sales for the Western NAFTA Region, where he led both sales and engineering, driving year on year sales growth across all accounts. Prior to this, he had spent 13 years with the Siemens group, including 4 years in Europe, where he held a number of operations, engineering, programme management and sales positions.

8. Directors' service agreements, letters of appointment and Directors and Senior Managers' Remuneration

In respect of the financial year ended 30 March 2014, the Directors and Senior Managers received the following remuneration (including contingent or deferred consideration) and benefits in kind.

	<i>Basic salary/ Fees</i>	<i>Pension</i>	<i>Benefits in kind</i>	<i>Annual Bonuses</i>	<i>Severance</i>	<i>Restricted Shares</i>	<i>Total</i>
	£	£	£	£	£	£	£
Current Directors							
Karen Slatford	120,398		1,258				121,656
Christoph Eisenhardt	315,000	63,000	354,488			793,800	1,526,288
Nick Parker	145,833	29,167	76,584				251,584
John Allkins	23,141						23,141
Geraint Anderson	18,965						18,965
Martin Geh	21,604		849				22,453
Daren Morris	8,777						8,777
Former Directors							
Daniel Abrams	120,000	24,000	13,346	—	149,500		306,846
David McKinney	151,399	40,982	22,111		331,704		546,196
Ray Walsh	163,238	32,647	23,727		481,124		700,736
Richard Arkle	27,725		5,624				33,349
Chris Geoghegan	30,513		1,945				32,458
Mike McTighe	74,839		715				75,554
TOTAL	<u>1,221,432</u>	<u>189,796</u>	<u>500,647</u>	<u>—</u>	<u>962,328</u>	<u>793,800</u>	<u>3,668,003</u>

8.1 Executive Directors

8.1.1 A service agreement was entered into between Volex plc and Christoph Eisenhardt on 24 May 2013. The service agreement continues until terminated or 12 months' notice served by either party at any time. The current salary payable under the agreement is £420,000 per annum. In addition, Mr Eisenhardt may be awarded a bonus of up to 100 per cent. of his salary. In addition to basic salary, he also receives certain benefits-in-kind, principally a car allowance and fuel costs, private medical insurance and life assurance. In addition, he benefits from an employer pension contribution totalling 20 per cent. of his salary per annum which is paid into a private pension scheme up to the annual tax limit. Mr Eisenhardt is also entitled to participate in the Performance Share Plan and to receive grants thereunder of up to 200 per cent. of his annual salary, in addition to the initial grant of awards over 630,000 Ordinary Shares as disclosed in paragraph 11 of this Part 8.

8.1.2 A service agreement was entered into between Volex plc and Nick Parker on 22 July 2013. The service agreement continues until terminated on 12 months' notice served by either party at any time. The current salary payable under the agreement is £250,000 per annum. In addition, Mr Parker may be awarded a bonus of up to 100 per cent. of his salary. In addition to basic salary, he also receives certain benefits-in-kind, principally travel costs to and from

the office, relocation costs, a car allowance and fuel costs, private medical insurance and life assurance. In addition, he benefits from an employer pension contribution totalling 20 per cent. of his salary per annum which is paid into a private pension scheme up to the annual tax limit. Mr Parker is also entitled to participate in the Performance Share Plan and to receive grants thereunder of up to 100 per cent. of his annual salary.

8.2 **Non-Executive Directors**

Each of the Non-Executive Directors has a director's appointment letter setting out the terms of his appointment. The principal terms of the appointments are as follows:

<i>Name</i>	<i>Date of agreement</i>	<i>Term of agreement</i>	<i>Total Remuneration (per year) 2014</i>	<i>Notice period on termination (by either party)</i>
Karen Slatford	27 May 2008, amended on 1 June 2011, 26 April 2012 and 28 January 2013	Extended on a one year rolling basis on 20 April in each year, subject to termination	£120,398	3 months' notice
John Allkins	8 October 2013	3 years to 14 October 2016	£50,000	3 months' notice
Geraint Anderson	14 October 2013	3 years to 13 November 2016	£50,000	3 months' notice
Martin Geh	23 October 2013	3 years to 25 October 2016	£50,000 (payable in Singapore dollars)	3 months' notice
Daren Morris	10 January 2014	3 years to 17 January 2017	£42,000	3 months' notice

The Non-Executive Directors cannot participate in the Performance Share Plan or the Restricted Scheme and are not eligible to join the Company's pension scheme. The Non-Executive Directors could historically participate in the Non-Executive Director Long Term Incentive Scheme, details of which are set out in paragraph 11 of this Part 8, though the LTIS is now being wound down and the only options outstanding thereunder are those disclosed in paragraph 11 of this Part 8.

All Non-Executive Directors have specific terms of engagement as set out above, and Non-Executive Directors are typically expected to serve two 3-year terms.

The Non-Executive Directors are subject to standard confidentiality provisions and are entitled to be reimbursed for reasonable expenses incurred in performing their duties as a Non-Executive Director.

8.3 **Daren Morris Consultancy Agreement**

On 8 April 2014, the Company entered into a Consultancy Agreement with Daren Morris pursuant to which Mr Morris agreed to provide consultancy services to the Company in connection with the refinancing of the Group's debt facilities, which is to be implemented pursuant to the Facility, and an equity fundraising, which is to be implemented by means of the Placing and Open Offer. The agreement has a fixed term to 31 December 2014, and may be terminated by the Company at any time in the event of, *inter alia*, breach of the consultancy agreement by Mr Morris.

In consideration for the services to be provided pursuant to the Consultancy Agreement, the Company has agreed to pay Mr Morris a fee of £1,000 per day (or a proportion thereof for any part of a day) worked by Mr Morris in the provision of the services. All fees are conditional upon completion of an equity fundraising and the refinancing of the Group's debt facilities by 31 December 2014. In addition, Mr Morris is entitled to be reimbursed all out of pocket expenses reasonably incurred in the provision of the services.

9. Directors' and Senior Managers' other interests

9.1 Details of the Directors' and Senior Managers' current directorships and partnerships outside the Group, and their directorships and partnerships outside the Group held during the five years preceding the date of this document, are as follows:

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Karen Slatford	<ul style="list-style-type: none"> ● The Foundry Visionmongers Ltd ● The Foundry Intermediate Holdings Limited ● The Foundry Midco No 1 Limited ● The Foundry Midco No 2 Limited ● Micro Focus International plc ● The Foundry Topco Limited ● Cambridge Broadband Networks Limited ● The Foundry Holdings Limited ● The Foundry Bidco Limited ● Farlax Bidco ApS ● Intelliflo Limited ● Intelliflo Holdings 2013 Limited ● Pentech Fund III ● E-conomic international a/s ● Neverfail Group 	<ul style="list-style-type: none"> ● Ingenious Film Partners LLP ● Acunu Ltd ● Featurespace Ltd ● Via Net.Works, Inc
Christoph Eisenhardt	<ul style="list-style-type: none"> ● Lista Holding AG 	<ul style="list-style-type: none"> ● KVT-Koenig AG ● Automotive Infotronics Limited ● Transit Telematics Systems AG ● Continental Automotive S.A.
Nick Parker	<ul style="list-style-type: none"> ● Sheffield Silversmith Company Limited ● Volex Group Holdings Limited ● Rendezvous 1 Capital (Jersey) Limited 	<ul style="list-style-type: none"> ● Sheffield Wednesday Plc ● Wandisco Plc ● Wandisco International Ltd ● Watermeet Limited ● Shepley Investments Limited ● Manor Refractories Limited ● TP2 Limited ● Acme Marls Limited ● Builders Centre (Sheffield) Limited (The) ● Sheffield Wednesday Football Club Limited ● Hot PP 2002 Ltd ● Beepart Limited ● D. Duddell Limited ● Hi-Por Ceramics Limited ● Dyson TPM Ltd ● Hot I 2002 Ltd ● Hot H 2002 Ltd ● John Knowles & Co (Wooden Box) Limited ● Intelprop Limited ● J & J Dyson Limited ● Dyson Group Plc ● Pickford, Holland & Co. Limited ● Unifrax Emission Control Europe Ltd ● Imco (62000) Limited

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
John Allkins	<ul style="list-style-type: none"> ● Renold Public Limited Company ● Fairpoint Group Plc ● Cumberland House BPRA Property Fund LLP ● Punch Taverns plc ● Nobina AB 	<ul style="list-style-type: none"> ● Molins Public Limited Company ● Linpac Senior Holdings Limited ● Linpac Finance (No.2) Limited ● Linpac Finance (No. 3) Limited ● Linpac Finance Limited ● Linpac Group Holdings Limited ● Intec Telecom Systems Limited ● Linpac Group Limited ● Albemarle & Bond Holdings Plc
Geraint Anderson	<ul style="list-style-type: none"> ● TT Electronics Ltd ● AB Electronics (Suzhou) Co. Ltd ● AB Elektronik Sensors (Suzhou) Co Ltd ● TT Electronics Integrated Manufacturing Services (Suzhou) Co. Ltd ● Midland Electronics Deutschland GmbH ● TT Electronics Holding GmbH ● TT Electronics Sensing and Control SRL ● AB Electronic Products Group Limited ● TT Electronics plc ● AB Elektronik, Inc. ● AB Interconnect, Inc. ● APSCO Holdings, Inc. ● BI Technologies Corporation ● International Resistive Company Inc. ● International Resistive Company of Texas, LLC ● Optek Technology Inc. ● Shallcross Inc. ● TT Electronics Integrated Manufacturing Services, Inc. ● TT Group Industries, Inc. 	<ul style="list-style-type: none"> ● Dale Power Solutions Limited ● TT Electronics Technology Limited
Martin Geh	<ul style="list-style-type: none"> ● Five Stones Ventures 	
Daren Morris	<ul style="list-style-type: none"> ● Rockmount Financial Limited ● Rendezvous 1 Capital (Jersey) Limited 	<ul style="list-style-type: none"> ● Vallar Limited ● Vallar Holding Company Limited ● Vallar LLP ● Vallar Investments UK Limited

Senior Managers

<i>Name</i>	<i>Other current senior management positions, directorships/partnerships</i>	<i>Previous senior management positions, directorships/partnerships</i>
Jill Ezard	None	<ul style="list-style-type: none"> ● Pace plc
Bill Davidson	None	None
Allan Lam	None	None
Patrick Heinzer	None	<ul style="list-style-type: none"> ● Schurter Group
Matthew Becker	KVT-koenig, LLC	None

- 9.2 At the date of this document none of the Directors or Senior Managers of Volex has at any time in the five years preceding the date of this document:
- 9.2.1 been a director or partner of any companies or partnerships;
 - 9.2.2 had any convictions in relation to fraudulent offences (whether spent or unspent);
 - 9.2.3 been adjudged bankrupt or entered into an individual voluntary arrangement;
 - 9.2.4 been a director of a company which has been placed into receivership, compulsory liquidation, creditors' voluntary liquidation or administration, or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or with any class of its creditors, at any time while he was a director of that company or within 12 months after his ceasing to be a director;
 - 9.2.5 been a partner or senior manager in a partnership which, while he was a partner or senior manager or within 12 months of his ceasing to be a partner or senior manager, was put into compulsory liquidation or administration or entered into any partnership voluntary arrangement or had a receiver appointed over any partnership asset;
 - 9.2.6 had a receiver appointed with respect to any assets belonging to him or a partnership of which he has been a partner; or
 - 9.2.7 been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) or been disqualified by a court from acting as a director or other officer of a company or from acting in the management or conduct of the affairs of any company.
- 9.3 The interests (all of which are beneficial unless otherwise stated) of the Directors (as well as their immediate families) in the share capital of the Company and (so far as is known or could with reasonable due diligence be ascertained by the relevant Director) the interests of any person connected (within the meaning of the Disclosure and Transparency Rules) with a Director and the existence of which was known to or could, with reasonable diligence, be ascertained by the Directors as at 11 June 2014 (the latest practicable date prior to the publication of this document), together with such interests as are expected to be held immediately following completion of the Placing and Open Offer, are as follows:

<i>Director</i>	<i>Present</i>		<i>Following the Placing and Open Offer⁽¹⁾</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
Daren Morris	30,000	0.045%	40,909	0.045%
Christoph Eisenhardt	25,000	0.038%	34,090	0.038%
Karen Slatford	30,000	0.045%	40,909	0.045%
Total	<u>85,000</u>	<u>0.128%</u>	<u>115,908</u>	<u>0.128%</u>

⁽¹⁾ Assuming no options or awards under the Share Incentive Schemes are exercised between 11 June 2014 (the latest practicable date prior to the publication of this document) and completion of the Placing and Open Offer, and assuming the Directors take up their rights to subscribe for New Shares in the Open Offer in accordance with the Director Irrevocable Undertakings, the details of which are set out in paragraph 9 of Part 1 (Letter from the Chairman of the Company) of this document.

- 9.4 The Senior Managers (and their immediate families) do not have any interests in the share capital of the Company and (so far as is known or could with reasonable due diligence be ascertained by the relevant Senior Manager or the Directors) no person connected (within the meaning of the Disclosure and Transparency Rules) with a Senior Manager has any interests in the share capital of the Company, the existence of which is known to or could, with reasonable diligence, be ascertained by the relevant Senior Manager or the Directors) as at 11 June 2014 (the latest practicable date prior to the publication of this document).
- 9.5 The interests of the Directors represent approximately 0.128 per cent. of the issued share capital of the Company as at 11 June 2014 (being the latest practicable date prior to the publication of this document) and are expected to represent approximately 0.128 per cent. of the Enlarged Ordinary Share Capital immediately following completion of the Placing and Open Offer.

9.6 None of the Directors or Senior Managers has any potential conflicts of interest between their duties to the Company and their private interests or other duties.

10. Subsidiaries and Corporate Structure

The Company is the holding company of the Group and at the date of this document has the following principal subsidiary undertakings, being those which are considered by the Company to be likely to have a significant effect on the assessment of the Group's assets and liabilities, financial position or profits and losses. Each of these companies is wholly owned by a member of the Group and its share capital is fully paid up:

<i>Name of Company</i>	<i>Country of incorporation</i>	<i>Direct/ Indirect holding</i>	<i>Percentage holding and voting rights</i>
Volex Powercords Europe	UK	Direct	100%
Volex Pte Ltd	Singapore	Direct	100%
Volex (Asia) Pte Ltd	Singapore	Indirect	100%
PT Volex Indonesia	Indonesia	Indirect	100%
PT Volex Cable Assembly	Indonesia	Indirect	100%
Volex Cable Assemblies (Phils) Inc.	Philippines	Indirect	100%
Volex Japan KK	Japan	Indirect	100%
Volex (Taiwan) Co. Ltd	Taiwan	Indirect	100%
Volex (Thailand) Co. Ltd	Thailand	Indirect	100%
Volex Cable Assembly (Vietnam) Pte Ltd	Vietnam	Indirect	100%
Volex Cable Assemblies Sdn Bhd	Malaysia	Indirect	100%
Volex Cables (HK) Ltd	Hong Kong	Indirect	100%
Volex Interconnect (India) Pvt Ltd	India	Direct & Indirect	100%
Volex Interconnect Systems (Suzhou) Co. Ltd.	China	Indirect	100%
Volex Cable Assembly (Shenzhen) Co. Ltd	China	Indirect	100%
Volex Cable Assembly (Zhongshan)	China	Indirect	100%
Volex Holdings Inc	USA	Direct	100%
Volex Inc.	USA	Indirect	100%
Volex Canada Inc.	Canada	Direct	100%
Volex de Mexico SA de CV	Mexico	Indirect	100%
Volex do Brasil Ltda	Brazil	Direct & Indirect	100%
Volex Europe Ltd	Ireland	Indirect	100%
Volex Poland SP z.o.o.	Poland	Direct	100%
Volex Sweden AB	Sweden	Direct	100%

11. Share Incentive Schemes

The Group operates the following equity-settled share-based payment arrangements: the Performance Share Plan; the Restricted Share Scheme; and the Non-Executive Director Long Term Incentive Scheme. The share options and long-term incentives held by the Directors and Senior Managers as at 11 June 2014 (the latest practicable date prior to the publication of this document) are set out in the table below:

Share options currently held:

<i>Director/ Senior Manager</i>	<i>Share Plan</i>	<i>Date of grant/award</i>	<i>Number of Shares subject to option/award</i>	<i>Option exercise price (£)</i>	<i>Exercise prior (for option)/ performance period (for awards)</i>
Directors					
Christoph Eisenhardt	PSP	12 March 2014	771,704	25 pence	From 12 March 2017
Christoph Eisenhardt	Restricted Share Scheme	23 September 2013	630,000	Nil	18 July 2016 – 18 February 2017
Karen Slatford	LTIS	1 October 2010	80,000	Nil	25 March 2014 – 25 March 2017
Nick Parker	PSP	12 March 2014	229,674	25 pence	From 12 March 2017
Senior Managers					
Allan Lam	PSP	12 March 2014	217,836	25 pence	From 12 March 2017
Allan Lam	Restricted Share Scheme	12 March 2014	50,000	Nil	From 12 March 2017
Bill Davidson	PSP	12 March 2014	45,627	25 pence	From 12 March 2017
Jill Ezard	PSP	12 March 2014	183,739	25 pence	From 12 March 2017
Patrick Heinzer	PSP	12 March 2014	66,146	25 pence	From 12 March 2017

11.1 ***Vollex Group plc Non-Executive Long Term Incentive Scheme***

The LTIS was adopted on 25 March 2009 and amended on 29 September 2010 and is supervised by the remuneration committee. The only outstanding award under the LTIS is to Karen Slatford who holds options over 80,000 Ordinary Shares in the Company. No further awards will be made under the LTIS. No payment was/is required to be made on the grant or exercise of the award.

The vesting of awards granted under this scheme depends upon certain share price targets being met. All shares subject to this outstanding award are vested and therefore the award may be exercised at any time before 25 March 2017, when it lapses.

11.2 ***Vollex Group plc Performance Share Plan 2009***

General

The Plan was entered into on 25 March 2009 and amended 18 September 2010. Awards under the PSP are subject to performance conditions set by the Remuneration Committee of the Board. Any employee of the Company or any subsidiary of the Company is eligible to be granted an award if selected by the Remuneration Committee.

Grant

The Remuneration Committee may determine the number of ordinary shares subject to an award. The award may either take the form of an option granted by the Company with an exercise price set at the nominal value of the Ordinary Shares (in the case of new shares) or a right to acquire Ordinary Shares for nil consideration (in the case of existing shares). No consideration is payable for the grant of an award.

Scheme limits

The aggregate nominal value of the shares which the Company may issue for the purpose of the PSP is limited so that in any ten year period, the aggregate nominal value of Ordinary Shares issued or capable of being issued to satisfy awards granted under the PSP and issued or then capable of being issued under any other employees' share scheme, profit sharing scheme or employee share ownership plan shall not exceed 11 per cent. of the nominal value of the Ordinary Share capital of the Company in issue on that date.

Individual limit

Awards are limited so that the market value of the shares subject to that award shall not exceed 100 per cent. of the award holder's annual salary.

Performance conditions

The exercise of awards is conditional upon the achievement of objective performance targets site at the time of grant. These performance targets shall be measured over a performance period.

Exercise of awards

An award may only be exercised following a vesting date specified at the time of grant (but not less than three years after the date of grant of the award) if the performance condition has been satisfied and the award holder is still an employee of the Group.

No award is capable of exercise more than ten years after its award date. If the award holder ceases employment with the Group before the vesting date the award will generally lapse.

In the event of a takeover, a scheme of arrangement under Part 26 of the 2006 Act being sanctioned by the court or the voluntary winding up of the Company, early exercise is possible.

In all of these circumstances allowing for early exercise of an award, the award may not be exercised unless the performance condition has been satisfied. Where an award is exercised early the maximum number of shares subject to the award will be pro-rated down.

Termination

The PSP may be terminated at any time by the Board but in any event expires on 25 March 2019.

11.3 Volex plc Restricted Share Scheme 2009

General

Under this Scheme, the participants are entitled to receive a one-off award over Ordinary Shares in the capital of the Company. There is no performance target, but the individual is only able to obtain all of the shares under the award if they remain in employment with the group for 3 years following the grant of the award. Any employee of the Company or any subsidiary of the Company is eligible to be granted an award under the Scheme and no consideration is payable for the grant of an award.

Grant

Awards will be a right to acquire shares for nil consideration.

Scheme limits

The aggregate nominal value of the shares which the Company may issue for the purpose of the Restricted Share Scheme is limited so that in any ten year period, the aggregate nominal value of

Ordinary Shares issued or capable of being issued or satisfy awards granted under the Restricted Share Scheme and issued or then capable of being issued under any other employees' share scheme, profit sharing scheme or employee share ownership plan shall not exceed 11 per cent. of the nominal value of the Ordinary Share capital of the Company in issue on that date.

Individual limit

No employee shall be granted more than one award.

Normally, an award shall be limited so that the market value of the shares subject to that award shall not exceed 100 per cent. of the award holder's annual salary.

Exercise of awards

Normally an award may only be exercised following the third anniversary of the date of grant of the award provided the award holder is still an employee of the Group. No award is capable of exercise more than six months after its vesting date and will lapse on the expiry of this period.

Corporate Events

Exercise of awards is also possible earlier than the vesting date in the event of a takeover, a scheme of arrangement under Part 26 of the 2006 Act being sanctioned by the court or the voluntary winding up of the Company.

Termination

The Restricted Share Scheme may be terminated at any time by the Board and in any event terminates on the tenth anniversary of its adoption.

12. Significant Shareholdings

In addition to the interests of the Directors described in paragraph 9 of this Part 8, the Company is aware of the following persons with beneficial or non beneficial interests (direct or indirect) in 3 per cent. or more of its existing issued share capital as at 11 June 2014 (the latest practicable date prior to publication of this document):

<i>Name</i>	<i>Number of shares</i>	<i>Existing share capital (%)</i>
NR Holdings Limited	16,373,362	24.74%
GoldenPeaks Capital	11,936,045	18.03%
Ruffer LLP	4,832,000	7.30%
M&G Investment Management	2,479,641	3.75%
Artemis Intertrade (via Neue Helvetische Bank)	2,240,912	3.39%

The data for "Number of shares" shown above does not take into account New Shares that may be issued or subscribed for pursuant to the Placing and Open Offer. Save for the interests referred to in this paragraph 12, the Company is not aware of any direct or indirect interest which as at 11 June 2014 (the last practicable date prior to publication of this document) represents 3 per cent. or more of the existing issued share capital and has not been notified of any direct or indirect interest which will represent 3 per cent. or more of the Enlarged Ordinary Share Capital immediately following the Placing and Open Offer.

None of the shares referred to above have different voting rights than the other Ordinary Shares.

The Directors are not aware of any person who, following the Placing and Open Offer, will or could, directly or indirectly, jointly or severally, exercise control over the Company.

There are no arrangements known to the Directors at the date of this document which may result in a change of control of the Company.

13. Employees

The following table sets out the average monthly number of employees (including Executive Directors) during the financial years ended 3 April 2011, 1 April 2012 and 31 March 2013 and as at 11 June 2014 (the latest practicable date prior to publication of this document):

<i>Division</i>	<i>52 weeks ended 3 April 2011</i>	<i>52 weeks ended 1 April 2012</i>	<i>52 weeks ended 31 March 2013</i>	<i>52 weeks ended 30 March 2014</i>	<i>As at 11 June 2014</i>
Production	7,093	7,095	7,392	5,991	6,994
Sales and distribution	631	616	565	560	524
Administration	652	690	638	445	431
Number of employees	8,376	8,401	8,595	6,996	7,899

The following table sets out details of the employee costs (including those relating to the Directors) during the financial years ended 3 April 2011, 1 April 2012, 31 March 2013 and 30 March 2014:

<i>Division</i>	<i>52 weeks ended 3 April 2011</i>	<i>52 weeks ended 1 April 2012</i>	<i>52 weeks ended 31 March 2013</i>	<i>52 weeks ended 30 March 2014</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Wages and Salaries	70,487	76,231	79,405	72,630
Social Security Costs	5,273	9,487	9,995	9,665
Share-based payment charge	2,602	3,976	181	(2,288)
Other pension Costs	2,500	1,201	1,691	951
Employee costs	80,862	90,895	91,272	80,958

14. Corporate Governance Practices

14.1 General

The Listing Rules require UK listed companies to report on the manner in which they apply the Principles of Good Governance and the extent to which they comply with the provisions set out in the Corporate Governance Code.

The Directors are committed to the highest standards of corporate governance and to applying the Principles of Good Governance set out in the Corporate Governance Code. The Corporate Governance Code recommends that at least half the members of a board (excluding the chairman) of a public company listed in the UK should be non-executive directors who are independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

The Board confirms that the Company has complied with the provisions set out in the Corporate Governance Code throughout the 52 weeks ended 30 March 2014 and the period up to and including the date of this document. During the 52 weeks ended 30 March 2014, there were a number of Board changes, and at the end of the year, the Board comprised two executive Directors and five non-executive Directors (including a non-executive Chairman). The following sections explain how the Company has applied the main and supporting principles set out in the Corporate Governance Code.

14.2 Audit Committee and members

The Audit Committee currently comprises John Allkins (Chairman), Martin Geh and Daren Morris. The Board considers that the Audit Committee is made up entirely of independent non-executive Directors.

The Audit Committee, which is established with formal, written terms of reference, meets prior to the release of financial results to consider the interim and full year results announcements. The audit committee assists the Board in its review of the effectiveness of the Group's financial reporting and internal control policies and procedures for the identification, assessment and reporting of risks. It monitors the integrity of the financial statements and any formal announcements relating to the financial performance of the Group. It reviews the Group's internal and financial controls, monitoring the effectiveness of internal audit and agreeing on the annual internal audit plan. It considers matters associated with the external audit process including its effectiveness, the independence and objectivity of external audit, the annual plan and associated fees, and makes recommendations to the Board as regards the appointment, re appointment or removal of the Group's external auditors. It reviews the appropriateness and consistency of accounting policies and challenges where necessary the Group's financial statements, taking into account matters such as decisions requiring a major element of judgement, the clarity of disclosures, and compliance with accounting standards. It reviews arrangements by which staff may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. It develops and implements a policy on the engagement of the external auditors to supply non audit services, taking into account ethical guidance reporting to the Board identifying areas of improvement and recommendations.

14.3 Remuneration Committee and members

The Remuneration Committee currently comprises Geraint Anderson (Chairman), John Allkins, Martin Geh, Daren Morris and Karen Slatford. The Board considers that the Remuneration Committee is made up entirely of independent non-executive Directors.

The remuneration committee, which is established with formal, written terms of reference, meets at least once a year. The remuneration committee considers and recommends to the Board the total individual remuneration package of each executive director, the chairman and certain senior employees. The remuneration committee has appointed independent remuneration consultants, Kepler Associates to advise on all aspects of senior executive remuneration. No Director plays a part in setting their own remuneration. The committee proposes targets for any performance related pay schemes and measures performance against those targets. It determines the policy for, and scope of, pension arrangements, service agreements for the executive directors, annual bonus plans and awards under the Company's share incentive arrangements, termination payments and compensation commitments.

14.4 Nomination Committee and members

The Nomination Committee currently comprises Karen Slatford (Chairman), John Allkins, Geraint Anderson and Martin Geh. The Board considers that the Nomination Committee is made up entirely of independent non-executive Directors.

The Nomination Committee, which is established with formal, written terms of reference, meets at least once a year. The Nomination Committee makes recommendations to the Board as to its structure, size and composition. It prepares a description of the role and capabilities required for any particular Board appointment. It is responsible for identifying, and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise. It reviews succession planning processes with regard to both Board and senior appointments. It assesses and articulates the time needed to fulfil the role of chairman and non-executive Director. It undertakes an annual performance evaluation to ensure that all the members of the Board have devoted sufficient time to their duties.

14.5 Performance Evaluation

The Corporate Governance Code requires each company to conduct performance evaluations of its board, committees and individual directors, and to report on these evaluations. The Board supports and promotes an effective performance evaluation process. However, as the majority of the Board was appointed in the last financial year, the Chairman and the Company Secretary together believe it is not yet possible to conduct a rigorous performance evaluation. A formal evaluation process will be developed and implemented before the end of this financial year. During the year, pursuant to the Code, the Chairman met with other non-executive Directors without the executive Directors present, and the Senior Independent Director met with the other non-executive Directors without the Chairman present.

14.6 **Communication with Shareholders**

The Board recognises the significance of effective communication with both institutional and private investors, and the need to respond promptly to queries received. During the financial year ended 30 March 2014, the Group published interim and annual financial statements and interim management statements, which were available to all shareholders via the Group's website www.volex.com. The website also includes regulatory news releases, results of AGMs and general meetings and other investor news.

During the financial year ended 30 March 2014, the Chief Executive Officer and Chief Finance Officer held meetings with analysts and institutional shareholders. The annual general meeting is also used as a forum to introduce the directors to shareholders and to take questions from investors.

The Directors meet the Group's brokers to discuss items raised by Shareholders, and feedback from the analysts attending the meetings is collated by the Group's advisers and reviewed by the Directors. The Directors also receive copies of analyst coverage as and when they are released.

14.7 **Internal Control and Risk Management**

The Directors are responsible for establishing and maintaining the Group's system of internal control and reviewing its effectiveness. By its nature, however, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board views risk management as integral to good business practice and has designed its risk identification and management processes so as to be part of its normal review and decision making activities. These include a continuous process for identifying, evaluating and managing the significant risks faced by the Group with controls and review processes designed to ensure effort and management time is focused on the areas where attention is required. The Board is also regularly updated on issues of importance through the Board meeting documentation and determines appropriate actions as necessary.

15. **Pensions**

The Company operated a defined benefits scheme where future accrual of retirement benefits under such scheme ceased on 31 March 2003 and the scheme was replaced with defined contribution arrangements. The Group does not operate its own occupational pension scheme but contributes to group flexible retirement plans for its staff according to individuals' contract terms. Contributions payable by the Group to these plans are charged to the profit and loss account in the period to which they relate. All such plans are defined contribution arrangements, the assets of which are held separately from the Group.

The contributions made by the Group in respect of money purchase schemes for each Director and for the Senior Managers is as follows:

	<i>52 weeks ended 30 March 2014</i>
Directors	
Christoph Eisenhardt	£63,000
Nick Parker	£29,166
Total	<u>£92,166</u>
Senior Managers	<u>£65,869</u>

16. **No significant change**

There has been no significant change in the trading or financial position of the Group since 30 March 2014, being the date to which the 2014 Preliminary Results were prepared.

17. Related party transactions

17.1 There have not been and are currently no agreements or other arrangements between members of the Group and individuals or entities that are related parties, for the period from 31 March 2010 until 11 June 2014 (the latest practicable date prior to publication of this document) save as disclosed in the financial information incorporated by reference into this document and save as set out in paragraph 17.2 of this Part.

17.2 Agreements or other arrangements between members of the Group and individuals or entities that are related parties for the period from 30 March 2014 to 11 June (the latest practicable date prior to publication of this document) are as follows:

17.2.1 The following compensation was paid to the Directors from 30 March 2014 to 11 June 2014:

<i>Directors</i>	<i>Fees/Salary</i> (£)	<i>Benefits</i> (£)
Karen Slatford	24,653	–
Christoph Eisenhardt	82,833	24,755
Nick Parker	49,305	13,012
John Allkins	9,861	–
Geraint Anderson	9,861	–
Martin Geh	9,861	–
Daren Morris	8,283	–

17.2.2 Amounts due by the Company to its subsidiary undertakings and by the Company's subsidiary undertakings to it are, as at 11 June 2014 (the latest practicable date prior to publication of this document), as follows:

	\$'000
Amounts due from subsidiary undertakings	140,960
Amounts due to subsidiary undertakings	100,709

18. Material contracts

The following contracts have been entered into by members of the Group otherwise than in the ordinary course of business: (i) during the two years immediately preceding the date of this document and are or may be material; and (ii) otherwise than in the two years immediately preceding the date of this document which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document:

Underwriting Agreement

The Company entered into the Underwriting Agreement on 12 June 2014 with Investec. Pursuant to the terms and conditions contained in the Underwriting Agreement, the Company has appointed Investec as its agent in connection with the Placing and Open Offer. Subject to the terms and conditions of the Underwriting Agreement, Investec has agreed to use its reasonable endeavours to procure placees for the Open Offer Shares other than the Committed Shares (subject to the rights of Qualifying Shareholders to subscribe for the Open Offer Shares pursuant to the Open Offer), in each case at the Issue Price. To the extent placees are not secured for the Open Offer Shares other than the Committed Shares, Investec agrees to subscribe itself as principal for such Open Offer Shares (subject to clawback to satisfy valid applications made by Qualifying Shareholders under the Open Offer) at the Issue Price.

The obligations of Investec under the Underwriting Agreement are subject to certain conditions being satisfied that are customary for an agreement of this nature. These include, amongst others: (i) the passing of the Resolution (without amendments) at the General Meeting; (ii) the fulfilment by the Company of certain of its obligations under the Underwriting Agreement; (iii) Admission becoming effective by not later than 8.00 a.m. on 2 July 2014 (or such later time and date as the Company and Investec may agree) but in any event being not later than 8.00 a.m. on 16 July 2014; and (iv) the performance by the Company of its obligations under the Underwriting Agreement. Investec has the ability, on giving notice to the Company, to terminate the Underwriting Agreement prior to Admission in certain specific circumstances that are

typical for an agreement of this nature. Investec is not entitled to terminate the Underwriting Agreement after Admission.

The Company has agreed to pay to Investec a corporate finance fee of £125,000, an underwriting fee of 0.5 per cent. of the value of the Issue Price multiplied by the aggregate number of Underwritten Shares and a commission of between 2.0 and 2.5 per cent. of the value of the Issue Price multiplied by the number of Underwritten Shares. In addition the Company has agreed to pay a sub-underwriting commission to placees in respect of any Open Offer Shares that they had agreed to take up which were subject to clawback in order to satisfy valid applications made by Qualifying Shareholders under the Open Offer. The Company has agreed to pay (together with any applicable value added tax) certain costs and expenses of and incidental to, amongst other things, the Placing and Open Offer, Admission and Investec's legal fees and out of pocket expenses.

The Company has given customary representations, warranties and undertakings to Investec and has agreed to indemnify Investec against certain liabilities. The Company has further agreed that, between the date of the Underwriting Agreement and the day falling 90 days from such date, it will not, without first consulting with Investec, enter into any commitments or agreement which is or may be material in the context of the Placing and Open Offer and Admission other than transactions disclosed in this document. In addition, the Company has agreed, subject to limited exceptions, not to issue any shares or options over shares or securities convertible or exchangeable into shares or enter into any agreement or undertaking to do the same for a period of 90 days from the date of Admission.

Initial Subscription and Option Agreement and Subscription and Transfer Agreement

In connection with the Placing, the Company, Newco Subscriber and Newco have entered into (i) the Initial Subscription and Option Agreement; and (ii) the Subscription and Transfer Agreement, each dated 12 June 2014, in respect of the subscription and transfer of ordinary shares and redeemable preference shares in Newco.

Under the terms of these agreements:

- (a) the Company and Newco Subscriber agreed to subscribe for ordinary shares in Newco and enter into put and call options in respect of the ordinary shares subscribed for by Newco Subscriber that are exercisable if Admission does not occur;
- (b) Newco Subscriber will apply monies received from Conditional Placees and/or Qualifying Shareholders under the Placing and/or the Open Offer (as the case may be) to subscribe for redeemable preference shares in Newco to an aggregate value equal to amounts payable in respect of the New Shares (after deducting relevant commission and/or expenses); and
- (c) the Company will allot and issue the New Shares in consideration of Newco Subscriber transferring its holding of ordinary shares and redeemable preference shares in Newco to the Company.

Accordingly, instead of receiving cash as consideration for the issue of the New Shares, at the conclusion of the Placing and Open Offer, the Company will own the entire issued share capital of Newco whose only assets will be its cash reserves, which will represent an amount equivalent to the net proceeds of the Placing and Open Offer. The Company will be able to utilise this amount equivalent to the net proceeds of the Placing and Open Offer by exercising its right of redemption over the redeemable preference shares it holds in Newco and, during any interim period prior to such redemption, by procuring that Newco lends the amount to the Company.

Financing Arrangements

Facility

The Company, Volex Europe Limited and Volex (Asia) Pte Ltd (together, the "Borrowers") have entered into a multicurrency facility agreement dated 31 May 2011 and amended on 27 September 2013, 13 November 2013 and 11 June 2014 with Lloyds TSB Bank plc, HSBC Bank plc and Clydesdale Bank PLC (the "Lenders").

The Facility has been made available for the working capital and general corporate purposes of the Group (including permitted acquisitions) and, subject to the June Amendment Letter becoming unconditional, will be available until the termination date (15 June 2017) in an aggregate amount of up to US\$45 million. The

June Amendment Letter is conditional upon the Placing and Open Offer becoming unconditional and prepayment of US\$25 million from the proceeds of the Placing and Open Offer.

The Facility may be utilised by way of drawing of up to 16 loans in US dollars, sterling or euros or any currency which is readily available and freely convertible into US Dollars in the interbank market. The Facility may also be made available by way of ancillary facilities (subject to a US\$14,400,00 cap per Lender) provided by individual Lenders on a bilateral basis, thereby reducing that Lender's available commitment under the Facility.

Ancillary facilities may consist of overdraft, guarantee, bonding, documentary or stand-by letter of credit facilities, short term loan facility or any other facility or accommodation required in connection with the business of the Group and which is agreed between the Company and the relevant Lender.

A borrower is able to select the interest period applicable to a loan (1, 2, 3 or 6 months) with each loan being repaid or rolled over at the end of the interest period. All amounts outstanding under the Facility will be repayable in full on the termination date.

As of 30 March 2014, US\$46.4 million had been drawn down from the Facility.

Fees

A work fee of US\$300,000 is payable to Lloyds TSB Bank plc as agent (for the account of the Lenders), pursuant to the June Amendment Letter.

Customary agency fees are payable to Lloyds TSB Bank plc, as agent, and a commitment fee is payable on a three-monthly basis on each Lender's available commitments, until one month prior to the termination date of the Facility.

Pricing

The Facility carries interest equal to the aggregate of LIBOR plus mandatory costs (an addition to the interest rate to compensate the Lenders for the cost of compliance with certain regulatory requirements) plus margin. The margin will vary in accordance with a leverage-linked ratchet.

Documentation

The Facility is based on the Loan Markets Association prevalent revolving credit facility agreement includes conditions precedent to utilisations, financial covenants, representations, covenants, undertakings, information undertakings and events of default which are standard for a facility of this nature.

Security and guarantee

Each Borrower has granted security over its assets by way of a debenture in favour of Lloyds TSB Bank plc, as security agent, as security for each Borrower's liabilities and obligations under the Facility. In addition, the Company has granted share pledges over its shares in certain subsidiaries and each Borrower, along with certain subsidiaries, has given a guarantee in respect of each Borrower's liabilities and obligations under the Facility.

DBS ID Facility

Volex (Asia) Pte has entered into an Accounts Receivable Purchase Facility with DBS Bank Ltd dated 17 June 2013 of up to US \$15,000,000.

19. United Kingdom Taxation

The comments below are intended as a general guide only to the position under current UK taxation legislation and HMRC's published practice as at the date of this document, both of which are subject to change at any time possibly with retrospective effect. The comments assume that the Finance Bill 2014 will be enacted in its current form without amendment. Royal Assent of the Finance Bill 2014 is currently expected to take place in July 2014. The comments below are intended to apply only to Shareholders who are resident and, in the case of individuals, resident and domiciled, in the UK for UK tax purposes who hold Ordinary Shares as investments and who are the direct beneficial owners of Ordinary Shares (and the

shares are not held through an Individual Savings Account or a Self Invested Personal Pension) and who have not acquired their Ordinary Shares by virtue of any employment. They do not constitute tax advice and are only a general guide. They do not apply to certain classes of Shareholders, for example but not limited to, dealers in securities, insurance companies and collective investment schemes. Shareholders who are in any doubt as to their tax position or who are resident in or subject to tax in a jurisdiction other than the United Kingdom should obtain the advice of an independent professional adviser.

19.1 **Capital Gains**

19.1.1 *New Shares acquired pursuant to the Open Offer*

As a matter of UK law, the acquisition of New Shares by Qualifying Shareholders pursuant to the Open Offer may not be regarded as a reorganisation of the share capital of the Company for the purposes of UK taxation of chargeable gains. Specific confirmation as to whether the Open Offer will be treated as a reorganisation has not been requested from HMRC.

To the extent that the issue of the New Shares by the Company will be regarded as a reorganisation of the Company's share capital for the purposes of UK taxation on chargeable gains a Shareholder will not be treated as acquiring a new asset nor will it be treated as making a disposal of any part of his existing holding of Ordinary Shares by reason of taking up all or part of his entitlements to New Shares. No liability to UK taxation on chargeable gains should arise in respect of the issue of New Shares to the extent that a Shareholder takes up his Open Offer Entitlements. To the extent that a Qualifying Shareholder takes up the New Shares allotted to him under the Open Offer, the New Shares so allotted, will, for the purposes of UK tax on chargeable gains, be treated as having been acquired at the same time as the Qualifying Shareholder's existing holding was acquired. The amount of subscription monies paid for such New Shares will be added to the allowable expenditure for the Qualifying Shareholder's existing holding(s). In the case of a corporate Qualifying Shareholder, indexation allowance will apply to the new amount paid for such New Shares only from, generally, the date the monies for the New Shares are paid or liable to be paid.

If, or to the extent that, the acquisition of New Shares under the Open Offer is not regarded by HMRC as a reorganisation, the New Shares acquired by each Qualifying Shareholder under the Open Offer will, for the purposes of UK taxation of chargeable gains, be treated as a separate acquisition of shares. When computing any gain or loss on a subsequent disposal of shares, for UK chargeable gains purposes, HMRC's share identification provisions will need to be taken into consideration.

19.1.2 *New Shares acquired pursuant to the Placing*

The issue of New Shares under the Placing which are not subject to the Open Offer will not constitute a reorganisation of share capital for the purposes of the UK taxation of chargeable gains and, accordingly, any New Shares acquired pursuant to the Placing will be treated as acquired as part of a separate acquisition of shares.

19.1.3 *Disposal of New Shares*

The disposal by a Qualifying Shareholder of all or part of the New Shares issued to him under the Open Offer may, depending on the Qualifying Shareholder's circumstances, render him liable to UK tax on chargeable gains. The amount of capital gains tax, if any, payable by a Shareholder (on any disposal of Ordinary Shares) who is an individual will depend on his or her own personal tax position. No tax will be payable on any gain realised if the amount of the net chargeable gains realised by a Shareholder, when aggregated with other net gains realised by that Shareholder in the year of assessment (and after taking account of allowable losses), does not exceed the annual exempt amount (£11,000 for 2014/15). Broadly, any gains in excess of this amount will be taxed at a rate of 18 per cent. (2014/15) for a taxpayer paying tax at the basic rate and 28 per cent. (2014/15) for a taxpayer paying tax at a rate above the basic rate of income tax. Where the gains of a basic rate taxpayer subject to capital gains tax exceed the unused part of his or her basic rate band, that excess is subject to tax at the 28 per cent. rate.

Individuals who are temporarily non UK resident may, in certain circumstances, be subject to tax in respect of gains realised whilst they are not resident in the UK.

Subject to the availability of any exemptions, reliefs and/or available losses, a disposal of New Shares by a corporate Shareholder subject to UK corporation tax will generally be subject to UK corporation tax on any chargeable gain arising.

19.2 **Stamp duty and SDRT**

Where New Shares are issued there is generally no charge to stamp duty or SDRT, subject to the special rules referred to below.

The transfer on sale of New Shares will be liable to ad valorem stamp duty, generally at the rate of 0.5 per cent. (rounded up to the next multiple of five pounds (£5)) of the amount or value of consideration given. Stamp duty is normally payable by the purchaser or transferee of the New Shares. However, where the consideration for the transfer is £1,000 or less (and the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000) no stamp duty will be payable. A charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration given for the new shares will arise in relation to an unconditional agreement to transfer shares. However, if within six years of the date of the agreement (or, if the agreement was conditional, the date on which the agreement became unconditional) an instrument of transfer is executed pursuant to the agreement and is duly stamped, the stamping of the written instrument will normally cancel, or give rise to a repayment in respect of, any SDRT payable or paid as appropriate.

Under the CREST system for paperless share transfers, no stamp duty or SDRT will arise on a transfer of shares into the system, unless the transfer into CREST is itself for consideration in money or money's worth, in which case a liability to SDRT will arise, usually at the rate of 0.5 per cent. of the amount or value of consideration given. Transfers of shares within CREST are generally liable to SDRT (at a rate of 0.5 per cent. of the consideration given) rather than stamp duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected and accounted for to the HMRC by CREST.

The above statements are intended as a general guide to the current stamp duty and SDRT position. Certain categories of person, including market makers, brokers and dealers may not be liable to stamp duty or SDRT and others (including persons connected with depositary arrangements and clearance services), may be liable to pay SDRT at a higher rate of 1.5 per cent. or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

The Government announced its intention to abolish (with effect from 28 April 2014) stamp duty and SDRT on shares that are admitted to trading on a recognised growth market. This relief has now been set in the draft Finance Bill 2014.

19.3 **Dividends**

Under current UK tax law, the Company will not be required to withhold tax at source from dividend payments it may make to Shareholders in respect of its Ordinary Shares.

19.3.1 *Individuals*

An individual Shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company will be entitled to a tax credit which may be set off against his total income tax liability on the dividend. An individual Shareholder's liability to income tax is calculated on the aggregate of the dividend and the tax credit (the gross dividend) which will be regarded as the top slice of the individual's income. The tax credit will be equal to 10 per cent. of the gross dividend, i.e. the tax credit will be one ninth of the amount of the net cash dividend received.

Generally, a UK resident individual Shareholder who is not liable to income tax in respect of the gross dividend will not be entitled to any payment from HMRC in respect of any part of

the tax credit. A UK resident Shareholder who is liable to income tax at the basic rate will be subject to income tax on the dividend at the rate of 10 per cent. (2014/15) of the gross dividend so that the tax credit will satisfy in full such Shareholder's liability to income tax on the dividend. A UK resident individual Shareholder liable to income tax at the higher rate will be subject to income tax on the gross dividend at 32.5 per cent. (2014/15) but will be able to set the tax credit off against part of this liability. The effect of that set off of the tax credit is that such a Shareholder will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to one quarter of the net cash dividend received).

A UK resident individual Shareholder liable to income tax at the additional rate will be subject to income tax on the gross dividend at the rate of 37.5 per cent. (2014/15), but will be able to set the tax credit against part of this liability. The effect of that set off of the tax credit is that such a Shareholder will have to account for additional tax equal to 27.5 per cent., of the gross dividend (which is equivalent to approximately 30.6 per cent. of the net cash dividend received).

19.3.2 *Companies*

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will not generally be subject to UK tax on dividends from the Company. Other Shareholders within the charge to UK corporation tax should not be subject to UK tax on dividends from the Company provided the dividends fall within an exempt class and certain conditions are met. In general, almost all dividends received by corporate Shareholders should fall within an exempt class. Examples of dividends that fall within exempt classes include dividends paid on shares that are non-redeemable ordinary shares, and dividends paid to a recipient holding less than 10 per cent. of the issued share capital of the payer of any class of that share capital (as long as those shares carry rights to less than 10 per cent. of the profits available for distribution and less than 10 per cent. of the assets on a winding up in the payer).

However, the exemptions are not comprehensive and are subject to anti-avoidance rules. If the conditions for exemption are not, or cease to be, satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the UK tax resident Shareholder will be subject to UK corporation tax on dividends received from the Company. Corporation tax is charged on dividends at the rate applicable to that company.

UK resident Shareholders who are not subject to income tax on dividends, including authorised unit trusts and open ended investment companies, are not entitled to claim payment of the tax credit (or any part of it).

19.3.3 *Non-resident*

A non-UK resident Shareholder is not generally subject to UK tax on dividend receipts. Shareholders resident outside the UK will not generally be entitled to any payment from HMRC in respect of the tax credit attaching to any dividend paid by the Company in respect of the Ordinary Shares.

An entitlement to the payment of all or part of the tax credit may be available if there is any appropriate provision granting the entitlement under any applicable double tax treaty between the UK and the jurisdiction in which the Shareholder is resident. In most cases, however, the amount of tax credit that can be paid to non-resident Shareholders in respect of any dividend payment will depend on the terms of the relevant treaty. More often than not no such payment will be available. A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under the law of the relevant foreign jurisdiction. A Shareholder who is not resident in the UK for tax purposes should consult his own tax adviser regarding his tax liabilities on dividends received from the Company.

19.3.4 *Pension schemes*

UK pension schemes will not be entitled to any payment from HMRC in respect of the tax credit attaching to any dividend paid by the Company.

20. Property, Plant and Equipment

20.1 The Group does not own the freehold to any of its principal establishments.

20.2 The Group occupies the following leasehold properties:

<i>Property</i>	<i>Region</i>	<i>Approximate area (buildings gross square feet)</i>	<i>Tenure</i>	<i>Use</i>
10 Eastbourne Terrace, London W2 6LG, United Kingdom	UK	3,428	Leasehold	Office
St. James Business Centre, Linwood Road, Paisley PA3 3AT, United Kingdom	UK	2,000	Leasehold	Office
1173, Shenhui Road, Volex Building, Bao'an Village, Henggang, Shenzhen, Guangdong Province 518115, China	China	327,495	Leasehold	Manufacturing/Warehouse
Weiting North Industrial Zone, Weixin Road, Suzhou Industrial Park, Suzhou, Jiang-su Province 215122, China	China	226,042	Leasehold	Manufacturing/Warehouse
No. 2 Xin Da Bei Road, Zhongshan Torch, Hi-Tech Industry Development Zone, Zhongshan, Guangdong 528437, China	China	125,749	Leasehold	Manufacturing/Warehouse
Flat D, 1/F, Kee Shing Centre, 74-76 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong	Hong Kong	599	Leasehold	Office
Unit 1 Lot 10 Phase 4 East Science Ave. corner, Trade Ave., Laguna Technopark Inc., Binan, Laguna	Philippines	459	Leasehold	Office
3110 Coronado Drive, Santa Clara CA 95054, US 3110 Coronado Drive, Santa Clara CA 95054, US	US	7,350	Leasehold	Office

<i>Property</i>	<i>Region</i>	<i>Approximate area (buildings gross square feet)</i>	<i>Tenure</i>	<i>Use</i>
1930 3rd Avenue Lane SE, Hickory, NC 28602, US	US	10,000	Leasehold	Office
McHale Road Retail Park, Castlebar, Co. Mayo, Republic of Ireland	Ireland	1,900	Leasehold	Manufacturing/Warehouse
Rodovia Geraldo Scavone, 2080 – Jardim, Califórnia, 12305-490, Jacarei	Brazil	32,292	Leasehold	Manufacturing/Warehouse
Av 32 Sur, No 8950 Interior G/1,D,E,F, Parque Industrial La Mesa Fraccionamiento Rubio, Tijuana, Baja California, Mexico, CP 22116	Mexico	79,020	Leasehold	Manufacturing/Warehouse
Plot D-5B , Thanglong Industrial Park, Dong Anh District, Hanoi, Vietnam	Vietnam	23,008	Leasehold	Manufacturing/Warehouse
East Jakarta Industrial Park Plot 8M-1, Cikarang Selatan, Bekasi 17550, Indonesia	Indonesia	24,326	Leasehold	Manufacturing/Warehouse
Jalan Ir. Sutami Kawasan Industri, Sekupang Batam 29422, Indonesia	Indonesia	166,110	Leasehold	Manufacturing/Warehouse
11F-2,No.6, Sec.2, Dasing W. Rd., Taoyuan City, Taoyuan Hsien 330, Taiwan (R.O.C.)	Taiwan	1,216	Leasehold	Office
Lot 3, Jalan Keluli 15/16 Shah Alam, Selangor 40000 Malaysia	Malaysia	2,609	Leasehold	Office
22/1-A, First Street, Kazura Gardens, Neelankarai, Chennai 600041, India	India	71,198	Leasehold	Manufacturing/Warehouse
801 Sakai Suji Yamachu Building, 1-22-23 Shimanouchi, Chuo-ku Osaka-shi, Osaka, 542-0082, Japan	Japan	1,274	Leasehold	Office

<i>Property</i>	<i>Region</i>	<i>Approximate area (buildings gross square feet)</i>	<i>Tenure</i>	<i>Use</i>
7/F KDX Shin-Yokohama 381 Building, 3-8-11 Shin-Yokohama Kohoku-ku, Yokohama-Shi, Kanagawa 222-0033, Japan	Japan	2,802	Leasehold	Office
ul. Podluzna 11-13, 85-790, Bydgoszcz, Poland	Poland	62,755	Leasehold	Manufacturing/Warehouse
35 Tampines Street 92, Singapore 528880	Singapore	8,805	Leasehold	Office
99/349 Moo 2, Chaengwattana Road, Tungsong-hong Laksi, Bangkok 10210, Thailand	Thailand	732	Leasehold	Office

21. Environmental issues

As far as the Directors are aware, there are no material environmental issues that may affect the Group or the Group's utilisation of its tangible assets.

As far as the Directors are aware, there are no pending or likely remediation and compliance costs which may have a material adverse effect on the Group or its property, plant and equipment.

22. Insurance

The Group has insurance arrangements that provide cover on a global basis for all of its business related operations and activities including professional indemnity (errors and omissions), directors and officers, public, product and employers liability, damage to property and resulting operating losses. The Directors believe that the coverage provided by the combined global and local policies is comparable to that of groups of a similar size and in the same business sector.

23. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the 12 months immediately preceding the date of this document which may have, or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

24. Working Capital

The Company is of the opinion that, taking into account its available bank facilities and the net proceeds of the Placing and Open Offer, the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of publication of this document.

25. Advisers' consents

25.1 PricewaterhouseCoopers LLP, chartered accountants, registered auditors and members of the Institute of Chartered Accountants of England and Wales, whose registered office is 1 Embankment Place, London WC2N 6RN, has given and not withdrawn its written consent to the inclusion herein of its report in Part 7 (Unaudited Pro Forma Financial Information) in the form and context in which it

is included and has authorised the contents of its report for the purposes of paragraph 5.5.3 R2(f) of the Prospectus Rules.

25.2 Investec has given and not withdrawn its written consent to the inclusion in this document of the references to its name and in the form and context in which they appear.

26. Sourcing and bases for information

26.1 Unless otherwise stated, the financial information set out in this document relating to the Group does not constitute statutory accounts within the meaning of section 434 of the Companies Act. PricewaterhouseCoopers LLP, chartered accountants, registered auditors and members of the Institute of Chartered Accountants of England and Wales, whose address is at 1 Embankment Place, London WC2N 6EH, have given unqualified audit reports on the statutory accounts of the Company for each of the four financial years ended 3 April 2011, 1 April 2012, 31 March 2013 and 30 March 2014, within the meaning of section 495 of the Companies Act. None of these reports contained any statements under section 498 (2) or (3) of the Companies Act. Statutory accounts of the Company for each of the three financial years ended three financial years ended 3 April 2011, 1 April 2012 and 31 March 2013 have been delivered to the Registrar of Companies in England and Wales pursuant to section 441 of the Companies Act.

26.2 The Directors of the Company are responsible for the 2014 Preliminary Results. The Company's auditors PricewaterhouseCoopers LLP have agreed that such information is substantially consistent with the final figures to be published in the 2014 annual audited financial statements of the Company. As stated in Note 1 to the 2014 Preliminary Results, the financial information contained in the announcement has not been audited.

27. General

27.1 With the exception of the Committed Shares, the Placing and Open Offer is being fully underwritten by Investec subject to, and in accordance with, the terms of the Underwriting Agreement, details of which are set out in paragraph 18 of this Part 8.

27.2 The total costs and expenses of, and incidental to, the Placing and Open Offer are estimated to be £1.4 million and are payable by Volex plc. The net proceeds of the Placing and Open Offer are estimated to be £16.7 million.

27.3 The Ordinary Shares are in registered form, are capable of being held in uncertificated form and are admitted to the Official List and are traded on the main market for listed securities of the London Stock Exchange.

27.4 The New Shares will be in registered form and, from the Admission of the New Shares, will be capable of being held in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where New Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where New Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Open Offer Entitlements will be admitted with the ISIN GB00BNB6YH20, and the New Shares will be admitted with the ISIN GB0009390070.

27.5 The New Shares will be issued at 75 pence per share. This represents a premium of 50 pence per Ordinary Share to the nominal value of 25 pence per Ordinary Share.

27.6 The Company remains subject to the Listing Rules with regard to the issue of securities for cash and the provisions of Section 561 of the 2006 Act (which confers on Shareholders rights or pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash).

27.7 PricewaterhouseCoopers LLP whose address is 1 Embankment Place, London WC2N 6EH are the auditors of the Company. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

28. Documents for inspection

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of publication of this document until Admission at the offices of the Company, 10 Eastbourne Terrace, London W2 6LG:

28.1 the Articles;

28.2 2011 Annual Report and Accounts;

28.3 the 2012 Annual Report and Accounts;

28.4 the 2013 Annual Report and Accounts;

28.5 the Half Year Results;

28.6 the 2014 Preliminary Results;

28.7 the Reporting Accountant's Pro Forma Report contained in Part 7 of this document;

28.8 the written consents referred to in paragraphs 25.1 and 25.2 of this Part 8; and

28.9 this document.

29. Announcement of results of Placing and Open Offer

The Company will make an appropriate announcement(s) to a Regulatory Information Service giving details of the results of the Placing and Open Offer on or about 1 July 2014.

Dated: 12 June 2014

PART 9

DOCUMENTS INCORPORATED BY REFERENCE

This document should be read and construed in conjunction with the following documents, which have been previously published and filed with or notified to the FCA, which (with the exception of the 2014 Preliminary Results) were sent to Shareholders at the relevant time and which are available for inspection in accordance with paragraph 28 of Part 8 of this document.

The table below sets out the various sections of those documents which are incorporated by reference into the Historical Financial Information of the Group in Part 6 of this document and the Operating and Financial Review and Financial Information on the Group in Part 5 of this document so as to provide the information required under the Prospectus Rules and to ensure that Shareholders and others are aware of all information which, according to the particular nature of the Company and the New Shares, is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Group and of the rights attaching to the New Shares.

<i>Reference document</i>	<i>Information incorporated by reference</i>	<i>Page number in the reference document</i>
2014 Preliminary Results	The announcement dated 12 June 2014 of the 2014 Preliminary Results	
	● Financial Review	13-16
	● Operational Review	7-12
	● Consolidated Statement of Financial Position as at 30 March 2014	19
	● Consolidated Income Statement for the 52 weeks ended 30 March 2014	17
	● Consolidated Statement of Cash Flows for the 52 weeks ended 30 March 2014	20
	● Selected notes to the preliminary results for the 52 weeks ended 30 March 2014	22-29
Half Year Results	Unaudited half year results for the 26 weeks ended 29 September 2013	
	● Consolidated Statement of Financial Position as at 29 September 2013	14-15
	● Consolidated Income Statement for the 26 weeks ended 29 September 2013	12-13
	● Consolidated Cash Flow Statement for the 26 weeks ended 29 September 2013	16
	● Notes to the unaudited half year results for the 26 weeks ended 29 September 2013	17-22
2013 Annual Report and Accounts	Operational and Financial Review	16-31
	Audited consolidated financial statements for the 52 weeks ended 31 March 2013, together with the audit opinion thereon	
	● Independent Auditors' Report	64-65
	● Consolidated Statement of Financial Position and statement of changes in Equity as at 31 March 2013	68-69

	● Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the 52 weeks ended 31 March 2013	66-69
	● Consolidated Cash Flow Statement for the 52 weeks ended 31 March 2013	70
	● Notes to the Financial Statements for the 52 weeks ended 31 March 2013	71-110
2012 Annual Report and Accounts	Operational and Financial Review	22-39
	Audited consolidated financial statements for the 52 weeks ended 1 April 2012, together with the audit opinion thereon	
	● Independent Auditors' Report	73-74
	● Consolidated Statement of Financial Position and statement of changes in Equity as at 1 April 2012	77-78
	● Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the 52 weeks ended 1 April 2012	75-76
	● Consolidated Cash Flow Statement for the 52 weeks ended 1 April 2012	79
	● Notes to the Financial Statements for the 52 weeks ended 1 April 2012	80-122
2011 Annual Report and Accounts	Operational and Financial Review	14-27
	Audited consolidated financial statements for the 52 weeks ended 3 April 2011, together with the audit opinion thereon	
	● Independent Auditors' Report	56
	● Consolidated Statement of Financial Position and statement of changes in Equity as at 3 April 2011	59-60
	● Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the 52 weeks ended 3 April 2011	57-58
	● Consolidated Cash Flow Statement for the 52 weeks ended 3 April 2011	61
	● Notes to the Financial Statements for the 52 weeks ended 3 April 2011	62-93

Except as set forth above, no other portion of these documents is incorporated by reference into this document and those portions which are not, specifically incorporated by reference in this document are either not relevant for prospective investors or the relevant information is included elsewhere in this document.

Copies of the documents of which part or all are incorporated herein are available free of charge in electronic format through the Company's website at www.volex.com or in printed format for inspection as referred to in paragraph 28 of Part 8 of this document.

Except to the extent expressly set out in this Part 9, neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks of the Company's website (or any other website) is incorporated into, or forms part of, this document.

Information that is itself incorporated by reference in the above documents is not incorporated by reference into this document. It should be noted that, except as set forth above, no other part of the above documents is incorporated by reference into this document.

Any information which is incorporated by reference in this document shall be modified or superseded for the purposes of this document to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly or by implication).

PART 10

DEFINITIONS

The following expressions have the following meaning throughout this document, unless the context otherwise requires:

“2006 Act”	the Companies Act 2006, as amended;
“2011 Annual Report and Accounts”	the Company’s annual report and accounts for the financial year ended on 3 April 2011;
“2012 Annual Report and Accounts”	the Company’s annual report and accounts for the financial year ended on 1 April 2012;
“2013 Annual Report and Accounts”	the Company’s annual report and accounts for the financial year ended on 31 March 2013;
“2014 Preliminary Results”	the preliminary announcement dated 12 June 2014 of the Company’s unaudited results for the financial year ended on 30 March 2014;
“Admission”	the admission of the New Shares to the Official List becoming effective in accordance with the Listing Rules and the admission of such shares to trading on the main market of the London Stock Exchange for listed securities becoming effective in accordance with the Admission and Disclosure Standards;
“Admission and Disclosure Standards”	the Admission and Disclosure Standards of the London Stock Exchange containing, among other things, the admission requirements to be observed by companies seeking admission to trading on the main market of the London Stock Exchange for listed securities;
“Applicant”	a Qualifying Shareholder (other than certain Excluded Overseas Shareholder) or a person entitled by virtue of a bona fide market claim who lodges an Application Form or relevant CREST instruction under the Open Offer;
“Application Form”	the application form accompanying this document on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer;
“Articles of Association” or “Articles”	the articles of association of the Company, details of which are set out in paragraph 5 of Part 8 of this document;
“Audit Committee”	the audit committee established by the Board;
“Board”	the board of directors of the Company;
“Business Day”	any day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks are generally open in the City of London for the transaction of normal banking business;
“Capita Asset Services”	a trading name of Capital Registrars Limited;
“CCSS”	the CREST Courier and Sorting Service established by Euroclear UK to facilitate, amongst other things, the deposit and withdrawal of securities;

“certificated” or “in certificated form”	where a share or other security is not in uncertificated form;
“Circular”	the circular to be sent to Shareholders on or about the date of this document convening the General Meeting at which the Resolution will be proposed;
“City Code”	the UK City Code on Takeovers and Mergers;
“Closing Price”	79.75 pence, being the closing mid-market price of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange on 11 June 2014;
“Committed Shares”	30,908 Open Offer Shares which certain Directors have irrevocably undertaken to subscribe for pursuant to the Director Irrevocable Undertakings and 6,137,538 Open Offer Shares which Nathaniel Rothschild and NR Holdings Limited have irrevocably undertaken to subscribe for pursuant to the Shareholders’ Irrevocable Undertakings;
“Company” or “Volex”	Volex plc, a public limited company incorporated in England and Wales with registered number 158956;
“Conditional Placed Shares”	the 17,898,725 New Shares to be allotted and issued by the Company under the Placing subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer, pursuant to the Underwriting Agreement;
“Conditional Placees”	any persons who have agreed to subscribe for Conditional Placed Shares;
“Consultancy Agreement”	the consultancy agreement between the Company and Daren Morris, details of which are set out in paragraph 8.3 of Part 8 of this document;
“Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council in September 2012;
“CREST”	the relevant system, as defined in the CREST Regulations, for paperless settlement of share transfers and the holding of shares in uncertificated form (in respect of which Euroclear UK is the operator as defined in the CREST Regulations);
“CREST Manual”	the rules governing the operation of CREST consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterparty Service Manual, the CREST Rules, the Registrars Service Standards, the Settlement Discipline Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedure and the CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear UK on 15 July 1996 and as amended since);
“CREST member”	a person who has been admitted to Euroclear UK 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” or “Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755), as amended;
“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 record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange;
“dealing day”	any day on which the London Stock Exchange is open for business in the trading of securities admitted to the Official List;
“Director Irrevocable Undertakings”	the irrevocable undertakings given by each of Karen Slatford, Christoph Eisenhardt and Daren Morris to apply for, their full Open Offer Entitlements amounting to 30,908 Open Offer Shares in aggregate;
“Directors”	the current directors of the Company whose names are set out on page 28 of this document;
“Disclosure and Transparency Rules”	the rules made by the FCA under Part VI of FSMA relating to the disclosure of information (as amended from time to time);
“EBITDA”	earnings before interest, tax, depreciation and amortisation;
“Enlarged Ordinary Share Capital”	the issued ordinary share capital of the Company immediately following the issue of the New Shares pursuant to the Placing and Open Offer;
“Euroclear UK”	Euroclear UK and Ireland Limited (formerly CRESTCO Limited), the operator of CREST;
“Excluded Overseas Shareholders”	subject to certain exemptions, Shareholders who are located or have registered addresses in any Restricted Jurisdiction;
“Existing Shares”	the fully paid Ordinary Shares in issue at the Record Date;
“European Economic Area”	the European Union, Iceland, Norway and Liechtenstein;
“European Union”	the European union first established by the treaty made at Maastricht on 7 February 1992;
“Facility”	the US dollar and term revolving facilities agreement between, among others, (1) Volex Group P.L.C., (2) Volex Europe Limited, (3) Volex (Asia) Pte Ltd (together the Original Borrowers), (4) the Original Guarantors (each as defined therein), (5) Lloyds TSB Bank plc, HSBC Bank PLC and Clydesdale Bank plc (as Mandated Lead Arrangers and Book Runners), (6) Lloyds TSB Bank plc (as Original Ancillary Lender), (7) the Original Lenders (each as defined therein), (8) the Original Hedge Counterparties (each as defined therein), (9) Lloyds TSB Bank plc as Agent and (10) Lloyds TSB Bank plc as Security Trustee, originally dated 31 May 2011 (and as amended on 27 September 2013, 13 November 2013 and from time to time).
“Financial Conduct Authority” or “FCA”	the Financial Conduct Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List otherwise than in accordance with Part VI of FSMA;

"Form of Proxy"	form of proxy accompanying the Circular for use by Shareholders in relation to the General Meeting;
"FSMA"	the Financial Services and Markets Act 2000, as amended from time to time;
"General Meeting"	the General Meeting of the Company to be held at the offices of the Company on 1 July 2014 at 10.00 a.m., notice of which is set out in the Circular;
"Group" or "Volex Group"	the Company and each of its subsidiaries and subsidiary undertakings from time to time;
"Half Year Results"	the announcement of the half year results of the Company for the 26 weeks ended 29 September 2013;
"HMRC"	Her Majesty's Revenue and Customs and, where relevant, any predecessor body which carried out part of its functions and references to any approval by Her Majesty's Revenue and Customs shall, where appropriate, include approval by an officer thereof;
"IAS"	International Accounting Standards;
"IASB"	the International Accounting Standards Board;
"IFRS"	International Financial Reporting Standards as issued by the International Accounting Standards Board;
"Initial Subscription and Option Agreement"	the agreement between the Company, Newco and Investec dated 12 June 2014, the principal terms of which are summarised in paragraph 18 of Part 8 of this document;
"Investec" or "Newco Subscriber"	Investec Bank plc, a public limited company, incorporated in England and Wales with registered number 00489604;
"Irrevocable Undertakings"	the Director Irrevocable Undertakings and the Shareholders' Irrevocable Undertakings;
"Issue Price"	75 pence per New Share;
"ISIN"	the international securities identifying number;
"Lenders"	Lloyds Banking Group plc, HSBC Bank plc and Clydesdale Bank plc, being the lenders under the Facility;
"Listing Rules"	the listing rules made by the FCA under Part VI of FSMA (as amended from time to time);
"London Stock Exchange"	London Stock Exchange plc;
"member account ID"	the identification code or number attached to any member account in CREST;
"Member State"	a sovereign state which is a member of the European Union;
"Model Code"	the Model Code published by the UKLA at Annex I of Listing Rule 9 of the Listing Rules;
"Money Laundering Regulations"	the Money Laundering Regulations 2007 as amended from time to time;

“Newco”	Rendezvous 1 Capital (Jersey) Limited;
“New Shares”	the new Ordinary Shares to be issued by the Company pursuant to the Placing and Open Offer;
“Nomination Committee”	the nomination committee established by the Board;
“Non-CREST Shareholder”	a Shareholder who does not hold his Ordinary Shares in CREST;
“Non-Executive Director Long Term Incentive Scheme” or “LTIS”	the Non-Executive Director Long Term Incentive Scheme operated by the Company, details of which are set out in paragraph 11 of Part 8 of this document;
“Notice of the General Meeting”	the notice of the General Meeting which is set out in the Circular;
“NR Holdings Limited”	a company registered in England and Wales with company number 05437717;
“OEM”	original equipment manufacturer;
“Official List”	the Official List of the UK Listing Authority;
“Open Offer”	the conditional invitation to Qualifying Shareholders inviting them to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Application Form;
“Open Offer Entitlement”	the <i>pro rata</i> entitlement of Qualifying Shareholders to subscribe for 4 Open Offer Shares for every 11 Existing Shares registered in their name as at the Record Date;
“Open Offer Shares”	the New Shares to be allotted and issued pursuant to the Open Offer;
“Ordinary Shares”	ordinary shares of 25 pence each in the capital of the Company;
“Overseas Shareholders”	Shareholders who have registered addresses in, or who are resident or ordinarily resident in or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries outside the United Kingdom;
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
“Placing”	the conditional placing by Investec on behalf of the Company of the Conditional Placed Shares pursuant to the Underwriting Agreement;
“Prospectus” or “this document”	this document dated 12 June 2014 comprising a prospectus relating to the Company for the purpose of the Placing and Open Offer (together with any supplements or amendments thereto);

“Prospectus Rules”	the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market;
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares on the Record Date in uncertificated form;
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares on the Record Date in certificated form;
“Qualifying Shareholders”	holders of Ordinary Shares on the Register of Members at the Record Date;
“Receiving Agent”	Capita Asset Services;
“Record Date”	close of business on 11 June 2014;
“Registrars”	Capita Asset Services;
“Register of Members”	the Company’s register of members;
“Regulation S”	Regulation S under the US Securities Act;
“Regulatory Information Service”	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies;
“Remuneration Committee”	the remuneration committee established by the Board;
“Resolution”	the resolution to be proposed at the General Meeting and set out in the Notice of the General Meeting;
“Restricted Jurisdiction”	each of Australia, Canada, Japan, the Republic of South Africa and the United States and any other jurisdiction where the extension or availability of the Placing and Open Offer (and any other transaction contemplated thereby) would breach any applicable law or regulation;
“Restricted Share Scheme”	the Restricted Share Scheme operated by the Company, details of which are set out in paragraph 11 of Part 8 of this document;
“SDRT”	stamp duty reserve tax;
“Senior Manager”	those persons who are set out as senior managers in paragraph 7 of Part 8 of this document;
“Shareholders”	holders of Ordinary Shares;
“Shareholders’ Irrevocable Undertakings”	the irrevocable undertakings given by Nathaniel Rothschild and NR Holdings Limited to subscribe or apply, in aggregate, for their full Open Offer Entitlements amounting to 6,137,538 Open Offer Shares in aggregate and to vote in favour of the Resolution to be proposed at the General Meeting;
“Share Incentive Schemes”	the PSP, the Restricted Share Scheme and the Non-Executive Director Long Term Incentive Scheme;
“Shares”	Existing Shares and/or the New Shares to be issued pursuant to the Placing and Open Offer, as the context may require;
“Sterling” or “£” or “pence”	the lawful currency of the UK;

“stock account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited;
“Subscription and Transfer Agreement”	the agreement between the Company, Newco and the Newco Subscriber dated 12 June 2014, the principal terms of which are summarised in paragraph 18 of Part 8 of this document;
“subsidiary”	a subsidiary, as that term is defined in section 1159 of the 2006 Act;
“subsidiary undertaking”	a subsidiary undertaking, as that term is defined in section 1162 of the 2006 Act;
“UK Corporate Governance Code”	the UK Corporate Governance Code published in September 2012 by the Financial Reporting Council;
“UK Listing Authority” or “UKLA”	the FCA in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of the admission to the Official List otherwise than in accordance with Part VI of FSMA;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“Underwriter”	Investec;
“Underwriting Agreement”	the agreement between the Company and the Underwriter dated 12 June 2014, the principal terms of which are summarised in paragraph 18 of Part 8 of this document;
“Underwritten Shares”	the Open Offer Shares excluding the Committed Shares;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“US Securities Act”	the United States Securities Act of 1933, as amended;
“US Securities and Exchange Commission”	the US government agency having primary responsibility for enforcing the federal securities laws and regulating the securities industry/stock market; and
“Volex Group plc Performance Share Plan” or “PSP”	the Volex Group plc Performance Share Plan, details of which are set out in paragraph 11 of Part 8 of this document.
“Volex Transformation Plan” or “VTP”	a plan developed by the Company which aims to improve the Group’s relationships with its customers and reduce its costs so that it is able to continue to offer quality products at competitive prices. The key elements of the plan focus on increased customer focus, design-to-cost manufacturing, supply chain management and improved financial management.

