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If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares, please send this document and accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom you have sold or transferred your shares for delivery to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected.

This document is a circular relating to (i) the proposed cancellation of admission of the Ordinary Shares to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities, prepared in accordance with the Listing Rules of the Financial Conduct Authority under section 73A of FSMA, and (ii) the admission of the Ordinary Shares to trading on the London Stock Exchange's AIM market.

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## **VOLEX PLC**

(incorporated and registered in England and Wales with registered number 00158956)

### **Proposed Cancellation of Ordinary Shares from the Official List**

#### **Admission to trading on AIM**

**and**

#### **Notice of General Meeting**

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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Volex PLC set out on pages 7 to 13 of this document which recommends that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.**

Notice of a General Meeting of Volex PLC, to be held at Meeting Room 2, The Novotel Reading Centre, 25b Friar Street, Reading, RG1 1DP on 15 December 2017 at 11 a.m., is set out at the end of this document. A Form of Proxy for use at the General Meeting accompanies this document and, to be valid, should be completed and returned in accordance with the instructions set out thereon as soon as possible but in any event so as to reach the Company's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 11 a.m. on 13 December 2017. Completion of a Form of Proxy will not prevent a Shareholder from attending the meeting and voting in person. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed to any other person or published in whole or in part for any purpose.

Liberum Capital Limited, which is authorised by the FCA, is acting exclusively for the Company and no-one else in connection with the Cancellation and Admission and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Cancellation and 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 Cancellation and Admission or any other matter referred to herein. Liberum has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Liberum nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinion contained in this document or for the omission of any information. Liberum expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

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## EXPECTED TIMETABLE OF KEY EVENTS

Publication of this document	28 November 2017
Latest time and date for receipt of Forms of Proxy	11 a.m. 13 December 2017
Time and date of General Meeting	11 a.m. 15 December 2017
Publication of Schedule One announcement	18 December 2017
Last day of dealings in the Ordinary Shares on the Main Market	18 January 2018
Cancellation of the listing of the Ordinary Shares from the Official List effective	8.00 a.m. 19 January 2018
Admission of Ordinary Shares to trading on AIM effective	8.00 a.m. 19 January 2018

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a Regulatory Information Service.

All of the above times, and other time references in this document, refer to UK time.

The ISIN code for the Ordinary Shares will remain GB0009390070.

## DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

'Act'	the Companies Act 2006 (as amended)
'Admission'	the admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
'AIM'	the AIM market operated by the London Stock Exchange
'AIM Rules'	the AIM Rules for Companies, as published by the London Stock Exchange from time to time
'Board' or 'Directors'	the board of directors of the Company, whose names are set out at page 6 of this document
'Business Day'	a day (other than a Saturday, Sunday or public holiday) when banks are usually open for business in London
'Cancellation'	the cancellation of the Ordinary Shares from admission to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities
'Chairman'	Nat Rothschild
'Company' or 'Volex'	Volex PLC, a company incorporated in England and Wales with registered number 00158956
'FCA'	the Financial Conduct Authority
'Form of Proxy'	the form of proxy for use by Shareholders in connection with the General Meeting, which is enclosed with this document
'FSMA'	Financial Services and Markets Act 2000 (as amended)
'General Meeting'	the general meeting of the Company convened for 11 a.m. on 15 December 2017 at which the Resolution will be proposed, notice of which is set out at the end of this document
'Group'	the Company and its Subsidiaries
'ISA'	Individual Savings Account
'Liberum'	Liberum Capital Limited, the Company's broker and intended Nominated Adviser to the Company from Admission
'Listing Rules'	the rules and regulations made by the FCA under Part VI of FSMA as amended from time to time
'London Stock Exchange'	London Stock Exchange plc
'Main Market'	the London Stock Exchange's main market for listed securities
'Nominated Adviser'	a nominated adviser, as defined in the AIM Rules
'Notice of General Meeting'	the notice of General Meeting set out at the end of this document
'Official List'	the Official List of the UKLA, maintained by the FCA in accordance with section 74(1) of FSMA
'Ordinary Shares'	the 90,251,892 ordinary shares of 25 pence each in the share capital of the Company which are in issue at the date of this document
'Proposal'	the Cancellation and Admission
'Prospectus Rules'	the prospectus rules made by the FCA under Part VI of FSMA as amended from time to time
'Resolution'	the special resolution to be proposed at the General Meeting and set out in the Notice of General Meeting, to give the Directors authority to apply for Cancellation and Admission
'SDRT'	Stamp Duty Reserve Tax
'Shareholder'	a holder of Ordinary Shares
'Subsidiary'	has the meaning given to it in section 1159 of the Act

'UK' or 'United Kingdom'

the United Kingdom of Great Britain and Northern Ireland

'UK Corporate Governance Code'

the UK Corporate Governance Code issued by the Financial Reporting Council dated April 2016 (as updated from time to time)

'UK Listing Authority' or 'UKLA'

the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA

## Directors, Secretary and Advisers

<b>Directors</b>	Nat Rothschild ( <i>Executive Chairman</i> ) Daren Morris ( <i>Chief Financial Officer and Chief Legal Officer</i> ) Adrian Chamberlain ( <i>Non-Executive Director</i> ) Dean Moore ( <i>Non-Executive Director</i> )
<b>Company Secretary</b>	Daren Morris
<b>Head office and registered office</b>	Holbrook House Richmond London TW10 6UA
<b>Broker and Proposed Nominated Adviser</b>	Liberum Capital Limited Ropemaker Place 25 Ropemaker Street London EC2Y 9LY
<b>Legal advisers to the Company</b>	Travers Smith LLP 10 Snow Hill London EC1A 2AL
<b>Registrars</b>	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

**LETTER FROM THE CHAIRMAN**  
**VOLEX PLC**  
(incorporated in England and Wales with registered number 00158956)

*Directors:*

Nat Rothschild (*Executive Chairman*)  
Daren Morris (*Chief Financial Officer and Chief Legal Officer*)  
Adrian Chamberlain (*Non-Executive Director*)  
Dean Moore (*Non-Executive Director*)

*Registered Office*  
Holbrook House  
Richmond  
London TW10 6UA

28 November 2017

Dear Shareholder

**Proposed Cancellation of Ordinary Shares from the Official List**  
**Admission to trading on AIM**  
**and**  
**Notice of General Meeting**

**1. Introduction**

The Board today announced proposals to cancel the admission of the Ordinary Shares from the Official List and to trading on the London Stock Exchange's Main Market for listed securities and its intention to apply for the admission of the Ordinary Shares to trading on AIM. It is anticipated that the effective date of the Cancellation and Admission to trading on AIM will be 19 January 2018.

Under the Listing Rules, the Cancellation requires the Company to obtain the prior approval for such cancellation of not less than 75 per cent. of Shareholders who vote in person or by proxy at a general meeting. Therefore, the Resolution being proposed at the General Meeting, to be held at Meeting Room 2, The Novotel Reading Centre, 25b Friar Street, Reading, RG1 1DP on 15 December 2017 at 11 a.m., to approve the Cancellation and Admission is being proposed as a special resolution. If the Resolution is passed, the Board proposes to make an application to the UKLA for the Cancellation to be effected and an application to the London Stock Exchange for Admission.

The purpose of this letter is to (i) provide you with notice of the General Meeting and details of the proposed Cancellation and Admission; (ii) explain the background to and reasons for the Proposal and why the Board considers the Proposal to be in the best interests of the Company and the Shareholders as a whole; and (iii) explain why the Directors recommend that Shareholders vote in favour of the Resolution.

**You will find set out at the end of this document the Notice of General Meeting, to be held at Meeting Room 2, The Novotel Reading Centre, 25b Friar Street, Reading, RG1 1DP on 15 December 2017 at 11 a.m., at which the Resolution will be proposed as a special resolution to approve the Cancellation and Admission.**

**2. Background to and reasons for Cancellation and Admission**

As announced in the Company's interim results on 10 November 2017, the Company has made good progress with the restructuring of its business and operations and is now focussed on ongoing operational efficiencies and profitable growth.

As part of its strategy to realise value for shareholders the Board also recognises that opportunities may arise to consolidate the highly fragmented cable assembly industry through the acquisition of smaller competitors, and thereby realise savings in group-wide procurement and more efficient sales and operations. In addition, Volex's consumer power cord business faces intense competition from low-cost vertically integrated competitors, and

Volex may benefit from a combination of its business with one of its competitors, to combine lower cost production with Volex's global blue-chip customer base.

Given this strategic intent to grow and re-configure the Group, and the Company's current size and market capitalisation, the Board has considered whether it is still appropriate for the Ordinary Shares to be admitted to trading on the Main Market and concluded that the Company would benefit from the proposed Cancellation and Admission.

AIM has the benefit of lower transaction costs associated with corporate actions, lower ongoing annual costs, and simpler administration and regulatory requirements more appropriate to a company of Volex's size and ambition.

Additionally, the Cancellation and Admission will offer greater flexibility to the Company, particularly with regard to corporate transactions and, should the opportunity arise, will enable the Company to execute certain transactions more quickly and cost effectively when compared to the requirements of the Official List. Should such opportunities arise they could entail significant additional complexity and larger transaction costs if the Company were to remain on the Official List. Importantly, AIM will provide current Shareholders with a continuing market quotation and represents a market on which they may potentially trade their Ordinary Shares. AIM will also provide the Company with continuing access to the public equity capital market should it be appropriate to obtain funding in the future. Any of these initiatives may feature in the implementation of the Company's future strategy, and the Board considers that AIM represents the most appropriate financial market for the Ordinary Shares as it seeks to create value for Shareholders.

AIM, which is operated and regulated by the London Stock Exchange, has an established reputation with investors and analysts and is an internationally recognised market. It was launched in June 1995 as the London Stock Exchange's market specifically designed for smaller companies, with a more flexible regulatory regime.

If the Cancellation is approved by Shareholders, the Board intends to operate the Company's business, including its reporting and governance, in substantially the same manner and with the same objectives as at present. Thus, the Board sees the Company as being attractive to specialist institutional investors while the AIM tax regime, referred to in more detail below, will also make the Company potentially attractive to AIM specific funds as well as to retail investors.

For these reasons, the Board considers that it is in the Company's interests to seek approval to effect the Cancellation. However, Shareholders should note that following the Cancellation becoming effective:

- The regulatory regime which applies solely to companies such as the Company with shares admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities will no longer apply, including the requirement for shareholder approval under the Listing Rules to approve transactions above a certain size not in the ordinary course of business or with related parties. Further details regarding certain aspects of the regulatory regime that would no longer apply to such transactions are provided in paragraph 4(ii) of this document.
- The Cancellation might have either positive or negative taxation consequences for Shareholders. Since 5 August 2013, shares traded on AIM can be held in ISAs and, with effect from 28 April 2014, stamp duty and stamp duty reserve tax (SDRT) on transfers of shares listed on AIM has been abolished. Individuals who hold Ordinary Shares following Admission may, after two years, also be eligible for certain inheritance tax benefits. Further details on taxation consequences are provided in paragraph 6.
- The Cancellation may have implications for Shareholders holding Ordinary Shares in a Self-Invested Personal Pension (SIPP). For example, shares in unlisted companies may not qualify for certain SIPPs under the terms of that SIPP and, if in any doubt, Shareholders should consult with their SIPP provider immediately. Following Admission, the Company will be categorised for these purposes as unlisted.

### **3. Details of the Cancellation and Admission**

Conditional upon the Resolution being approved at the General Meeting, the Company will apply to (i) cancel the listing of the Ordinary Shares on the Official List and their admission to trading on the London Stock



Exchange's Main Market for listed securities; and (ii) the London Stock Exchange for the admission of the Ordinary Shares to trading on AIM. It is anticipated that the last day of dealings of the Ordinary Shares on the Main Market will be 18 January 2018. Cancellation of the listing of the Ordinary Shares on the Official List is expected to take effect at 8.00 a.m. on 19 January 2018, being not less than 20 Business Days from the passing of the Resolution.

Admission is expected to take place and dealings in Ordinary Shares are expected to commence on AIM at 8.00 a.m. on 19 January 2018.

As the Ordinary Shares have been listed on the Official List for more than 18 months, the AIM Rules do not require an admission document to be published by the Company in connection with Admission. However, subject to the passing of the Resolution at the General Meeting, the Company will publish an announcement which complies with the requirements of Schedule One to the AIM Rules, comprising information required to be disclosed by companies transferring their securities from the Official List, as an AIM Designated Market, to AIM.

Following Cancellation and Admission, Ordinary Shares that are held in uncertificated form will continue to be held and dealt through CREST. Share certificates representing those Ordinary Shares held in certificated form will continue to be valid and no new Ordinary Share certificates will be issued.

In accordance with the Listing Rules, the Resolution is subject to approval being obtained from not less than 75 per cent. of all Shareholders voting in person or by proxy. If the requisite percentage of Shareholders does not approve the Resolution, the Ordinary Shares will not be admitted to AIM and will continue to be admitted to the premium segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange.

#### **4. Implications of the transfer to AIM**

AIM is the UK's leading stock market for smaller companies. Since AIM was established in 1995, more than 3,700 companies have been admitted to AIM and over £100 billion has been raised collectively. Liquidity on AIM is in part provided by market makers, who are member firms of the London Stock Exchange and are obliged to quote a share price for each company for which they make a market between 8.00 a.m. and 4.30 p.m. on Business Days.

Following Admission, the Company will be subject to the regulatory and disciplinary controls of the AIM Rules. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. Shareholders should note that the protections afforded to investors in AIM companies are less rigorous than those afforded to investors in companies such as a company listed on the premium segment of the Official List. Under the AIM Rules, a Nominated Adviser and broker is required to be engaged by the Company at all times and a Nominated Adviser has ongoing responsibilities to both the Company and to the London Stock Exchange. Conditional on Admission, the Company has appointed Liberum as its Nominated Adviser and broker. The obligations of a company whose shares are traded on AIM are broadly similar to those of companies such as Volex whose shares are listed on the premium segment of the Official List, however there are certain exceptions, including those referred to below.

- i. Under the Listing Rules, a company listed on the premium segment of the Official List is required to appoint a 'sponsor' for the purposes of certain corporate transactions, such as when undertaking a large transaction or capital raising. The responsibilities of the sponsor include providing assurance to the FCA when required that the responsibilities of the listed company have been met. Under the AIM Rules, a 'nominated adviser' is required to be engaged by the Company at all times and has ongoing responsibilities to both the Company and the London Stock Exchange. Conditional on Admission, the Company has appointed Liberum as the Company's Nominated Adviser.
- ii. Corporate transactions for companies whose shares are listed on the premium segment of the Official List often require shareholder approval and the engagement of a sponsor to oversee the process and liaise with the UK Listing Authority. In particular, on a proposed acquisition, where the size of the target represents 25 per cent. or more of the listed company on the basis of certain comparative tests (for

example, consideration for the acquisition as a percentage of market capitalisation of the listed company), a circular to shareholders approved by the UKLA is required explaining the transaction and seeking the approval of shareholders. For the Company, such transactions may result in significant additional complexity and large transaction costs and lengthier timescales to meet the requirements of the Listing Rules and, therefore, prove prohibitive.

Under the AIM Rules, prior shareholder approval is required only for transactions with a much larger size threshold, being (1) reverse takeovers (being an acquisition or acquisitions in a 12 month period which either (a) exceed 100 per cent. on various size tests, such as the ratio of the transaction consideration to the market capitalisation of the AIM company or (b) result in a fundamental change in the Company's business, board or voting control); and (2) disposals that result in a fundamental change of business (being disposals that exceed 75 per cent. of various size tests, such as the ratio of the transaction consideration to the market capitalisation of the AIM company). Under the Listing Rules, companies listed on the premium segment of the Official List require shareholder approval for a broader range of transactions including related party transactions. Furthermore, the AIM Rules contain less stringent obligations with regard to a company's purchase of its own securities compared with the Listing Rules.

- iii. If equity shares are to be allotted for cash, the Act requires that, in the absence of prior shareholder approval, those securities are first offered to a company's existing ordinary shareholders on a pre-emptive basis in proportion to the number of ordinary shares held by them.

At the Company's annual general meeting held on 25 July 2017, the Directors received Shareholder approval to renew their existing authorities to (a) allot new equity securities; and (b) allot new equity securities for cash without first offering them to existing Shareholders. This second, non-pre-emptive authority is limited to issues of Ordinary Shares for cash either by way of a rights issue or otherwise up to an aggregate nominal amount of £1,128,148, representing 4,512,592 new Ordinary Shares and equivalent to five per cent. of the Company's issued share capital as at 26 June 2017.

This authority to issue shares on a non-pre-emptive basis is in line with the Pre-emption Group's statement of principles supported by institutional investors including the Association of British Insurers, the National Association of Pension Funds and the Investment Management Association, applicable to and targeted at companies with a premium listing on the Official List.

The Pre-emption Group's statement of principles is not specifically targeted at companies admitted to trading on AIM and it is generally recognised that AIM-listed companies require greater flexibility to issue shares on a non-pre-emptive basis. AIM-listed companies may, therefore, seek shareholder approval for an authority to issue shares on a non-pre-emptive basis exceeding five per cent. of issued share capital.

- iv. Unlike the Listing Rules, the AIM Rules do not specify any required structures or discount limits in relation to further issues of securities.
- v. There is no requirement under the AIM Rules to publish a prospectus or an admission document for further issues of securities, except when the further issue of securities is deemed a public offer, when seeking admission for a new class of securities or as otherwise required by law.
- vi. Whilst a company's appropriateness for AIM is, in part, dependent on it having sufficient free float in order that there is a properly functioning market in the shares, there is no specific requirement for a minimum number of shares in an AIM listed company to be held in public hands. A company listed on the Official List must, however, maintain a minimum of 25 per cent. of its issued ordinary share capital in public hands.
- vii. Certain securities laws will no longer apply to the Company if Admission occurs, for example, the Disclosure Guidance and Transparency Rules (save that DTR Chapter 5 in respect of significant shareholder notifications and the EU Market Abuse Regulation (EU No 596/2014) (relating to, inter alia,

market abuse and insider dealing) will continue to apply to the Company). This is because AIM is not a regulated market for the purposes of the European Union's directives relating to securities.

- viii. The Company is currently required to comply with the UK Corporate Governance Code, or to explain any area of non-compliance. AIM companies are not required to comply with this code. Following Admission, the Board proposes to comply with the Corporate Governance Code for Small and Mid-Size Quoted Companies published by the Quoted Companies Alliance. The Company does not currently envisage making any changes to its Board composition or to the constitution and membership of its Audit, Nomination and Remuneration Committees as a consequence of the transfer to AIM.
- ix. The requirement under section 439A of the Act to submit a remuneration policy for a binding vote by shareholders is only applicable to quoted companies listed on the Main Market. A company whose shares are traded on AIM is not subject to the same obligation to submit its remuneration policy to a binding vote of shareholders. However, as already stated, the Directors intend to operate the Company's business in substantially the same manner as at present.
- x. Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following Admission, individuals who hold Ordinary Shares may, in certain circumstances, therefore be eligible for certain tax benefits. Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether a tax benefit referred to above may be available to them.

Once admitted to AIM, Shareholders should continue to be able to trade Ordinary Shares in the usual manner through their stockbroker or other suitable intermediary.

It is emphasised that the transfer to AIM will have no impact on the assets and liabilities of the Group and it will continue to have the same business and operations following Admission. In addition, as a public limited company incorporated and registered in England and Wales, following Admission, the Company will remain subject to the applicable provisions of the Act, FSMA, the Prospectus Rules, the City Code on Takeovers and Mergers and the EU Market Abuse Regulation (EU No 596/2014).

## **5. Risk factors relating to the transfer to AIM**

Although the Company intends to apply for all of the Ordinary Shares to be admitted to trading on AIM following the Cancellation, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained following Admission. AIM is a market designed primarily for emerging and smaller companies, to which a higher investment risk tends to be attached than for larger companies, and may not provide the liquidity normally associated with the London Stock Exchange's Main Market or some other stock exchanges.

AIM securities are not admitted to the Official List. The Ordinary Shares may, therefore, be more difficult to sell compared with the shares of companies listed on the Official List and their market prices may be subject to greater fluctuations than might otherwise be the case. Liquidity on AIM is currently provided by market makers who are member firms of the London Stock Exchange and are obliged to quote a share price for each company for which they make a market between 8:00 a.m. and 4:30 p.m. on Business Days. The Directors believe that AIM can provide a sufficiently liquid trading platform for shares.

Following Admission, the Company will be subject to the regulatory and disciplinary controls of the AIM Rules for Companies. The obligations of a company whose shares are admitted to trading on AIM are broadly similar to those of companies such as Volex whose shares are listed on the premium segment of the Official List, however Shareholders should note that the protections afforded to investors in AIM companies are in some respects less rigorous than those afforded to investors in companies whose shares are listed on the Official List, including the differences set out in paragraph 4 above.

## **6. Taxation**

Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them. Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following Admission, under current legislation, the

Ordinary Shares in the Company should constitute 'relevant business property' in the event that they qualify for business property relief (BPR), a relief from UK inheritance tax. BPR can be available at up to 100% in respect of shares in an unquoted trading company. Accordingly, following Admission, individuals who hold Ordinary Shares and meet the various conditions including satisfying the two year ownership requirement, may therefore be eligible for BPR on their shares. As to the availability of the relief and to what extent BPR applies Shareholders and prospective investors should seek advice from their own professional advisers. Shareholders and prospective investors should also note that, since 5 August 2013, shares traded on AIM can be held in ISAs (in the same way as shares traded on the Main Market).

AIM qualifies as a recognised growth market for the purpose of the stamp duty and SDRT legislation and so, therefore, for so long as the Ordinary Shares are admitted to trading on AIM and are not listed on any market (and being admitted to trading on AIM will not constitute a listing for these purposes), no charge to stamp duty or SDRT will arise on their subsequent transfer. If the Ordinary Shares do not qualify for this exemption their transfer on sale will be subject to *ad valorem* stamp duty (payable by the purchaser and generally at the rate of 0.5 per cent. of the consideration given) save in respect of shares held in a clearance service or in a depository receipt arrangement in respect of which other provisions may apply.

The comments on the tax implications described in this document are based on the Directors' current understanding of tax law and practice, are not tailored to any individual circumstances and are primarily directed at individuals who are UK resident and domiciled. Tax rules can change and the precise tax implications for Shareholders will depend on their particular circumstances. If you are in any doubt as to your tax position, you should consult your own independent professional adviser.

## **7. Outlook and current trading**

In the first six months of the current financial year to 1 October 2017, the Group has returned to profitability. The restructuring activities taken in previous periods have allowed the Group to operate more efficiently and Volex is now seeing growth from both new and existing customers as the revenues diversify.

The Cable Assemblies division has enjoyed a particularly strong six months in which revenue has increased by 8% in comparison to the prior financial year. When the Group strips out the Cable Assemblies revenue contribution from its largest Power customer and its largest European telecoms customer (both of which have continued their decline), the remaining Cable Assemblies revenue grew by 20%. This growth has been driven across all sectors with the Group's North American logistics business proving exceptionally buoyant. This growth presents operational challenges, primarily at the Mexico facility, as investment is made in additional staff and raw materials to cope with the increase in demand. However, operational efficiency initiatives executed in prior periods have allowed the Cable Assemblies division to maintain overall margins despite these inefficiencies caused by expansion, significant labour cost inflation and adverse movements in key currencies against the US Dollar.

The Power Cords division's revenue continued its decline, down 10% on the prior financial year, with the division's largest customer's Power revenue down by 25%. It is felt that this customer's revenue has now reached a low point as new products move into commercial production in the second half of the financial year. The division's decline had been previously forecast and hence the restructuring activities taken in the prior year had been focused on this division. As a result, despite the lost revenue, gross margin and operating profit is significantly ahead of the prior year. In addition, our previously announced joint venture agreement with a Taiwanese manufacturer, producing competitively priced Volex-branded AC raw cables, began commercial production in the period and we hope to see margin benefit from this during the next year.

Volex's core markets are expected to remain highly competitive in the near term. Second half trading performance is expected to be at a similar level to that achieved in the first half with the strong sales pipeline helping off-set the traditional seasonality seen in the business.

Cost inflation in both raw materials and labour rates is expected to continue and where we are unable to pass these increases onto our customers, we will look to further improve factory operational efficiency, particularly in our Mexico facility. We will continue to closely monitor the cost base of the Group and where necessary will take further cost reduction actions.

Given the strong sales pipeline and the optimised cost base following last year's restructuring, we are confident in delivering a trading performance for the full year in line with the Board's expectations.

## **8. General Meeting**

A notice convening the General Meeting, to be held at Meeting Room 2, The Novotel Reading Centre, 25b Friar Street, Reading, RG1 1DP on 15 December 2017 at 11 a.m., is set out at the end of this document, at which the Resolution summarised below will be proposed as a special resolution:

that the listing of the Ordinary Shares of the Company on the premium segment of the Official List and admission to trading on the London Stock Exchange's Main Market for listed securities be cancelled and application be made for admission of the Ordinary Shares to trading on AIM.

## **9. Irrevocable Undertakings**

The Company has received irrevocable undertakings to vote in favour of the Resolution from those Directors who hold Ordinary Shares and certain other Shareholders holding, in total, 46,825,069 Ordinary Shares, representing, in aggregate, 51.9 per cent. of the Company's issued Ordinary Shares.

## **10. Other information**

Liberum has given and not withdrawn its written consent to the publication of this document, and the inclusion of its name in the form and context in which it is included.

## **11. Action to be taken**

Shareholders will find a Form of Proxy enclosed with this document for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by the Company's Registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 11 a.m. on 13 December 2017. Completion of the Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

## **12. Recommendation**

**The Board considers the terms of the Proposal to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that you vote in favour of the Resolution to be proposed at the General Meeting, as those Directors who hold Ordinary Shares have irrevocably undertaken to do in respect of their own beneficial holdings amounting, in aggregate, to 23,390,771 Ordinary Shares and representing approximately 25.9 per cent. of the Company's issued share capital.**

Yours faithfully,  
Nat Rothschild  
*Executive Chairman*

## **NOTICE OF GENERAL MEETING**

### **VOLEX PLC**

*(Registered in England and Wales with no. 00158956)*

**NOTICE** is hereby given that a General Meeting of Volex PLC (the "**Company**") will be held at Meeting Room 2, The Novotel Reading Centre, 25b Friar Street, Reading, RG1 1DP on 15 December 2017 at 11 a.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

### **SPECIAL RESOLUTION**

**THAT** the directors of the Company be and are hereby authorised to cancel the listing of the ordinary shares in the capital of the Company on the Official List of the Financial Conduct Authority and to remove such ordinary shares from trading on London Stock Exchange plc's Main Market for listed securities and to apply for admission of the said ordinary shares to trading on AIM, a market operated by London Stock Exchange plc.

28 November 2017

### **BY ORDER OF THE BOARD**

Daren Morris  
Secretary

Holbrook House  
Richmond  
London TW10 6UA

## Notes of the Notice of General Meeting

### Proxies

1. A member entitled to attend, speak and vote at the above meeting may appoint another person as his or her proxy to exercise all or any of his or her rights to attend, speak and vote on his or her behalf. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. To appoint more than one proxy, you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate in the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. To be valid any Form of Proxy together with any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) or any other instrument appointing a proxy must be included with the Form of Proxy and received by post or (during normal business hours only) by hand at the Company's Registrars, Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 48 hours (excluding any part of a day that is not a business day) before the time appointed for holding the meeting. If you prefer, you may return the Form of Proxy to the Registrars in an envelope addressed to FREEPOST PXS (this is the only address information required on the envelope). Please note that the Freepost address must be completed in block capitals and that delivery using this service can take up to 5 business days. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
4. Completion and return of a Form of Proxy, any other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not preclude a member from attending and voting in person, should he or she subsequently decide to do so.

### Nominated Persons

5. A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with section 146 of the Companies Act 2006 (the '**2006 Act**') (a '**Nominated Person**') does not have the right to appoint a proxy, although he/she may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy. Alternatively, if a Nominated Person does not have such a right, or does not wish to exercise it, he/she may, under an agreement with the relevant shareholder, have a right to give instructions to the shareholder as to the exercise of voting rights. Such Nominated Persons are advised to contact the shareholder who appointed them for further information on this and the procedure for appointing any such proxy.

### Record Date

6. Only the holders of ordinary shares entered on the register of members of the Company as at close of business on 13 December 2017 (or, in the event of any adjournment, close of business on the date which is two business days before the date of the adjourned meeting) shall be entitled to attend either in person or by proxy, and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast at the meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the meeting.

### Total Voting Rights

7. As at 27 November 2017 (being the latest practicable date prior to the publication of this document) the Company's issued share capital consisted of 90,251,892 ordinary shares of 25p each, carrying one vote each. The Company does not hold any shares in treasury. Therefore the total voting rights in the Company as at 27 November 2017 are 90,251,892.

### CREST Proxy Instructions

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ('Euroclear') specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent Link Asset Services (ID RA10) by 10 a.m. on 13 December 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001 (as amended).

#### **Publication of audit concerns**

12. Under section 527 of the 2006 Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 2006 Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

#### **Questions**

13. Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

#### **Information available on the Website**

14. A copy of this notice and the information required to be published by section 311(A) of the 2006 Act can be found at [www.volex.com](http://www.volex.com). Shareholders may not use any electronic address provided in either this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.