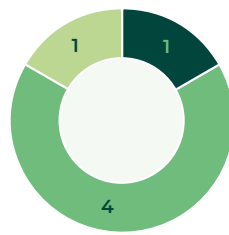


Governance at a glance

Ensuring that our Board is balanced with a diverse range of experiences and competencies is essential for us and we keep Board composition under regular review.

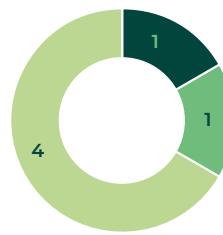
Highlights of stakeholder engagement

- We have expanded our kaizen, team and site excellence programmes during the year, strengthening our culture of continuous improvement
- We have invested in our processes and our people to deliver increased levels of operational excellence to delight our customers
- We have delivered a series of community engagement programmes and taken steps to improve the natural environment around some of our factories
- We continuously listen to the views of our shareholders as we shape our strategy



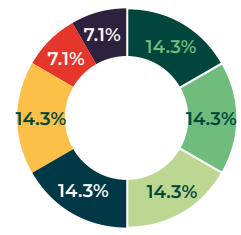
Tenure

0-3 years 3-6 years 6+ years



Composition

Executive Director
Executive Chairman
Non-Executive Directors



Focus areas

Strategy Risk
Stakeholder engagement
Finance Audit
Operations Sustainability

Actions in 2024

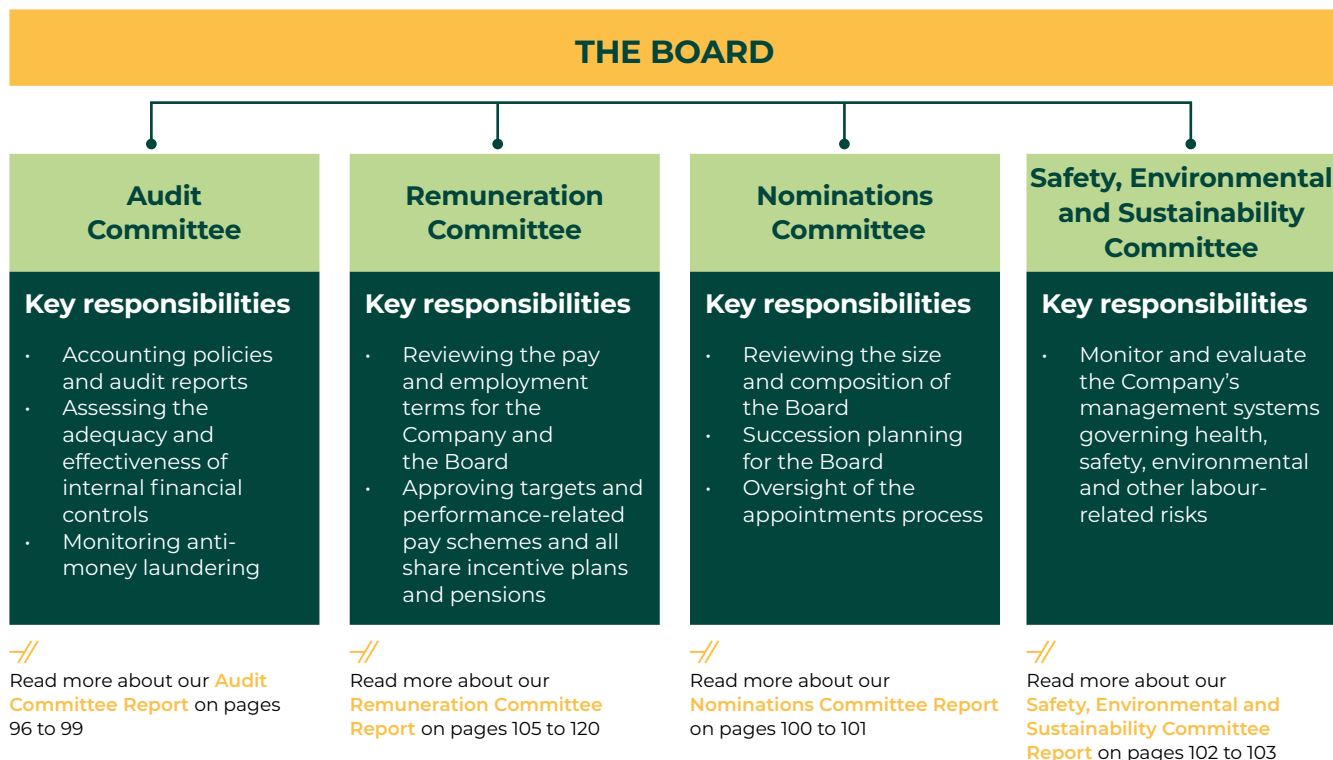
Key topics discussed	Outcomes
Board composition and succession planning	<p>With the resignation of Dean Moore, the Board's Nominations Committee recommended John Wilson's appointment to the Board as a Non-Executive Director and as Chair of the Audit Committee. John (picture on page 82) was appointed to the Board with effect from 19 October 2023. On the same date, Jeffrey Jackson was appointed as a member of the Nominations Committee, and Sir Peter Westmacott was appointed Senior Non-Executive Director.</p> <p>In line with the Company's long-term consideration of succession planning for directors and other senior executives, and its commitment to keeping under review the leadership needs of the organisation, the Chief Financial Officer and Chief Operating Officer were invited to present to the Board in London on succession planning within the Finance and Operations teams.</p>
Mergers and acquisitions	The acquisition of the entire issued share capital of Murat Ticaret, a leading manufacturer of complex wire harnesses headquartered in Türkiye for a total consideration of up to approximately €181.4 million, has been a central focus for the Board during the year.
Finance	Funding of the Murat Ticaret acquisition from existing and amended debt facilities, together with a successful placing and retail offer.
Cyber	The Board oversaw the Company's response to a cyber incident which resulted in unauthorised access to certain IT systems and data at some of the Group's international sites, ensuring that all sites remained operational with minimal disruption to global production levels and that any financial impact was not material.
Customer satisfaction	As a global manufacturer, our goal is zero defects and we closely follow the Company's operational excellence and customer satisfaction programmes.
Sustainability	Through the work of our Safety, Environment and Sustainability Committee we have reviewed the strategy and progress of the Company to decarbonise and improve its sustainability credentials.
People and culture	Our workforce is our most important asset and through our work across the year we have closely followed the Company's activities to improve health and safety and well-being as well as monitoring the Company's whistleblowing policy and a number of HR key performance indicators.

Board priorities for 2025

Growth	We will follow the Company's progress towards its current five-year plan and work with the management team to fulfil our growth potential.
Sustainability	We recognise our responsibilities to ensure that the Company delivers against our sustainability ambitions and we will assess their plans to achieve net zero on our scope 1 and 2 carbon emissions by 2035.
Customers	We will continue to follow the management team's operational excellence programme as we push towards our goal of zero defects.
People and culture	We will continue to challenge the management team to build a strong and resilient culture that values safety, diversity, teamwork and collaboration.

Corporate Governance Report continued

Governance structure



Operation of the Board

The Board is responsible for setting the Group's business objectives, oversight of risk, strategic development and effective corporate governance. It holds regular, scheduled meetings throughout the year to review the Group's financial and operational performance and to consider any other matters as appropriate, including potential merger and acquisition opportunities, risk management and shareholder feedback. When issues requiring the attention of the Board arise outside the regular schedule, the Directors will action agreement via minuted ad hoc Board calls or written resolutions.

All the Directors receive comprehensive briefing packs in advance of Board and Committee meetings. They have access to the services of external advisers and can take independent professional advice at the Company's expense if needed.

Matters reserved for the Board

The Board delegates day-to-day management of the Company to the Executive Directors who, as appropriate, delegate to executive management. However, certain matters are formally reserved for decision by the Board, including:

- Approval of the annual budget;
- Approval of the Company's objectives and setting its long-term strategy;
- Approval of material capital expenditure projects;
- Approval of acquisitions;

- Approval of half-yearly reports, trading updates, the preliminary announcement of year-end results and the Annual Report and Accounts;
- Internal control and risk management; and
- Material contracts, expenditure and Group borrowings.

Board focus in FY2024

The main focus this year was to maintain the progress made by the business in recent years and execute on the Group's five-year strategic plan announced in June 2022, while continuing to navigate the impacts of inflation and global supply chain challenges effectively. The Board has focused on ensuring the financial position of the Group is secured while also looking forward to the longer-term strategic options for the Group, including the acquisition of Murat Ticaret and identifying potential further acquisitions that could bring additional value. In particular, this year the Board:

- Oversaw the acquisition of the entire issued share capital of Murat Ticaret Kablo Sanayi A.Ş. ('Murat Ticaret'), a leading manufacturer of complex wire harnesses headquartered in Türkiye for a total consideration of up to €181 million, together with a successful placing and retail offer to raise gross proceeds of approximately £60 million in aggregate. In this regard, please see the post-transaction report at the end of this Corporate Governance Report, published in accordance with the requirements of paragraph 11 of the Pre-Emption Group's Statement of Principles published in November 2022 (the 'Statement of Principles').

- Approved the appointment of John Wilson as a new Non-Executive Director to the Board following a formal and rigorous process by the Nominations Committee to determine the best candidate for a Non-Executive Director role;
- Approved the appointment of Sir Peter Westmacott as Senior Non-Executive Director;
- Reviewed and approved appointments to the committees of the Board, including John Wilson as Chair of the Audit Committee and Jeffrey Jackson as an additional member to the Nominations Committee;
- Reviewed and discussed succession planning for the Operations and Finance teams;
- Oversaw the Group's response to global supply chain challenges, including responding dynamically to meet customers' expectations;
- Monitored inflationary cost pressures, and the Group's ability to pass through increased costs to customers to protect profitability while maintaining competitiveness;
- Approved annual budget and capital expenditure requirements for the business; and
- Oversaw the Company's response to a cyber incident which resulted in unauthorised access to certain IT systems and data at some of the Group's international sites, ensuring that all sites remained operational with minimal disruption to global production levels and that any financial impact was not material.

Attendance at meetings

The Board met for scheduled discussions six times during the year, following a timetable set at the start of the year and based around the calendar of key upcoming events for the Company. The four Board Committees met 11 times in total. The size of the Board allows it the flexibility to meet at short notice on a more ad hoc basis in response to the needs of the business, and Non-Executive Directors are also encouraged to communicate directly with Executive Directors and executive management between Board meetings.

Directors attended all meetings of the Board and of those Committees of which they are or were members during the year. Directors' attendance at the Board and Committee meetings during the financial year:

Number of meetings	Full Board (6 meetings)	Audit Committee ¹ (4 meetings)	Remuneration Committee (4 meetings)	Nominations Committee (1 meeting)	Safety, Environmental and Sustainability Committee (2 meetings)
Executive Directors					
Lord Rothschild	6/6	–	–	1/1	2/2
Jon Boaden	6/6	–	–	–	–
Non-Executive Directors					
Sir Peter Westmacott	6/6	–	–	1/1	–
Amelia Murillo	6/6	4/4	4/4	–	–
Jeffrey Jackson	6/6	–	4/4	1/1	2/2
Dean Moore ²	2/2	1/1	1/1	–	–
John Wilson ³	4/4	3/3	–	–	–

¹ Representatives from the Internal Audit function and from the Company's external auditors, PricewaterhouseCoopers LLP, usually attend meetings of the Audit Committee.

² Dean Moore resigned from the Board with effect from 19 October 2023 and attended the maximum number of meetings possible while a director.

³ John Wilson was appointed to the Board with effect from 19 October 2023 and has attended the maximum number of meetings possible while a director.

Committees of the Board

The Board has delegated certain responsibilities to the following Committees:

- the Nominations Committee;
- the Audit Committee;
- the Remuneration Committee; and
- the Safety, Environmental and Sustainability Committee.

Each of the above Committees operates under defined terms of reference, which are available on the Company's website. To ensure independent oversight of the audit and remuneration functions, only the Company's independent Non-Executive Directors serve on those Committees. Lord Rothschild sits on both the Nominations Committee and the Safety, Environmental and Sustainability Committee, but both are chaired by a Non-Executive Director. The Company Secretary acts as secretary to each Committee, other than the Safety, Environmental and Sustainability Committee for which the Group HR Director acts as secretary.

Nominations Committee

The members of the Nominations Committee are Sir Peter Westmacott (Chair), Lord Rothschild and Jeffrey Jackson.

The Committee met once during the year.

The Committee is responsible for reviewing the size and composition of the Board – including whether the balance of Executive Directors and Non-Executive Directors continues to be appropriate – succession planning and recommending suitable candidates for membership of the Board when such posts arise. In appointing a new Board member, the Committee evaluates the balance of skills, knowledge and experience of the Board and prepares a clear description of the role and the capabilities and strengths required to fulfil a particular appointment.

Details of the Nominations Committee's activities are contained in the Nominations Committee Report on pages 100 to 101.

Audit Committee

The members of the Audit Committee are John Wilson (Chair) and Amelia Murillo.

The Committee met four times during the year.

The Committee is responsible for monitoring the integrity of the Company's financial statements, including its annual and half-yearly results, as well as for keeping the Company's internal controls under review and overseeing the relationship with the external auditors.

Details of the Committee's activities are contained in the Audit Committee Report on pages 96 to 99.

Remuneration Committee

The members of the Remuneration Committee are Amelia Murillo (Chair) and Jeffrey Jackson.

The Committee met four times during the year.

The Committee is charged with determining and agreeing the remuneration of the Executive Directors as well as recommending and monitoring the structure of remuneration for senior management and approving grants under the Company's share incentive scheme.

Details of the Committee's activities are contained in the Remuneration Committee Report on pages 105 to 120.

Safety, Environmental and Sustainability Committee

The members of the Safety, Environmental and Sustainability Committee are Jeffrey Jackson (Chair) and Lord Rothschild.

The Committee met two times during the year.

The Committee aims to ensure appropriate governance is applied to the management of health and safety within the Group. It monitors the effectiveness of controls relating to health, safety and environmental risks and monitors the overall compliance around labour-related risks within the business. The Committee also oversees the Company's sustainability activities and governance.

Details of the Committee's activities are contained in the Safety, Environmental and Sustainability Committee Report on pages 102 to 104.

Board effectiveness

Composition, independence and diversity on the Board

The Board comprises the Executive Chairman, the Chief Financial Officer and four Non-Executive Directors, such that the QCA Code requirement for at least two independent Non-Executive Directors has been met. Sir Peter Westmacott, Amelia Murillo, Jeffrey Jackson and John Wilson are considered by the Board to be independent of management, as is required by the QCA Code, and free from any business or other relationship that could materially interfere with the exercise of their judgement.

Our Board comprises of an executive leadership team with extensive commercial knowledge, supported by experienced Non-Executive Directors who bring strong governance disciplines and a valuable external perspective to our business.

The Company embraces diversity and is dedicated to encouraging inclusion. The Board membership comprises of individuals who have a wide range of diverse experience and skills and each bring a unique perspective to debate at Board level.

The Non-Executive Directors are expected to devote such time as is necessary for the proper performance of their duties and be prepared to spend around 20 days per year on company business.

It is acknowledged that non-executive directors may have business interests other than those of the Company and are required to disclose to the Board any significant commitments they have outside of the Company. They must inform the Board in advance of any changes to such commitments. In certain circumstances, the agreement of the Board must be sought before a Non-Executive Director accepts further commitments which either might give rise to a conflict of interest or a conflict of any of their duties to the Company, or which might impact on the time that they are able to devote to their role at the Company.

Board Diversity

The Board recognises the importance of diversity within the Company and is dedicated to fostering it at all organisational levels. Although there is no formal board diversity policy, diversity considerations play an important role in appointment decisions. The Board intends to continue evaluating the necessity of such a policy, considering the Board's size and required skills. Additional details about our diversity efforts, including female representation in our workforce, can be found in the 'Social Impact' section of the Sustainability Report on pages 73 to 75.

Executive Directors are expected to attend all meetings of the Board, and of the Committees on which they sit, and to devote sufficient time to the Group's affairs to enable them to fulfil their duties as Directors. Details of the time commitment expected of each Non-Executive Director are included in their letters of appointment.

Election and Re-election of Directors

Directors are elected by shareholders at the first Annual General Meeting (AGM) after their appointment by the Board and, thereafter, may offer themselves up for re-election by shareholders at regular intervals and in any event at least once every three years. John Wilson will be offered for election at this year's AGM as it will be his first AGM following his appointment by the Board. Jon Boaden, Sir Peter Westmacott and Amelia Murillo will be offered for re-election this year as it will be three years since they were last elected to the Board.

Conflicts of interest

Under the Companies Act 2006, a Director must avoid a situation where a direct or indirect conflict of interest may occur and procedures are in place to manage any circumstance where a conflict may be perceived. The Company's Articles of Association prevent Directors from voting on issues where they have, or may have, a conflict of interest, other than in exceptional and specific circumstances.

Performance evaluation

The Non-Executive Directors have the opportunity to meet separately with the Executive Chairman and the Chief Financial Officer during the year to discuss Board member performance.

The Non-Executive Directors met separately with the Executive Chairman and the Chief Financial Officer at numerous points during the year and Board member performance was discussed, with any performance concerns subsequently addressed. The Board recognises that a robust performance evaluation is important to maximise Board effectiveness.

Development

All new Directors receive an induction programme tailored to their background and experience, organised by the Company Secretary and the Company's Nominated Adviser. In addition, all Directors are informed of changes to relevant legislation or regulations and receive updates and briefings on areas such as Directors' duties and corporate governance guidelines and best practice.

Individual Directors, with the support of the Company Secretary, are also expected to take responsibility for identifying their own training needs and to ensure that they are adequately informed about the Group and their responsibilities as a Director.

Accountability for financial reporting

The Board is responsible for presenting a fair, balanced and understandable assessment of the Company. The Company has a comprehensive annual budgeting process, to which all its global subsidiary entities contribute directly and which culminates in formal approval of the annual budget by the Board. Regular forecasts and updates on financial performance are presented to the Board during the year. The reasons why the Directors continue to adopt the going concern basis for preparing the financial statements are given in the Directors' Report on pages 121 to 124.

Internal controls and risk management

The Board has overall responsibility for the Group's system of internal control and risk management, which is designed to identify, evaluate and control the significant risks associated with delivering the Group's strategy with a view to safeguarding shareholders' investments and the Group's assets. The compliance hotline process, 'Speak Up', was further embedded within the business to ensure that all employees have a confidential route to report concerns in relation to ethics, conduct and compliance.

An ongoing process for identifying, evaluating and managing the significant risks faced by the Group has been in place for the year up to and including the date of approval of this report, based on a combination of:

- an ongoing process of assessment and review of individual Volex sites and/or entities undertaken by a combination of our Internal Audit function, the Group Finance team and the Operations teams; and
- the annual risk survey conducted centrally across the entire senior management team and Group-wide functions.

Read more about Volex's risk management processes and outcomes in the Risk Management section of the Strategic Report on pages 49 to 55.

Key features of the Company's system of internal controls

Key elements of the Company's system of internal controls which have operated throughout the year are:

- A system of regular reports from management setting out key performance and risk indicators;
- Rigorous short-term management and forecasting of cash flow;
- A schedule of specific, key matters reserved for decision by the Board;
- A framework for reporting and escalating matters of significance;
- Group-wide procedures, policies and standards which incorporate statements of required behaviour;
- Continuous review of operating performance and monitoring of monthly results against annual budgets and periodic forecasts;
- Risk-based reviews of sites and/or business processes, with observations and recommendations to improve controls being reported to management to ensure timely action, with oversight provided by the Audit Committee; and
- A process and policy for employees to raise concerns and regular reports to the Audit Committee of all material disclosures made, the results of investigations and actions taken.

Through its risk management process and the review of effectiveness of the system of internal controls, the Board believes the control environment is adequate for a group the size of Volex.

Relations with shareholders

The Board is responsible for effectively engaging with shareholders. The Board achieves this through regular dialogue with brokers, analysts and shareholders themselves, with the Executive Chairman and Chief Financial Officer taking a lead in those relationships.

The Board takes steps to understand the views of major shareholders of the Company, including through receiving feedback from any shareholder meetings and through analyst/broker briefings. The Board takes account of the

corporate governance guidelines of institutional shareholders and their representative bodies such as the Investment Association and the Pensions and Lifetime Savings Association. The Executive Chairman and Chief Financial Officer are available to meet with major and prospective shareholders. The Non-Executive Directors are available to attend shareholder meetings as necessary.

Read more about Volex's engagement with its stakeholders in the Section 172 Statement on pages 80 to 81.

Annual General Meeting ("AGM")

The Notice of AGM will be dispatched to shareholders, together with explanatory notes or a circular on items of special business, at least 21 clear days before the meeting. Separate resolutions will be proposed on each substantive issue, including a resolution relating to the Annual Report and Accounts.

The Board welcomes questions from shareholders, and they will have the opportunity to raise issues before or after the meeting if circumstances prevent active attendance.

For each resolution, the proxy appointment forms provide shareholders with the option to direct their proxy vote either for or against the resolution, or to withhold their vote. As with last year, we will be encouraging shareholders to switch to paperless voting.

The Company will ensure that the proxy form and any announcement of the results of a vote will make it clear that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.

All valid proxy appointments are properly recorded and counted. For each resolution, after the vote has been taken, information on the number of proxy votes for and against the resolution and the number of shares in respect of which the vote was withheld, are given at the meeting and are made available on the Company's website at www.volex.com.

Post Transaction Report – Murat Ticaret Fundraise - June 2023

In accordance with paragraph 11 of the Statement of Principles, set out below is the post-transaction report from the Company's announcement, titled "Results of Fundraising", published on 22 June 2023 in connection with a total of 21,818,181 new ordinary shares of 25 pence each in the capital of the Company (the "New Ordinary Shares") being allotted pursuant to the placing and the retail offer via the REX platform to raise gross proceeds of approximately £60 million (the "Fundraising") used to part finance the acquisition of the entire issued share capital of Murat Ticaret Kablo Sanayi A.Ş.

The Fundraising was a non-pre-emptive issue of equity securities for cash structured via a cash-box, and accordingly the Company made the following post-transaction report in its announcement of 22 June 2023 in accordance with the most recently published Statement of Principles.

Name of issuer	Volex plc
Transaction details	<p>In aggregate, the Fundraising of 21,818,181 New Ordinary Shares represents approximately 13.7 per cent. of the Company's issued ordinary share capital.</p> <p>Settlement for the New Ordinary Shares and Admission are expected to take place at 08.00 a.m. on 26 June 2023.</p>
Use of proceeds	The net proceeds of the Fundraising are to be used to part fund the acquisition of Murat Ticaret for a total consideration of up to approximately €178.1 million (\$194.5 million ¹).
Quantum of proceeds	The Fundraising raised gross proceeds of approximately £60.0 million and net proceeds of approximately £58.5 million.
Discount	The Offer Price of 275 pence represents a discount of 3.8 per cent. to the closing mid-market share price on 21 June 2023.
Allocations	Soft pre-emption has been adhered to in the allocations process. Management were involved in the allocations process, which has been carried out in compliance with the MIFID II Allocation requirements. Allocations made outside of soft pre-emption were preferentially directed towards existing shareholders in excess of their pro rata, and wall-crossed accounts.
Consultation	The Joint Global Co-ordinators undertook a pre-launch wall-crossing process, including consultation with the Company's major shareholders, to the extent reasonably practicable and permitted by law.
Retail investors	<p>The Fundraising included a retail offer of up to £3 million, via the REX platform.</p> <p>Retail investors who participated in the REX Retail Offer were able to do so on the same terms as all investors in the Placing.</p> <p>The REX Retail Offer was made available to existing shareholders in the UK. Investors had the ability to participate in the REX Retail Offer through ISAs and SIPPs, as well as General Investment Accounts (GIAs). This combination of participation routes meant that, to the extent practicable on the transaction timetable, eligible UK retail investors had the opportunity to participate in the Fundraising alongside institutional investors.</p>

¹ EUR/USD FX of 1.092 as of 21 June 2023



Jon Boaden
Chief Financial Officer

26 June 2024