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If you have sold or transferred, or subsequently sell or transfer, all of your Ordinary Shares in Plexus Holdings plc (the “**Company**”), please send this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is effected for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale was effected.

The distribution of this document and/or the accompanying Form of Proxy into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the Form of Proxy come should inform themselves about, and observe, any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdictions.

The Company’s Ordinary Shares are admitted to trading on AIM under the symbol POS. 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. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the United Kingdom Listing Authority has examined or approved the contents of this document. This document does not constitute a recommendation regarding the securities of the Company.

The Directors, whose names appear on page 4 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (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.

This document will be available on the Company’s website at [www.plexusplc.com](http://www.plexusplc.com).

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# **Plexus Holdings plc**

*(Incorporated and registered in England and Wales under the Companies Act 1985  
with company number 03322928)*

## **Disposal of Plexus’ Jack-up Exploration Drilling Equipment and Services Business 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 the Company which is set out on pages 9 to 18 of this document and which contains a recommendation from the Board that Shareholders vote in favour of the Resolution to be proposed at the General Meeting referred to below.**

**Notice of a General Meeting of Plexus Holdings plc, to be held at the offices of Fox Williams LLP, 10 Finsbury Square, London EC2A 1AF at 11.30 a.m. on 6 November 2017, is set out at the end of this document. Whether or not you propose to attend the General Meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. To be valid the accompanying Form of Proxy for use in connection with the General Meeting should be completed,**

signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, SLC Registrars of 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ by no later than 11.30 a.m. on 4 November 2017 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). If you hold your Ordinary Shares in uncertificated form (i.e., in CREST) you may appoint a proxy electronically by following the instructions set out in Note 4 on page 20 so that it is received by the Company's registrars by no later than 11.30 a.m. on 4 November 2017 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The time of receipt of the electronic appointment of a proxy will be taken to be the time from which the Company's registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

**Completion and return of a Form of Proxy or completion and transmittal of the electronic appointment of a proxy will not preclude Shareholders from attending and voting at the General Meeting in person should they so wish.**

Cenkos Securities plc ("**Cenkos Securities**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**"), is acting as nominated adviser and broker to the Company in connection with the matters described in this document. Persons receiving this document should note that Cenkos Securities will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities or for advising any other person on the arrangements described in this document. Cenkos Securities has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Cenkos Securities for the accuracy of any information or opinions contained in this document or for the omission of any information. Cenkos Securities as nominated adviser and broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors.

#### **FORWARD-LOOKING STATEMENTS**

This document contains "forward-looking" statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates" or the negative of such words or other variations of them or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In addition, from time to time, the Company or its representatives have made or may make forward-looking statements orally or in writing. Such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of one of the Company's authorised executive officers. These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Company and its subsidiary undertakings. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied, in such forward-looking statements. The forward-looking statements contained in this document speak only as at the date of this document. Except to the extent required by the FCA, the London Stock Exchange or applicable law, the Company will not necessarily update any of them in light of new information or future events and undertakes no duty to do so.

The date of this document is 20 October 2017.

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## DIRECTORS AND ADVISERS

<b>Directors</b>	Jerome Jeffrey Thrall Bernard van Bilderbeek Graham Stevens Craig Hendrie Geoffrey Thompson Charles Jones Kunming Liu	<i>Non-executive Chairman</i> <i>Chief Executive Officer</i> <i>Finance Director</i> <i>Technical Director</i> <i>Non-executive Director</i> <i>Non-executive Director</i> <i>Non-executive Director</i>
<b>Company Secretary</b>	Kerin Williams FCIS	
<b>Registered Office</b>	42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ	
<b>Nominated Adviser and Broker</b>	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS	
<b>Solicitors to the Company</b>	Fox Williams LLP 10 Finsbury Square London EC2A 1AF	
<b>Registrars</b>	SLC Registrars 42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ	

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Transaction	19 October 2017
Date of this Document	20 October 2017
Latest time and date for receipt of completed Forms of Proxy and electronic appointments of proxy	11.30 a.m. on 4 November 2017
General Meeting	11.30 a.m. on 6 November 2017

1. Each of the times and dates shown above and elsewhere in this document are indicative and accordingly are subject to change.
2. If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
3. References to time in this document are to London time unless otherwise stated.
4. All events listed in the above timetable following the General Meeting are conditional on the passing, at the General Meeting, of the Resolution contained in the Notice of General Meeting.

## DEFINITIONS

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

<b>“AIM”</b>	AIM, a market operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the AIM rules for Companies published by the London Stock Exchange from time to time;
<b>“Board”</b>	the board of Directors of the Company for the time being, including a duly constituted committee of the Directors;
<b>“Business Purchase Agreement” or “BPA”</b>	the business purchase agreement between the Company, POSL and TFMC dated 18 October 2017, as described in paragraph 7 of the Letter from the Chairman on page 15 of this document;
<b>“Cenkos Securities”</b>	Cenkos Securities plc, a company incorporated in England and Wales with company number 05210733 whose registered office is at 6.7.8 Tokenhouse Yard, London EC2R 7AS;
<b>“CIS”</b>	the Commonwealth of Independent States;
<b>“Collaboration Agreement”</b>	the collaboration agreement between the Company and TFMC, as described in paragraph 7 of the Letter from the Chairman on page 17 of this document;
<b>“Company” or “Plexus”</b>	Plexus Holdings plc, a company incorporated in England and Wales with company number 03322928 whose registered office is at 42-50 Hershams Road, Walton-on-Thames, Surrey KT12 1RZ;
<b>“Completion”</b>	completion of the Transaction;
<b>“CREST”</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001 SI 2001: No.3755 (as amended)) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in those regulations);
<b>“Directors”</b>	the directors of the Company whose names are set out on page 4 of this document;
<b>“Disposal”</b>	the disposal of Plexus’ Jack-Up Business on the terms set out in the BPA;
<b>“ECS”</b>	European Continental Shelf, comprising Norway, Netherlands and Denmark;
<b>“Existing Ordinary Shares”</b>	the 105,386,239 Ordinary Shares as at the date of this document;
<b>“Form of Proxy”</b>	the form of proxy for use at the General Meeting, which accompanies this document;
<b>“FCA”</b>	the UK Financial Conduct Authority;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended);
<b>“General Meeting”</b>	the general meeting of the Company to be held at the offices of Fox Williams LLP, 10 Finsbury Square, London, EC2A 1AF at 11.30 a.m. on 6 November 2017;
<b>“Gusar”</b>	LLC Gusar (OOO Gusar) a company incorporated in the Russian Federation with its principal office at 57 Transportnaya St, Gus-Khrustalny, Vladimir Region, Russia 601506;
<b>“HP/HT”</b>	high pressure/high temperature;

<b>“Jack-Up Business”</b>	the jack-up exploration drilling equipment and services business of Plexus;
<b>“Joint Industry Project”</b>	the joint industry project launched in October 2010 to develop a new design of subsea wellhead;
<b>“Konar”</b>	CJSC Konar (Zao Konar), a company incorporated in the Russian Federation with its principal office at 4-B Lenin Ave, Chelyabinsk, Russia 454085;
<b>“Licence Agreement(s)”</b>	the Royalty Free Licence and the Royalty Licence;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting, which is set out at the end of this document;
<b>“Ordinary Shares”</b>	ordinary shares of 1p each in the capital of the Company;
<b>“Overseas Shareholders”</b>	Shareholders who are resident in, or citizens or nationals of, jurisdictions outside the United Kingdom;
<b>“POS-GRIP”</b>	POS-GRIP®, the Company’s patented technology which is a method of engineering which involves deforming one tubular member against another to effect gripping and sealing;
<b>“Regulatory Information Service”</b>	one of the regulatory information services authorised by the United Kingdom Listing Authority to receive, process and disseminate regulatory information in respect of listed companies;
<b>“Plexus Group”</b>	Plexus and its subsidiary undertakings;
<b>“POSL”</b>	Plexus Ocean Systems Limited, a company incorporated in Scotland with company number SC121368 whose registered office is at Johnstone House, 52-54 Rose Street, Aberdeen AB10 1HA being a wholly owned subsidiary of Plexus;
<b>“Rental Revenue”</b>	in relation to Year One and Year Two, revenue invoiced by the Jack-Up Business and in relation to Year Three, revenue accrued and invoiced by the Jack-Up Business, consisting of rental fees and performance related payments, for POS-GRIP Exploration Wellhead Systems and associated systems, subject to specified exclusions, in each case as defined in the BPA;
<b>“Resolution”</b>	the resolution set out in the Notice of General Meeting;
<b>“Royalty Free Licence”</b>	the royalty free patent, trademark and know-how licence agreement between the Company, POSL and TFMC as described in paragraph 7 of the Letter from the Chairman on page 16 of this document;
<b>“Royalty Licence”</b>	the royalty patent, trademark and know-how licence agreement between the Company, POSL and TFMC as described in paragraph 7 of the Letter from the Chairman on page 16 of this document;
<b>“Rosneft Vietnam”</b>	Rosneft (TNK Vietnam B.V);
<b>“Sales Revenue”</b>	in relation to Year One and Year Two, revenue invoiced by the Jack-Up Business and in relation to Year Three, revenue invoiced and accrued by the Jack-Up Business each from the sale of POS-GRIP Exploration Wellhead Systems and Tersus™ Mudline Suspension Systems, subject to certain exclusions, in each case as defined in the BPA;

<b>“Shareholders”</b>	persons who are registered as holders of Ordinary Shares from time to time;
<b>“Transaction”</b>	the proposed Disposal and related matters contemplated by the BPA, the Licence Agreements, the Collaboration Agreement, the TSA and other related documents;
<b>“Transitional Services Agreement” or “TSA”</b>	the transitional services agreement between the Company, POSL and TFMC, as described in paragraph 7 of the Letter from the Chairman on page 17 of this document;
<b>“TFMC”</b>	FMC Technologies Limited
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“UKCS”</b>	United Kingdom Continental Shelf;
<b>“United Kingdom Listing Authority”</b>	the FCA, acting in its capacity as the competent authority for the purposes of Part IV of FSMA;
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to the jurisdiction of the United States of America;
<b>Year One</b>	the 365 day period commencing on the date of Completion;
<b>Year One Rental Revenue</b>	33% of the Rental Revenue for Year One determined in accordance with the BPA;
<b>Year One Sales Revenue</b>	33% of Sales Revenue from POS-GRIP Exploration Wellhead Systems and 10% of other Sales Revenue for Year One determined in accordance with the BPA;
<b>Year Two</b>	the 365 day period commencing on date immediately following the end of Year One;
<b>Year Two Rental Revenue</b>	33% of the Rental Revenue for Year Two determined in accordance with the BPA;
<b>Year Two Sales Revenue</b>	33% of Sales Revenue from POS-GRIP Exploration Wellhead Systems and 10% of other Sales Revenue for Year Two determined in accordance with the BPA;
<b>Year Three</b>	the 365 day period commencing on date immediately following the end of Year Two;
<b>Year Three Rental Revenue</b>	33% of the Rental Revenue for Year Three determined in accordance with the BPA; and
<b>Year Three Sales Revenue</b>	33% of Sales Revenue from POS-GRIP Exploration Wellhead Systems and 10% of other Sales Revenue for Year Three determined in accordance with the BPA.

## LETTER FROM THE CHAIRMAN

*(Registered and incorporated in England and Wales under the Companies Act 1985  
with company number 03322928)*

*Directors:*

Jerome Jeffrey Thrall *(Non-executive Chairman)*  
Bernard van Bilderbeek *(Chief Executive Officer)*  
Graham Stevens *(Finance Director)*  
Craig Hendrie *(Technical Director)*  
Geoffrey Thompson *(Non-executive Director)*  
Charles Jones *(Non-executive Director)*  
Kunming Liu *(Non-executive Director)*

*Registered Office:*

42-50 Hersham Road,  
Walton-on-Thames,  
Surrey KT12 1RZ

*To Shareholders and, for information only, to the holders of options over, Ordinary Shares*

20 October 2017

Dear Shareholder,

### **Proposed Disposal of Plexus' Jack-up Exploration Drilling Equipment and Services Business and Notice of General Meeting**

#### **1. INTRODUCTION**

The Company announced on 19 October 2017 that it has agreed the sale of its wellhead exploration equipment and services business for Jack-up applications (the "Jack-up Business") to FMC Technologies Limited ("TFMC"), a subsidiary of TechnipFMC one of the leading oil & gas service and equipment companies in the world with a market capitalisation of approximately US\$12.5 billion (Paris:FTI) (NYSE:FTI). This follows the signing of a Business Purchase Agreement by Plexus, Plexus subsidiary POSL and TFMC. Under the terms of the BPA, on Completion, the Plexus Group will receive an initial gross cash consideration of £15,000,000, subject to certain adjustments, with an additional sum of up to £27,500,000 payable dependent on the future performance of the Jack-up Business during a three-year earn-out period. The earn-out, which has the potential to increase the total cash consideration to £42,500,000, allows Plexus to benefit from any growth in activity in the jack-up exploration market during the period, as well as TFMC's extensive global presence.

The Disposal of the Jack-up Business is in line with Plexus' strategy to increase industry awareness of its POS-GRIP friction grip technology by initially focusing on proving the superior qualities of its equipment in the jack-up exploration market, where to date its technology has been deployed on hundreds of wells worldwide, before targeting other markets such as surface production wellheads, subsea wellheads and de-commissioning. The Board of Plexus believes that the Disposal represents a significant milestone for the Company as it demonstrates the attractiveness of POS-GRIP technology. Following Completion, Plexus will focus on establishing its technology and equipment in other markets, and in this regard the Board believes that the recent announcement of a contract with Centrica for the supply of surface production application equipment is particularly encouraging.

In line with this objective and as part of the Transaction, Plexus and TFMC will also be entering into a Collaboration Agreement which establishes a framework to work together both on the development of existing POS-GRIP IP for applications outside of jack-up exploration, as well as on future new technologies. The Collaboration Agreement provides for the formation of a joint steering committee comprising representatives of Plexus and TFMC, who will be able to explore potential areas of future collaboration. This proposed future collaboration will therefore provide a platform from which the Company can seek to further develop and commercialise its POS-GRIP technology across a range of other applications.

At the same time Plexus and TFMC have agreed to enter into two Licence Agreements, one royalty free and the other royalty bearing, which deliver to TFMC the necessary IP which is held by the Company and which relates to the divested Jack-up Business.

To facilitate a smooth transition of the Jack-up Business, the parties will be entering into a Transitional Services Agreement through which the Plexus Group will provide certain services to TFMC on a transitional basis. TFMC will also enter into a sub-lease on one of the two main Plexus buildings in Aberdeen.

Further details of the key terms of the Transaction are set out in Part 7 of this document

As the Jack-up Business accounted for approximately 99.7 per cent. of the Company's total revenues in the year ended 30 June 2016, pursuant to Rule 15 of the AIM Rules, the Disposal is deemed to constitute a disposal resulting in a fundamental change of business, and is therefore conditional on the consent of Shareholders being obtained at the General Meeting.

**The purpose of this document is to provide Shareholders with further information on the Transaction, the Resolution, details of the Company's ongoing business and strategy, and the reasons why the Directors consider that the Transaction is in the best interests of the Company and its Shareholders as a whole.**

**The Directors unanimously recommend that you vote in favour of the Resolution to be proposed at the General Meeting.**

**You will find set out at the end of this document a notice of the General Meeting. A Form of Proxy is also enclosed with this document. Completion of the Form of Proxy will not preclude you from attending the General Meeting and voting in person.**

## **2. BACKGROUND TO AND REASONS FOR THE TRANSACTION**

### ***Introduction***

AIM-traded oil and gas engineering services company Plexus has developed a range of products and applications based on its patent-protected POS-GRIP friction-grip method of wellhead engineering. Included among these are the Company's POS-GRIP friction-grip exploration wellhead equipment and associated tooling. Up until now, the Company's core business has been the rental of this equipment to major oil and gas operators for use on jack-up exploration wells around the world, particularly for High Pressure/High Temperature ("HP/HT") applications. To date, Plexus wellheads have been used on hundreds of wells operated by a customer base, which includes blue-chip customers such as BP, Centrica, Maersk, Royal Dutch Shell, Statoil, and Total.

### ***IP-led***

Since it was established, Plexus has focused on being an innovative, IP-led company built around its proprietary POS-GRIP technology. POS-GRIP was designed to address a number of limitations associated with conventional wellhead technology particularly in terms of metal sealing, and has subsequently raised standards for HP/HT wellhead applications. POS-GRIP enables Plexus to provide operators with superior solutions, offering unique safety and operational advantages, while at the same time delivering significant time and cost savings on the surface and, the Board anticipates, in due course and even more significantly, subsea. Thanks to POS-GRIP, Plexus has successfully raised wellhead test standards to equal or exceed those of premium couplings and there are numerous applications and products which the Board believes could benefit from the POS-GRIP method of engineering now and in the future.

The Company has invested in research & development and IP development in a wide range of areas and applications outside jack-up exploration, including surface production and subsea wellhead equipment, as well as proprietary connector technology. This suite of new products and applications has grown significantly and now, following a Joint Industry Project, includes the Python™ Subsea Wellhead (a new standard for subsea wellheads – supported by BG, Royal Dutch Shell, Wintershall, Maersk, Total, Tullow Oil, eni, Senergy, and Oil States Industries Inc); the development and launch of the POS-SET™ Connector ('POS-SET') product for the growing de-commissioning and abandonment market; development of HP/HT dual marine barrier risers to provide an efficient, safe and cost effective solution for use on jack-up rigs; an innovative HP/HT Tie-Back connector product; and a new Well Tree product.

### ***Strategy: initial focus on jack-up exploration before wider roll-out***

Plexus found the oil & gas sector to be resistant to new technology and experienced push back from industry participants at the early stage of introducing POS-GRIP technology. As a consequence, Plexus

took the decision to initially apply POS-GRIP technology to jack-up exploration drilling, in order to showcase and prove the technology and obtain industry acceptance, before developing and commercialising a wider range of products based on its POS-GRIP technology. The dynamics of exploration drilling enabled the Company to avoid the relatively high and often fixed costs of becoming a manufacturer, allowing Plexus to build a wellhead inventory which could be rented out to customers on a temporary basis for use on exploration drilling projects.

The Company established its position in the UKCS and ECS and became a provider of jack-up exploration drilling equipment and services, particularly for HP/HT applications. Notably, Plexus was awarded last year a £3.3m contract from Total offshore Norway for an Ultra-HP/HT exploration well called Solaris, which is believed to be one of the highest pressure wells ever drilled in the North Sea. The technical success in the North Sea has enabled Plexus to demonstrate and prove the superior qualities of its POS-GRIP technology to the wider industry.

In the period from 2005 to 2015, Plexus expanded its focus with contracts extending to Asia, Australia, China, Egypt, Middle East, Russia, and West Africa from the UKCS and in the process became a supplier to a wide customer base, including blue-chip customers. An Asian business hub was established to increase the supply of POS-GRIP wellhead equipment and services to the Australian, Brunei, Indonesian, Malaysian, Thai, and Singaporean oil and gas exploration and production markets. Strategic licence agreements were pursued, including in 2016 with Gusar, and Konar, two independent Russian oil and gas equipment manufacturers, for the rental, manufacture and servicing of Plexus' jack-up drilling wellhead exploration equipment into the Russian Federation and the other CIS states' oil and gas markets. The Company's international expansion contributed to record revenue, EBITDA, profit before tax and profit after tax being generated in the year to June 2015.

The Company's strong performance at that time was delivered despite the onset of significant challenges to the oil and gas sector, culminating in 2015 with a significant fall in the oil price from circa US\$120 to US\$30. As has been well documented, the sector-wide decline has continued, resulting in a sharp decline in exploration drilling activity and a dramatic reduction in capex spending across the industry. Notwithstanding this, Plexus continued to pursue its objective of developing the Company into a leading international wellhead engineering company supplying the best in class and safest wellhead equipment across exploration, production and subsea arenas, utilising its proprietary patented POS-GRIP method of engineering. Even during challenging trading conditions new customers in new territories were secured.

### ***Favourable long terms trends***

The Directors believe that long term trends within the wider oil and gas industry provide a favourable backdrop for the Company's strategy, specifically the increasing importance of gas in the hydrocarbon energy mix due to its increased accessibility and certain environmental benefits when compared to dirtier fossil fuels, such as coal and oil. For targeted reductions of CO<sub>2</sub> emissions to be met across the globe, it is widely believed a move from dirtier fossil fuels such as coal to cleaner hydrocarbons is required. According to the BP Energy Outlook 2017, gas is the fastest growing fuel, with its share in primary energy increasing as it overtakes coal to be the second-largest fuel source by 2035 and supplies of LNG are on course to increase by 50 per cent. between 2014 and 2021. Plexus is well placed to capitalise on these trends as it believes it has the best metal to metal sealing system technology available for gas and as a result its equipment is ideally suited to the high pressures and high temperatures associated with such wells. This was demonstrated by the previously mentioned £3.3m contract from Total E&P Norge AS to supply the Solaris exploration well, a technically challenging Ultra HP/HT well offshore Norway.

### ***Reasons for the Transaction***

The growing awareness and recognition of the advantages of POS-GRIP technology, in particular for exploration wellheads, has resulted in ongoing interest and support for POS-GRIP technology from the oil & gas industry. Plexus has always worked collaboratively with the industry to convey the benefits of its technology and this approach has facilitated a relationship with TFMC which, following an extended period of due diligence, has culminated in the proposed Transaction.

In light of the significant challenges currently facing the oil & gas sector, the Board has carefully considered the timing of the Transaction and has concluded that, whilst the Company could choose to wait for the exploration sector to return to previous activity levels before redeploying its existing wellhead inventory, the timing of a recovery is uncertain. In May 2017, the Company announced that the

challenging trading conditions in the sector, which have had a material impact on the performance of Plexus' core business of renting its proprietary exploration wellhead equipment, had continued in the second half of the last financial year ending June 2017. While a number of specific opportunities were being pursued in the North Sea and overseas, some of these were taking longer than anticipated to conclude as operators continue to show caution when committing to new capex and projects. It is therefore taking longer than expected to deliver on Plexus' strategy to materially expand into major markets beyond the UKCS.

The Directors believe that to conclude the Transaction at this time is advantageous to Plexus for a number of reasons. TFMC is recognised as one of the leading oil & gas service and equipment companies in the world and the Board strongly believes that TFMC will be able to use its global reach and infrastructure to grow the Jack-Up Business effectively. The Transaction also facilitates an ongoing collaboration with TFMC through the establishment of a joint steering committee that will be set up in the context of a Collaboration Agreement, which the Board believes will have the potential to enable Plexus to unlock further value of its proprietary POS-GRIP technology for the benefit of all Shareholders.

The Board of Plexus believes that to have now reached a point where the Transaction can be concluded is a significant milestone for the Company. Acceptance by the industry of the Company's POS-GRIP technology was the original strategic objective of building up the Jack-up Business and to that end it has delivered.

Under the terms of the Transaction, a three year earn-out period will provide Plexus with both earn-out revenues from the Jack-up Business and time to actively pursue additional opportunities with new and existing product lines, either on its own or with partners. The Royalty Licence will provide Plexus with an additional revenue stream based on the net sales prices of the specified M2S Crossover Production and completion equipment and the Tersus-PCT Riser Tieback equipment.

Whilst the Board anticipates that lower levels of activity in the oil and gas sector will continue, and that the timing of a recovery is difficult to predict, it is encouraging for the earn-out mechanism that there are clear signs of an improvement in exploration activity levels during the current financial year.

### 3. EFFECT OF THE TRANSACTION

#### *Financial impact of the Transaction*

The table below summarises the financial impact of the Transaction on the Company.

	<b>PLC</b> <b>£'000</b>	<b>Jack-up</b> <b>Business</b> <b>£'000</b>
Revenues*	11,227	11,193
Profits/(Loss)*	(6,915)	(1,415)
Revenues**	3,770	3,766
Profits/(Loss)**	(2,451)	(535)
Total assets***	<u>44,635</u>	<u>14,971</u>

\* for the 12 month period to 30 June 2016

\*\* for the 6 month period to 31 December 2016

\*\*\* as at 31 December 2016

### *Information on the Jack-up Business*

The Jack-up Business proposed to be disposed of comprises the jack-up exploration drilling equipment and services rental business carried on by Plexus at the date of Completion. TFMC will acquire the right to use on an exclusive basis the proprietary POS-GRIP friction grip method of engineering in relation to jack-up exploration drilling, but excluding certain territories and business/product lines, as set out below.

<b>Key Product Lines</b>	<b>Application/Exclusions</b>
POS-GRIP Exploration Wellhead Systems	Surface wellhead systems for jack-up exploration and appraisal drilling.  Plexus retains the right to this right to use this product line in Russia and CIS, and Malaysia.
Tersus™ Mudline Suspension Systems and all related assets	Conventional mudline suspension system range formally referred to as "TRT-S".  Plexus has retained the non-exclusive right to use this product line for all applications other than jack-up exploration
Lockring type riser and Conductor connectors	Frelok type or lock ring type riser and conductor connectors within the surface wellhead products.  Plexus has retained the non-exclusive right to use this product line for all applications other than jack-up exploration
M2S Conductor Housings	Product for converting a Tersus mudline suspension system into a subsea well.  The Transaction provides TFMC with an exclusive licence to use this product line in jack-up exploration drilling applications, and a non-exclusive licence to use this product line in other energy applications.
PCT MLS Hanger Mandrel	Product which uses POS-GRIP for enabling mudline tieback  The Transaction provides TFMC with an exclusive licence to use this product line in jack-up exploration drilling applications, and a non-exclusive licence to use this product line in the field of energy applications other than in other energy applications.

#### **4. ONGOING STRATEGY FOR THE COMPANY**

The Company is proprietary technology driven and its extensive patent protected IP and know-how has been successfully deployed in hundreds of wells around the world. Its superior performance, safety and operational advantages have given it an enviable position in the niche jack-up exploration market, and the Directors believe that this success could be extended to the wider energy sector including production, subsea, geothermal and fracking applications based on its POS-GRIP technology.

In line with this, the Company announced last month that it had been awarded a contract with Centrica North Sea Limited to supply its POS-GRIP "HG" 10,000psi adjustable production wellhead for a gas production well in the UK Southern North Sea. Plexus had previously supplied Centrica with equipment for a number of exploration wells in the North Sea. This was particularly encouraging for the Company, as production wellheads are required for the entire field life, and the size of the market for production wellheads is many times that of jack-up exploration.

Outside of the Jack-Up Business, Plexus will continue to target international customers in other territories including Gulf of Mexico, India, Middle East and Russia, where it is thought there will be opportunities due to ongoing and planned drilling activity. The recent award of an exploration contract with new

customer Rosneft Vietnam, a subsidiary of leading Russian oil and gas company, Rosneft is anticipated to help raise the profile of Plexus with Rosneft and other operators in Russia (which is a territory that Plexus has retained the rights to). Furthermore, the Board believes that OPEC and non-OPEC producers will want to see a return to stability and a higher oil price that can support necessary investment and planned capex, which should create additional opportunities for Plexus worldwide.

Being IP-led, Plexus does not have to support significant manufacturing operations. The Company remains in a robust financial position, with reduced capital spending commitments alongside a strong cash position and debt free balance sheet following the implementation of cash conservation measures over the last 24 months including a series of cost cutting initiatives. Despite this Plexus has continued to protect and progress the existing range of future opportunities, including continued investment in on-going research & development and POS-GRIP product extensions at a time when the industry continues to actively pursue innovative cost saving disciplines and safety driven technologies. The Company is continuously developing new technology and even when earlier patents expire the Company has an extensive body of knowledge and know-how.

The Directors will remain with the Company and a team with experience across all functions of the existing business, from engineering, research & development, technicians, quality control, HSE, project management, procurement will be retained and will enable the remaining operations to continue following completion of the Transaction and the transfer of relevant Jack-Up Business personnel from Plexus to TFMC.

The focus of the business following Completion will be:

1. *Continued operation of remaining business, contracts and products*

The Company will continue to focus on current projects which are not part of the Transaction, and will pursue the development of opportunities with existing products such as POS-GRIP “HG” production wellheads.

2. *Maximisation of Earn-out from the Jack-Up Business*

The Company intends to prioritise the maximisation of earn-out revenues from the Jack-Up Business through the provision of, inter alia, sales and technical support to TFMC.

3. *Work with TFMC through the scope of the Collaboration Agreement and the joint steering committee on key POS-GRIP products*

The Company and TFMC have reviewed certain topics that can be suited for joint work under the Collaboration Agreement. Should discussions progress this could lead to further commercial IP led opportunities.

4. *Design/Development of new and existing POS-GRIP products/applications*

The Company has identified a number of products and applications which it believes would benefit from the integration of POS-GRIP technology. The Company intends to selectively apply its resources to capitalise on these opportunities, examples of which include:

- Existing applications of POS-GRIP “HG” Wellheads, such as HP/HT Production Wellheads and Adjustable Production Wellheads
- New applications of POS-GRIP “HG” Wellheads and other IP, such as land wellheads, fracking heads, geothermal systems and well abandonment and decommissioning
- Existing applications for the Python subsea wellheads system, such as Deepwater exploration drilling, and HP/HT production
- Further developments around the Python subsea system, such as Annulus Access capability and subsea Xmas Trees.

5. *Research & Development*

Plexus has always been an innovative IP-led business and the Board intends to devote appropriate resources to continue its ongoing innovative and proprietary technology driven approach.

## 5. USE OF PROCEEDS

Following completion, the Plexus Group will receive an initial payment of £15,000,000, subject to a number of adjustments described in paragraph 7 below including a deduction for expected refurbishment costs of £835,656, which along with the Plexus Group's existing cash resources of circa £7,000,000, will fund the following activities of the Plexus Group:

- commercialisation of existing and new products and technologies;
- working capital to fund new growth phase;
- expansion of engineering capabilities; and
- on-going Research & Development.

In addition to the above, the Board intends to assess the on-going capital requirements of the business and if appropriate may consider paying a proportion of the proceeds to Shareholders by way of a special dividend. The Board expects to reach a decision on this within six months of Completion and a further update will be made in due course.

## 6. INFORMATION ON TFMC

TechnipFMC is a global leader in subsea, onshore/offshore, and surface projects. With its proprietary technologies and production systems, integrated expertise, and comprehensive solutions, it is transforming its clients' project economics. TechnipFMC is uniquely positioned to deliver greater efficiency across project lifecycles from concept to project delivery and beyond. Through innovative technologies and improved efficiencies, its offering unlocks new possibilities for its clients in developing their oil and gas resources. Dual-listed on NTSE and Paris, with a market capitalisation of approximately US\$12.5 billion, TFMC currently employs more than 40,000 employees around the globe.

## 7. SUMMARY OF THE KEY TERMS OF THE TRANSACTION

### ***Business Purchase Agreement***

Pursuant to the BPA, the Company and POSL are proposing to sell the business and assets to TFMC which primarily relate to the Jack-up Business. The assets to be transferred to TFMC as part of the Transaction include certain business contracts, employees, working capital, raw materials and rental stock which relate to the jack-up exploration business. Intellectual property will be licenced to TFMC pursuant to the Royalty Licence and the Royalty Free Licence as detailed below.

The completion of the BPA is conditional on a number of conditions being satisfied or waived between exchange and the long stop date of 6 months after the date of exchange, such conditions including: (i) the Shareholders at the General Meeting passing the Resolution; and (ii) receipt by the Company or POSL of novation agreements in respect of key business contracts identified by TFMC. These rights may be waived in the event that they are not satisfied. The BPA includes termination rights in the event of a material adverse change in the Jack-Up Business between exchange and Completion which is limited to events with an aggregated estimated cost to the Jack-Up Business of at least £1,000,000 and in the event of a breach of warranty or other breach of the BPA having a value in excess of £300,000.

The total consideration (which includes the earn out component) for the sale of the Jack-up Business, prior to agreed deductions, will not exceed £42,500,000, of which £15,000,000 is payable by TFMC at Completion, subject to a number of adjustments (which include an excess or shortfall not exceeding £100,000 in normalised level of working capital (agreed to be £400,000) and adjustments to value of any missing or defective stock, raw material and plant and equipment and a deduction for expected refurbishment costs of £835,656).

From Completion, the Plexus Group will be entitled to earn-out payments as set out below less further established refurbishment costs (currently estimated to be in the region of £1,600,000).

<b>Year One</b>	<b>Year Two</b>	<b>Year Three</b>
33% of the Rental Revenue for Year One	33% of the Rental Revenue for Year Two	33% of the Rental Revenue for Year Three
33% of Sales Revenue from POS-GRIP Exploration Wellhead Systems and 10% of other Sales Revenue from Year One	33% of Sales Revenue from POS-GRIP Exploration Wellhead Systems and 10% of other Sales Revenue from Year Two	33% of Sales Revenue from POS-GRIP Exploration Wellhead Systems and 10% of other Sales Revenue from Year Three

The Company and POSL have provided TFMC with customary business warranties subject to financial and other limitations customary for a transaction of this size and nature.

Plexus and POSL are subject to various restrictive covenants for a period of 3 years from completion to not compete with TFMC in the jack-up exploration sector (other than in relation to its existing arrangements in Russia and Malaysia). The covenants do not prevent the Company or POSL from using the technology being licenced to TFMC in any other application except that of the jack-up exploration business.

#### ***Royalty Free Licence***

The Company will grant to TFMC on the date of Completion: (i) a royalty free exclusive licence to use the technology, trademarks and know-how required to manufacture and supply products including, but not limited to the POS-GRIP method of engineering in jack-up exploration drilling applications, and (ii) a royalty free exclusive licence to use the technology, trademarks and know-how required to manufacture and supply certain products (but excluding the POS-GRIP method of engineering) in other energy applications.

The Company may itself use, or grant a licence to a third party licensee to use, the technology that is being licenced to TFMC on a non-exclusive basis, provided such use or licence is outside of the jack-up exploration sector. The Company has no rights of termination in respect of the Royalty Free Licence.

#### ***Royalty Licence***

The Company will also grant to TFMC on the date of Completion: (i) an exclusive royalty-bearing licence to use the technology, trademarks and know-how required to manufacture and supply products including, but not limited to the M2S Crossover Production and completion equipment intellectual property and the Tersus-PCT Riser Tieback equipment intellectual property, in jack-up exploration drilling applications, and (ii) a non-exclusive licence to use the technology, trademarks and know-how required to manufacture and supply products including, but not limited to the M2S Crossover Production and completion equipment intellectual property and the Tersus-PCT Riser Tieback equipment intellectual property, in other energy applications.

The Company may itself continue to use, or grant a licence to a third party licensee to use, the technology that is being licenced to TFMC on a non-exclusive basis, provided such use or licence is outside of the jack-up exploration business.

The royalties payable by TFMC to the Company will be 10% of the net sales price in respect of the M2S Crossover Production and completion equipment (and any modifications thereof) that incorporate the M2S Crossover Production and completion equipment intellectual property and 15% of the net sales price in respect of the Tersus-PCT Riser Tieback Equipment (and any modifications thereof) that incorporate the Tersus-PCT Riser Tieback equipment intellectual property.

The Company may terminate the Royalty Licence in a number of circumstances including if (i) TFMC or any of its affiliates commits a material breach of the confidentiality provision in the Royalty Licence in respect of the licenced know-how or any other confidential information relating to the Company; or (ii) TFMC challenges or disputes the validity or ownership of the Company's IP by opposing (or assisting any third party to oppose) the grant of a patent or registered design application of the Company or issuing court proceedings to challenge the validity of any patent or any registered design of the Company.

### ***Collaboration Agreement***

The Company and POSL and TFMC will enter into a Collaboration Agreement on Completion which focuses on future research and development collaborations between the parties with the objective of finding new and revolutionary ways in which to apply alternative technologies to make petroleum and gas equipment safer and more efficient. The Company anticipates that the Collaboration Agreement will help identify where current technology is reaching its limitations and is no longer able to manage the increasing challenges found in the sector. The Company has introduced friction grip technology to the oilfield and applied this in ways that have significant potential for reducing risk and cost. By working in conjunction with TFMC, the Collaboration Agreement will help to identify other spaces where the application of this technology can lead to similar improvements.

The Collaboration Agreement will continue for an initial term of five years and thereafter, shall be automatically renewed without limit of period unless terminated by either the Company or TFMC giving no less than six months' notice. The Collaboration Agreement can be terminated by either party if the other party materially breaches the Collaboration Agreement, the BPA, the Royalty Free Licence or the Royalty Licence or, if the other party is subject to an insolvency procedure.

### ***Transitional Services Agreement***

The Company and POSL, pursuant to the TSA, have agreed, subject to Completion, to provide certain services on a transitional basis to TFMC and TFMC has agreed to provide certain services to the Company. The TSA will commence on the date of Completion and will continue until the earlier of (i) the longest period of time for which a service is to be provided (as specified in the TSA) or (ii) the third anniversary of Completion, subject to an extension period of 6 months to the periods set out in (i) and (ii) as agreed between the parties.

Following the first anniversary of the date of Completion, TFMC may opt to terminate the TSA, and any service provided by Plexus, upon giving Plexus six months written notice of its intention to do so.

Either party may terminate the TSA if the other party fails to make payment due under the terms of the TSA or if the other party becomes insolvent, commits a material breach of the TSA which is not remedied, is subject to a change in control.

## **8. IRREVOCABLES**

The Company has received irrevocable undertakings from Mutual Holdings Limited, an entity in which Jeffrey Thrall and Ben van Bilderbeek are interested, and from OFM Investment Limited, an entity in which Ben van Bilderbeek is interested, to vote in favour of the Resolution in respect of their respective entire holdings of Ordinary Shares representing, in aggregate, approximately 54.8 per cent. of the Company's issued share capital. When aggregated with the other beneficial holdings of the Directors (which represent 1.8 per cent. of the Ordinary Shares, and which the Directors intend to vote in favour of the Resolution), these represent, in aggregate, approximately 56.6 per cent. of the Existing Ordinary Shares.

## **9. GENERAL MEETING**

Set out at the end of this document is a notice convening the General Meeting to be held at the offices of Fox Williams LLP, 10 Finsbury Square, London EC2A 1AF, at 11.30 a.m. on 6 November 2017 to consider the Resolution.

The Resolution (if passed) will approve the disposal of the Jack-Up Business by the Company and POSL.

## **10. ACTION TO BE TAKEN BY SHAREHOLDERS**

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions printed on it and returned to the Company's registrars, SLC Registrars of 42-50 Hershaw Road, Walton-on-Thames, Surrey KT12 1RZ as soon as possible and, in any event, so as to be received by no later than 11.30 a.m. on 4 November 2017, being 48 hours before the time appointed for holding the General Meeting.

If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may appoint a proxy electronically by following the instructions set out in Note 4 on page 20 so that it is received by the Company's registrars by no later than 11.30 a.m. on 4 November 2017. The time of receipt of the electronic appointment of a proxy will be taken to be the time at which the Company's registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The completion and return of a Form of Proxy or completing and transmitting the electronic appointment of a proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

## **11. RECOMMENDATION**

**The Directors believe that the Transaction will promote the success of the Company for the benefit of its Shareholders as a whole.**

**The Directors unanimously recommend Shareholders to vote in favour of the Resolution to be proposed at the General Meeting as they intend to do so in respect of their own beneficial holdings\* amounting, in aggregate, to 59,700,673 Ordinary Shares, representing approximately 56.6 per cent. of the Existing Ordinary Shares.**

Yours faithfully

**Jerome Jeffrey Thrall**  
*Chairman*

\* Ben van Bilderbeek has a direct interest in 307,693 Ordinary Shares in the Company, representing 0.29 per cent of the issued share capital of the Company.

Ben van Bilderbeek is also one of the beneficiaries of a trust which controls 59.96 per cent. of the shares of Mutual Holdings Limited and the entire issued share capital of OFM Investment Limited.

Jeffrey Thrall, in addition to his own beneficial interest of 4,000 Ordinary Shares held by Thrall Enterprises Inc, has an indirect beneficial interest in a company which controls 32.48 per cent. of Mutual Holdings Limited.

At the date of this letter, Mutual Holdings Limited holds 42,700,001 Ordinary Shares, being 40.52 per cent. of the entire issued share capital of the Company, and OFM Investment Limited holds 15,069,767 Ordinary Shares, being 14.30 per cent. of the entire issued share capital of the Company.

NOTICE OF GENERAL MEETING

# Plexus Holdings plc

("the Company")

(Company number 03322928)

Notice is given that a general meeting of the Company will be held at the offices of Fox Williams LLP at 10 Finsbury Square, London EC2A 1AF on 6 November 2017 at 11.30 a.m. to consider and, if thought fit, pass the following resolution, which will be proposed as an ordinary resolution.

## Ordinary Resolution

1. THAT, for the purposes of Rule 15 of the AIM Rules for Companies published by the London Stock Exchange plc (the "AIM Rules"), the disposal ("the Disposal") by the Company of the jack-up exploration drilling equipment and services business on the terms and subject to the conditions of the agreement dated 18 October 2017 (the "BPA") between the Company (1) Plexus Ocean Systems Limited (2) and FMC Technologies Limited (3) and related documentation to be entered into pursuant to the BPA be approved and that the directors of the Company be authorised to do all such things as they may consider necessary, desirable or expedient to implement the Disposal (including, without limitation, agreeing any amendments or waiver or variation of the terms and conditions of the BPA and related documentation) as they may in their sole discretion deem fit, appropriate or necessary.

Date: 20 October 2017

By order of the Board

**Kerin Williams FCIS**  
*Company Secretary*

*Registered office:*  
42-50 Hersham Road  
Walton-on-Thames  
Surrey KT12 1RZ

A member entitled to attend and vote at the above meeting has the right to appoint a proxy or proxies to attend and vote in his place. A proxy need not be a member of the Company.

Your attention is drawn to the notes appearing overleaf.

## NOTES

1. A member entitled to attend and vote at the above meeting has the right to appoint a proxy or proxies to attend and vote in his place. A proxy need not be a member of the Company.
2. The form of proxy and power of attorney or other authority, if any, under which it is signed, or a copy of such power or authority certified by a notary, must be completed and returned to the offices of the Company's registrars, SLC Registrars, 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ, to arrive not less than 48 hours before the time set for the meeting or adjourned meeting.
3. In accordance with regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) only those persons entered on the register of members of the Company as holders of Ordinary Shares at 6pm 48 hours before the meeting are entitled to attend or vote at the meeting either in person or by proxy in respect of the shares held by them at the relevant time. Any changes made to the register of members of the Company after that time shall be disregarded in determining the right of any person to attend and vote at the meeting.
4. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent SLC Registrars (ID: 7RA01) by 11.30 a.m. on 4 November 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 Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change to the instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. A proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 may be treated as invalid. In any case, proxy forms must be received by the Company's registrars no later than 11.30 a.m. on 4 November 2017.
5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
6. A copy of this notice can be found at [www.plexusplc.com](http://www.plexusplc.com)