

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the Resolution to be voted on at the General Meeting of Acal plc to be held on 1 November 2013. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised for the purpose of the Financial Services and Markets Act 2000 ("FSMA") if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please forward 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 effected, for transmission to the purchaser or transferee. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the UK, should seek appropriate advice before taking any action. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, please consult the stockbroker, bank or other agent through which the sale was effected as to the action you should take.

The Directors of Acal, whose names appear on page 5 in Part I of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Acal plc

(Incorporated and registered in England and Wales with registered number 2008246)

Proposed disposal of the European Parts Business and Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Acal which is set out in Part I of this document, which explains the purpose of the Resolution to be proposed at the General Meeting and which includes a unanimous recommendation from the Board to vote in favour of the Resolution.

Notice of a General Meeting of Acal, to be held at the Company's offices at 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford GU2 7AH at 11.00 a.m. on 1 November 2013, to approve the Disposal, is set out at the end of this document. A Form of Proxy for use at the General Meeting is enclosed. To be valid, Forms of Proxy for use in connection with the meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by not later than 11.00 a.m. on 30 October 2013.

Alternatively, a proxy may also be appointed for CREST members, by using the CREST electronic proxy appointment service. For further details please see the notes to the notice of the General Meeting set out at the end of this document. The appointment of a proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so.

Copies of this document are available free of charge at the offices of Charles Russell LLP at 5 Fleet Place, London, EC4M 7RD and from the Company's registered office during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the General Meeting and will also be available for inspection at the General Meeting for at least 15 minutes prior to and during the meeting.

Apart from the liabilities and responsibilities, if any, which may be imposed on Oriel Securities Limited ("Oriel Securities") by FSMA or the regulatory regime established thereunder, Oriel Securities accept no responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it or on its behalf in connection with the Company or the Disposal. Nothing contained in this document is, or shall be relied upon as, a promise or representation by Oriel Securities as to the past, present or future. Oriel Securities disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Oriel Securities, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as sole sponsor to the Company in connection with the matters described herein. Oriel Securities is acting for the Company in relation to the matters described herein and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to such matters, the contents of this document or any transaction or arrangement referred to herein. Nothing in the foregoing limits or excludes or seeks to limit or exclude any statutory or regulatory responsibilities or liabilities that Oriel Securities may have by virtue of acting as sponsor to the Company.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER, SOLICITATION OR INVITATION TO SELL OR ACQUIRE ANY SECURITY IN ACAL PLC, NOR SHALL THERE BE ANY SALE, ISSUANCE OR TRANSFER OF THE SECURITIES REFERRED TO IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

Information regarding forward-looking statements

This document contains a number of forward-looking statements relating to the Group with respect to, amongst others, the following: financial condition; results of operations; economic conditions in which the Group operates; the business of the Group; future implications of the Disposal and management plans and objectives. The Company considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Group to differ materially from the information presented in the relevant forward-looking statement. When used in this document the words "estimate", "project", "intend", "aim", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Group or the management, are intended to identify such forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither the Company nor any member of the Group undertake any obligation publicly to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the Listing Rules, the Disclosure and Transparency Rules and other regulations.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

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

Expected latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments via the CREST system	11.00 a.m. on 30 October 2013
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Voting Record Time for General Meeting	30 October 2013
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General Meeting	11.00 a.m. on 1 November 2013
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Notes:

- (1) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by Acal (in consultation with Oriel Securities), in which event details of the new times and dates will be notified to the UK Listing Authority and the London Stock Exchange and will be announced to a Regulatory Information Service.
- (2) References to times in this document are to London time unless otherwise stated.

ACTIONS TO BE TAKEN

Form of Proxy

You will find enclosed with this document a Form of Proxy in respect of the General Meeting.

Completion and return of the Form of Proxy

Whether or not you plan to attend the General Meeting in person, please complete the enclosed Form of Proxy and return it in accordance with the instructions printed thereon. To be valid, Forms of Proxy must be received by post or (during normal business hours only) by hand at the offices of the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA not later than 11.00 a.m. on 30 October 2013.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Richard Moon – <i>Non-executive Chairman</i> Nicholas Jefferies – <i>Group Chief Executive</i> Simon Gibbins – <i>Group Finance Director</i> Graham Williams – <i>Senior Non-executive Director</i> Richard Brooman – <i>Non-executive Director</i> Henrietta Marsh – <i>Non-executive Director</i>
Group Company Secretary	Gary Shillinglaw FCIS
Registered Office	2 Chancellor Court Occam Road Surrey Research Park Guildford Surrey GU2 7AH
Sponsor and Financial Adviser	Oriel Securities Limited 150 Cheapside London EC2V 6ET
Solicitors	Charles Russell LLP Buryfields House Bury Fields Guildford Surrey GU2 4AZ
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

PART I
LETTER FROM THE CHAIRMAN OF ACAL PLC

Acal plc

(Incorporated and registered in England and Wales with registered number 2008246)

Directors:

Richard Moon (*Non-executive Chairman*)
Nicholas Jefferies (*Group Chief Executive*)
Simon Gibbins (*Group Finance Director*)
Graham Williams (*Senior Non-executive Director*)
Richard Brooman (*Non-executive Director*)
Henrietta Marsh (*Non-executive-Director*)

Registered Office:

2 Chancellor Court
Occam Road
Surrey Research Park
Guildford
Surrey
GU2 7AH

15 October 2013

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

Dear Shareholder

Proposed Disposal and Notice of General Meeting

1. Introduction

The Group is pleased to announce that Acal has agreed to dispose of one of the two remaining businesses contained within its Supply Chain Division. The Company has agreed to sell its European IT parts distribution business (the “European Parts Business”). The Group’s enterprise services business (the “Enterprise Business”) will remain as part of the Continuing Group.

The Disposal reflects Acal’s continued strategy of building a specialist industrial electronics group and follows on from the disposal in January this year of its UK Parts Business to the management of that business. Similar to the UK Parts Business, the European Parts Business is a non-core business and its disposal would further enable the Group to focus its resources on enhancing the value of its core Electronics Division which comprised 88 per cent. of Group revenues for the first quarter of the financial year ending 31 March 2014.

The Disposal will involve the sale of the Company’s German subsidiary, EAF Computer Service Supplies GmbH (“EAF GmbH”), to a company in which the current management team of EAF GmbH (the “EAF Management Team”) are participating together with certain third party investors, for a consideration of €4.4 million (£3.7 million) comprising an upfront payment of €4.0 million (£3.4 million) and Deferred Consideration of €0.4 million (£0.3 million). Under the Listing Rules, the Disposal is classified as a class 2 transaction and the EAF Management Team are considered a related party; accordingly the Disposal is subject to Shareholder approval.

2. Purpose of this document

The purpose of this document is to provide Shareholders with details of the Disposal, to convene the General Meeting and to explain why the Board considers the Disposal to be in the best interests of the Company and its Shareholders as a whole. The document also explains why the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting as each member of the Board who holds Ordinary Shares intends to do in respect of his own beneficial holdings of Ordinary Shares.

3. Information on the Supply Chain Division and the Disposal

The Supply Chain Division is currently formed of two businesses: the European Parts Business and the Enterprise Business. The European Parts Business provides distribution, repair and management services for computing OEMs and IT maintenance companies principally serving the European market. Although

currently profitable, it is capital intensive, generates lower operating margins than the Group's Electronics Division and is considered non-core to the Group. For the year ended 31 March 2013, the European Parts Business had revenues of €23.6 million (£19.2 million, 9 per cent. of Group revenue) and generated underlying operating profits of €0.9 million (£0.8 million).

Summary financial information on the Disposal

	<i>Financial year ended 31 March 2013</i>			<i>As at 31 March 2013</i>
		<i>Contribution to underlying operating profit</i>	<i>Contribution to profit before tax</i>	
	<i>Revenues</i>			<i>Gross Assets</i>
European Parts	€23.6m	€0.9m	€0.8m	€6.8m

Key individuals

Details of the key individuals of the European Parts Business are as follows:

Herbert Schiffer	<i>Managing Director</i>
Martina Helmus-Fritz	<i>Financial Controller</i>

4. Background to and reasons for the Disposal

The Company's strategy is to enhance the value of its Electronics Division which is a leading European supplier of specialist electronic products. For the year ended 31 March 2013, the Electronics Division represented 81 per cent. of Group revenues and 87 per cent. of Group underlying operating profits. Following the acquisition of the Myrra Group in April 2013, the Electronics Division represented 88 per cent. of revenues for the first quarter of its financial year ending 31 March 2014.

The Board views the European Parts Business as being non-core and capital intensive. It generates lower operating margins than the Group's Electronics Division and the Disposal will allow the Company to focus its resources on expanding the Electronics Division, both organically and through acquisition. The Board believes that the Disposal represents good value for Shareholders and is in their best interest.

5. Use of Proceeds and Financial Effects of the Disposal

Acal remains acquisitive within the fragmented specialist electronics market where the Company's strategy is to gain further market share and consolidate its position as one of Europe's leading specialist electronics suppliers. The sale proceeds from the Disposal will be retained for working capital purposes, for future investment within the Continuing Group or as consideration for future acquisitions by the Electronics Division.

The Company expects the aggregate proceeds of the Disposal to be €4.4 million (£3.7 million) before taking into account estimated transaction and related costs of €0.2 million (£0.2 million). The Disposal is expected to result in nil profit on disposal before transaction costs.

6. Related party transactions

Under Listing Rule 11.1.4, the EAF Management Team meets the definition of a related party because of the directorships of certain members of that team of the Company's subsidiary EAF GmbH. As such, the Company is required to send a circular to its Shareholders, in accordance with Listing Rule 13.3 and Listing Rule 13.6 and to obtain approval from Shareholders for the Disposal. The EAF Management Team will not vote on the Resolution to be put to Shareholders and has undertaken in the Disposal Agreement to take all reasonable steps to ensure that none of their associates will vote on the Resolution.

7. Principal terms of the Disposal

Under the Disposal Agreement, subject to Shareholder approval, all the issued shares in EAF GmbH will be sold to the Purchaser, a company in which the EAF Management Team are participating together with certain other third party investors, for a total consideration of €4.4m of which the payment of €0.4m is deferred until 31 March 2014. The Seller has given limited warranties and indemnities, including a customary tax indemnity under the Disposal Agreement, subject in each case to certain limitations. The Company has also agreed to guarantee the Seller's obligations under the Disposal Agreement.

No material transitional arrangements are expected to be required as a result of the Disposal.

Further details of the Disposal Agreement are set out in Part II of this document.

8. General Meeting

As noted above, the Disposal is subject to the passing of the Resolution at the General Meeting. A notice convening the General Meeting to be held at 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH at 11.00 a.m. on 1 November 2013, is set out at Part V of this document.

The General Meeting is being convened for the purposes of considering and, if thought fit, passing the Resolution which is required to implement the Disposal.

9. Actions to be taken

A Form of Proxy for use at the General Meeting is enclosed with this document. 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 and in any event so that it is received by the Company's UK transfer agent, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, not later than 11.00 a.m. on 30 October 2013. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

10. Further information

Your attention is drawn to the further information set out in Part II and Part III of this document. You are advised to read the whole of this document and not to rely solely on the information contained in this letter.

11. Recommendation

The Board, having been so advised by Oriel Securities, considers the Disposal to be fair and reasonable so far as Shareholders are concerned. The Board also considers that the Disposal is in the best interests of the Company and its Shareholders as a whole and, therefore, recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as each member of the Board who holds Ordinary Shares intends to do in respect of his own beneficial holdings of Ordinary Shares, such holdings comprising, in aggregate, 121,400 Ordinary Shares, representing approximately 0.39 per cent. of the Company's existing issued share capital. In giving its advice, Oriel Securities has taken into account the commercial assessment of the Directors.

Yours faithfully

Richard Moon
Non-Executive Chairman

PART II

PRINCIPAL TERMS OF THE DISPOSAL

1. Principal terms of the Disposal

The Seller has agreed to sell all the issued shares in EAF Computer Service Supplies GmbH (“EAF GmbH”) to a company in the process of being re-named EAF Holding GmbH (the “Purchaser”), in which the EAF Management Team are participating together with certain third party investors (who are participating through a company which is in the process of being renamed EAF Beteiligungs-GmbH) for the aggregate sum of €4.4 million, under the terms of a share purchase agreement dated 14 October 2013 (the “Disposal Agreement”). The Deferred Consideration of €0.4 million is payable on 31 March 2014 and the balance of €4.0 million is payable on completion of the sale under the Disposal Agreement. Completion of the Disposal Agreement is conditional on Shareholder approval.

The Seller has undertaken in the Disposal Agreement that, between the date of the Disposal Agreement and completion of the Disposal Agreement, there will be no distributions declared, paid or made by EAF GmbH to the Seller or any of its affiliates, no redemption or purchase of own shares or return of capital by EAF GmbH and no asset transfers, loans or equivalent payments for the benefit of the Seller or its affiliates or third parties outside the ordinary course of business (but excluding for this purpose any payments under existing agreements).

For the period of two years from completion of the Disposal Agreement, the Seller has undertaken in the Disposal Agreement that it will not (and will procure that its affiliates will not) compete with the business of EAF GmbH (being the supply chain management in the business-to-business market for computer components for the current customer base of EAF GmbH within Germany and for certain customers in Europe).

The Company has agreed to guarantee the obligations of the Seller under the Disposal Agreement. The EAF Management Team and EAF Beteiligungs-GmbH (as investors in the Purchaser) have agreed to guarantee the obligations of the Purchaser under the Disposal Agreement.

2. Completion of the Disposal

It is anticipated that completion of the Disposal will take place on the same day on which the General Meeting is held assuming Shareholder approval has been obtained (but such completion may occur up to 5 business days after Shareholder approval has been obtained). If such approval has not been satisfied by 31 January 2014 the parties will have the right to terminate the Disposal Agreement.

3. Warranties, indemnities and undertakings

The Seller has given certain limited warranties in relation to its title to the sale shares, rights to sell the sale shares, annual accounts and certain customary indemnities including in relation to tax, subject to certain limitations (including as to the maximum amounts which may be claimed and the periods for making claims).

PART III

ADDITIONAL INFORMATION

1. The Company – Incorporation and registered office

The Company was incorporated and registered in England and Wales on 9 April 1986 as a private company limited by shares with the name Spurfame Limited and with the registered number 2008246. Its name was changed to Acal Limited on 20 March 1987. On 22 October 1987, the Company reregistered under the Companies Act 1985 as a public company limited by shares with the name Acal plc. The Company is domiciled in the United Kingdom and the registered and head office of the Company is 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford GU2 7AH. The telephone number of the registered office is +44 (0) 1483 544500.

2. Major shareholders

As at 10 October 2013 (being the last practicable date prior to the publication of this document), in so far as it is known to the Company, the name of each person, who holds voting rights (within the meaning of Chapter 5 of the Disclosure and Transparency Rules as incorporated by reference under the Articles) representing 3 per cent. or more of the total voting rights in respect of the Ordinary Shares, are as follows:

	<i>Number of Ordinary Shares as at 10 October 2013</i>	<i>Percentage of issued ordinary share capital as at 10 October 2013</i>
Aberforth Partners	5,264,087	16.80
Aberdeen Asset Managers Ltd	2,335,000	7.45
Henderson Global Investors	2,131,752	6.80
Hargreave Hale Investment Management	2,117,800	6.76
Unicorn Asset Management	2,106,844	6.72
Curry Family Holding	2,043,500	6.52
Legal & General Investment Management Ltd	1,743,637	5.57
Herald Investment Management	1,407,248	4.49
Scottish Widows Investment Partnership	1,037,727	3.31

3. Interests in Ordinary Shares of the Related Parties

The Related Parties do not have any beneficial holding of Ordinary Shares.

4. Service contracts of the Related Parties

Herbert Schiffer

Herbert Schiffer entered into a service agreement with EAF GmbH on 1 November 2002 in respect of his appointment as General Manager of the company and of Re.x GmbH. The service agreement is stated as being for a fixed term of five years, but extends for another five years if no written notice of termination has been given and it is therefore arguable under German law that it is not for a fixed term. Mr Schiffer's current basic salary (which is reviewed annually) is €133,250 per annum and he is entitled to participate in EAF GmbH's bonus scheme. EAF GmbH makes contributions to pension and accident insurance and also provides for a company car which may also be used for private purposes by Herbert Schiffer and his wife. Mr Schiffer is entitled to be reimbursed for out of office expenses incurred in the course of his duties and to 27 days holiday in each year. If the service agreement was terminated by either party, a post-contractual prohibition on competition applies for a period of six months after the termination date. In such case, Mr Schiffer would, for this period, be entitled to receive a waiting compensation in the amount of 50 per cent. of the payment he earned according to the service agreement at the termination date.

5. Prior transactions with related parties

The Related Parties

Acal agreed, pursuant to letters dated 4 October 2012, that Herbert Schiffer and Martina Helmus-Fritz would each receive a bonus on the successful sale of the European Parts Business to a third party. If the Disposal is completed, no such bonus will be payable to Mr Schiffer and Ms Helmus-Fritz.

The ASC Management Team

As described in the circular dated 7 December 2012 relating to the disposal of the UK Parts Business, pursuant to letters dated 29 March 2012, Acal agreed that bonuses would be paid to Mark Hesketh and Robert Hall of the management of the UK Parts Business if there was a trade sale of the Supply Chain Division in modular parts rather than as a whole. George Buchan had confirmed that he would not seek any such bonus payments. If the Disposal is completed, Acal intends to pay such bonuses to Mark Hesketh and Robert Hall.

6. Material contracts

Set out below is a summary of each contract (other than contracts entered into in the ordinary course of the Group's business) entered into by any member of the Group (i) during the two years immediately preceding the date of publication of this document and which is material or (ii) which contains any provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of such publication.

Contracts entered into as a result of the Disposal

The Company has entered into the Disposal Agreement. Further details of this contract are set out in Part II of this document.

Other material contracts

- a. A sale and purchase agreement between Acal Electronics Holdings Limited and the shareholders of MTC Micro Tech Components GmbH and the shareholder of EMC Innovation Co. Ltd, dated 4 October 2011 pursuant to which Acal Electronics Holdings Limited agreed to acquire the entire issued share capital of MTC Micro Tech Components GmbH and EMC Innovation Co. Ltd for consideration of €2.4 million subject to a working capital adjustment, which was calculated as a further €0.2 million and was paid in November 2011. A further €0.8 million of a maximum of €1.1m earn out was paid based on EBIT targets achieved over the 12 month periods to 31 December 2011 and 31 December 2012.
- b. An asset purchase agreement between Acal Supply Chain Limited and the Acal Group, dated 4 December 2012 pursuant to which Acal Supply Chain Limited agreed to sell its enterprise business to AES Ltd.
- c. A sale and purchase agreement between Acal Supply Chain Holdings Limited and JCCO 313 Limited, dated 5 December 2012 pursuant to which Acal Supply Chain Holdings Limited sold the entire issued share capital of Acal Supply Chain Limited (now called EAF Supply Chain Limited) for an initial consideration of £2.0 million on a debt free basis. This amount was subject to certain adjustments calculated in accordance with the provisions of the sale and purchase agreement. An additional payment, equal to 25 per cent. of any sale proceeds in excess of £2.0 million (and capped at £9.0 million), will be payable to Acal Supply Chain Holdings Limited if Acal Supply Chain Limited or its business is sold to a third party.
- d. A transitional services agreement between Acal Supply Chain Ltd and AES Ltd, dated 31 December 2012 pursuant to which EAF Supply Chain Limited agreed to provide finance and accounting services to the Enterprise Business.
- e. On 5 March 2013, Acal Newco Limited entered into a facility agreement with Clydesdale Bank PLC the purpose of which was to provide loans to Acal Newco Limited to enable it to pay the initial consideration in connection with the purchase of the entire issued share capital of Aramys SAS ("Aramys") and for general corporate purposes. Advances under the facility are guaranteed by Acal and various other members of the Acal Group. Advances under the facility will attract a

rate of interest for each interest period equal to the applicable Libor rate for the corresponding period (or EURIBOR in relation to any loans in euro) plus a margin of 3 per cent. plus mandatory costs. If Acal NewCo Limited or any of the Acal guarantors fails to pay any amount payable when due, an additional default interest of 2 per cent. is chargeable. The facility agreement contains customary conditions to utilisation and certain representations, warranties and undertakings customary for facilities of this nature in relation to five Acal Group companies.

The facility agreement also contains customary mandatory prepayment events. The facility may be required to be prepaid in full in the event that there is change of control of Acal. Certain arrangement and commitment fees are payable under the facility.

- f. A sale and purchase agreement, dated 7 March 2013, pursuant to which Acal NewCo Limited agreed to acquire the entire issued share capital of Aramys and all outstanding warrants issued by Aramys. The parties to the sale and purchase agreement were Acal Newco Limited, Acal (as guarantor for Acal Newco Limited) and Yrix Capital Conseil, Initiative & Finance Investissement (represented by its managing company, Initiative Finance Gestion), Christian Roux and certain management sellers and family members. The upfront consideration payable by Acal Newco Limited, according to the sale and purchase agreement, was €9.5 million free of all debt and all cash and assuming all convertible bonds had previously converted and all warrants not being purchased had already been converted. In addition to the upfront consideration, a maximum of up to €1.8 million may be payable based on Aramys achieving certain EBIT performance conditions in the financial years ending 31 December 2013, 31 December 2014 and 31 December 2015.
- g. A warranty agreement, dated 7 March 2013, between Yrix Capital Conseil, Initiative & Finance Investissement (represented by its managing company, Initiative Finance Gestion), Christian Roux, Mr Georges Gener, Mr Jean-Pierre March and Acal Newco Limited containing commercial warranties (customary for a transaction of this nature) and certain specific indemnities. The warranties in the warranty agreement are subject to matters that have been disclosed to Acal Newco Limited. The liability of the warrantors for claims under warranties and indemnities is subject to certain customary time limitations as to the period for making claims and financial limitations on the amount that may be claimed, including thresholds and an aggregate financial cap.

The liability under warranties contained in the sale and purchase agreement and the warranty agreement were insured, subject to a cap of €3 million and the terms and conditions of an insurance policy dated 7 March 2013 entered into between Acal Newco Limited and Zurich Insurance plc (French Branch).

- h. On 8 March 2013, Oriel Securities and Acal entered into a placing agreement under which Oriel Securities agreed, subject to certain conditions, to procure purchasers for, or failing which, itself to purchase, new Ordinary Shares at a predetermined placing price. The placing agreement provided, inter alia, for the payment of commission by Acal to Oriel Securities and all reasonable costs, charges and expenses incidental to the issue of new Ordinary Shares by Acal. The placing agreement also contained certain customary undertakings, warranties and indemnities by Acal in favour of Oriel Securities.

In connection with the placing agreement, Acal, Oriel Securities and Montecristo Funding Limited entered into (i) a subscription agreement; and (ii) an option agreement, each dated 8 March 2013, in respect of the subscription and transfer of ordinary shares and redeemable preference shares in Montecristo Funding Limited in connection with the placing referred to above and to fund the acquisition referred to in sub-paragraph (f) above.

- i. A sale and purchase agreement dated 6 August 2013 between Acal BFi UK Ltd, H. Young (Operations) Limited and H. Young Holdings Plc whereby Acal BFi UK Ltd acquired the trade and assets of Young Electronics Group for a total cash consideration of £1.7m before completion adjustments and expenses.

Save as set out in this paragraph 6, there are no contracts, other than contracts entered into in the ordinary course of business, which have been entered into by any member of the Group within the period of two years immediately preceding the issue of this document which are, or may be, material or that contain any provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

7. No significant change

There has been no significant change in the financial or trading position of the Group since 31 March 2013, being the date to which the last audited financial statements of the Group were prepared.

8. Consent

Oriel Securities has given and not withdrawn its written consent to the inclusion in this document of the references to its name and the form and context in which they appear.

9. General

No incorporation of website information

The website of the Company is www.Acalplc.co.uk and this document is available on that website. Except to the extent expressly stated in this document, information on that website, any website mentioned in this document or any website directly or indirectly linked to those websites has not been verified and does not form part of this document and Shareholders should not rely on it.

Presentation of financial information

The Euro/pound sterling rate of 1.1781 as at 14 October 2013 was used to translate the consideration payable under the Disposal Agreement. The Euro/pound sterling rate of 1.2274 was used to translate the revenue and profits attributable to the European Parts Business for the financial year ended 31 March 2013.

10. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company, which is located at 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford GU2 7AH and at the offices of Charles Russell LLP at 5 Fleet Place, London, EC4M 7RD until the General Meeting and will also be available for inspection at the General Meeting for at least 15 minutes prior to and during the meeting:

1. the Memorandum and the Articles of Association;
2. the annual report and accounts of Acal for each of the three financial years ended 31 March 2011, 31 March 2012 and 31 March 2013;
3. the interim results for the six month periods ended 30 September 2011 and 30 September 2012;
4. the consent referred to in paragraph 8 above;
5. the Disposal Agreement; and
6. this document and the Form of Proxy.

Dated: 15 October 2013

PART IV

DEFINITIONS

“Acal” or the “Company”	Acal plc, a public limited company, incorporated and registered in England (registered number 2008246)
“Acal Group” or the “Group”	Acal and its subsidiary undertakings
“Acal Shares” or “Ordinary Shares”	the ordinary shares of 5p each in the capital of the Company
“AES Ltd”	Acal Enterprise Solutions Limited, a subsidiary of the Company
“Circular”	this document detailing the terms of the Disposal
“Continuing Group”	Acal plc and its subsidiaries and subsidiary undertakings excluding the European Parts Business
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the Regulations)
“CREST Proxy Instruction”	the form of appointment of proxy to vote through the Euroclear system
“Deferred Consideration”	the €0.4 million deferred consideration payable under the Disposal Agreement
“Directors” or “Board”	the Directors of the Company listed on page 5 of this document
“Disclosure and Transparency Rules”	the disclosure rules and transparency rules made by the Financial Conduct Authority pursuant to Part VI of FSMA
“Disposal Agreement”	the share purchase agreement for the sale of all the issued shares in EAF GmbH dated 14 October 2013
“Disposal”	the disposal of EAF GmbH to the Purchaser
“EAF GmbH”	EAF Computer Service Supplies GmbH, a subsidiary of the Company
“EAF Management Team”	the management of EAF GmbH, being Herbert Schiffer and Martina Helmus-Fritz
“Electronics Division”	the Company’s division which focuses on the specialist supply of electronic technologies and products
“Enterprise Business”	the business operated by AES Ltd providing parts, support and services to both the OEM and maintenance markets
“Euroclear”	Euroclear UK & Ireland Limited
“European Parts Business”	the business carried on by EAF GmbH
“Form of Proxy”	the pre-paid form of proxy for use at the General Meeting which accompanies this document
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time
“General Meeting”	the general meeting of Acal convened for the purpose of considering the Resolution to be held on 1 November 2013 (or any adjournment of it), notice of which is set out at the end of this document

“Listing Rules”	the listing rules of the UKLA issued and maintained under FSMA
“London Stock Exchange”	London Stock Exchange plc
“OEM”	original equipment manufacturer
“Official List”	the list maintained by the UKLA
“Purchaser”	the company in which the EAF Management Team are participating which is in the process of being renamed EAF Holding GmbH
“Regulations”	the Uncertificated Securities Regulations 2001
“Related Parties”	the EAF Management Team
“Resolution”	the resolution set out in the notice of the General Meeting in Part V of this document
“Seller”	Acal Supply Chain Holdings Limited
“Shareholders”	the existing holders of Ordinary Shares
“Supply Chain Division”	the Company’s division which focuses on logistics and supply chain services
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Parts Business”	the new and refurbished parts and outsourcing business operated by EAF Supply Chain Limited (formerly Acal Supply Chain Limited)
“UKLA”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA

PART V
ACAL PLC

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Acal plc (the “Company”) will be held at the offices of the Company at 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH on 1 November 2013 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

1. THAT:
 - 1.1 the proposed disposal by Acal Supply Chain Holdings Limited of the entire issued share capital of EAF Computer Service Supplies GmbH on the terms and subject to the conditions of the Disposal Agreement (as defined and/or summarised in the circular to the members of Acal plc dated 15 October 2013 (the “Circular”) of which the notice convening this meeting forms part) and any related or ancillary documents (together the “Disposal Documents”) be approved; and
 - 1.2 the directors of Acal plc and/or of any member of the Acal Group (as defined in the Circular) (or any duly authorised committee thereof) be authorised to take all such steps, and execute all such documents, and to agree all such variations and amendments to the Disposal Documents as they may in each case, in their absolute discretion, consider necessary or desirable to implement and give effect to, or otherwise in connection with, the Disposal (as defined in the Circular) and any matter incidental to the Disposal provided that, in the case of any variations and amendments to the Disposal Documents, such variations and amendments are not material.

Registered office:

2 Chancellor Court
Occam Road Company Secretary
Surrey Research Park
Guildford
Surrey
GU2 7AH

by order of the Board

Gary Shillinglaw
Company Secretary

Date: 15 October 2013

Notes

1. A member of the Company entitled to attend, speak and vote at the meeting convened by the notice set out above may appoint a proxy to exercise all or any of his rights to attend, speak and vote at the meeting on his/her behalf. A proxy need not be a member of Company. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to different shares held by the member. To appoint more than one proxy you should contact Equiniti's shareholder helpline on 0871 384 2001 from within the UK (or +44 121 415 7047 from outside the UK) between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday. Calls to 0871 numbers cost 8p per minute plus extra network costs.
2. To be valid, Forms of Proxy must be received by post or (during normal business hours only) by hand at the offices of the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA not later than 11.00 a.m. on 30 October 2013 (or not less than 48 hours before the time fixed for any adjourned meeting, excluding any part of a day that is not a working day) and must be accompanied by any power of attorney or other authority. The Form of Proxy is enclosed.
3. Completion and return of a Form of Proxy will not prevent a member from attending and voting at the meeting in person should he wish to do so.
4. As an alternative to completing a hard-copy Form of Proxy or using the CREST service, you can appoint a proxy electronically by email. To be valid, this electronic proxy appointment must be signed, dated* and a scanned copy of the original sent by email to the Company's Registrars Equiniti, to proxy.votes@equiniti.com, to be received by the Company no later than 11.00 a.m. on 30 October 2013 (or 48 hours before the adjourned meeting at which the person named on the form is proposed to vote). Please note the Company will not accept any communication that is found to contain a computer virus.
* A scanned copy of any power of attorney or other authority (if any) under which the appointment is made must also be sent by email.
5. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (“nominated persons”). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their

behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such agreement to give instructions to the person holding the shares as to the exercise of voting rights.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 1 November 2013 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members, sponsored CREST members and 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 for them.
7. 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 CREST specifications and must contain the information required for such instructions, as described in the CREST Manual which can be viewed at www.euroclear.com. The message, regardless of whether it constitutes the appointment of a proxy or 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 issuer's agent (IDRA19) by 11.00 a.m. on 30 October 2013. The time of receipt of the instruction will be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which Equiniti 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 proxy in another way.
8. 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 messages. Normal system timings and limitations will apply 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(s), to procure that his 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 a particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should refer to the sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. 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.
10. Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, the Company specifies that to be entitled to attend and vote at the General Meeting or any adjournment thereof (and for the purposes of determining the number of votes that may be cast) a person must be entered on the Company's register of members at 6 p.m. on 30 October 2013 (or, in the case of an adjourned meeting, at 6 p.m. on the day which is 2 days before the time of the adjourned meeting excluding any part of a day that is not a working day). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting or any adjourned meeting (as the case may be).
11. As at 14 October 2013 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 31,332,127 shares carrying one vote each. Therefore the total voting rights in the Company as at 14 October 2013 are 31,332,127.
12. 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. In the case of joint holders, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
13. Any member 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, (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.
14. Members who wish to communicate with the Company in relation to the General Meeting should do so using the following means: (i) by writing to the Group Company Secretary at the registered office address or (ii) by writing to the Company's registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. No other methods of communication will be accepted. In particular you may not use any electronic address provided either in this Notice of General Meeting or in any related documents to communicate with the Company for any purposes other than those expressly stated.
15. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.Acalplc.co.uk.

