

Notice of Annual General Meeting

To the holders of ordinary shares

Notice is hereby given that the ninety first Annual General Meeting of Coats Viyella Plc will be held at The Conference Centre, Church House, Dean's Yard, Westminster, London SW1P 3NZ at 10.30am on Wednesday 16 May 2001 for the following purposes:

Ordinary business

- 1 to receive the accounts for the year ended 31 December 2000 and the report of the Directors and Auditors thereon
- 2 to declare the final dividend of 1.50p per ordinary share for the year ended 31 December 2000
- 3 to re-elect Sir Harry Djanogly as a Director
- 4 to re-elect Mr J Lea as a Director
- 5 to re-elect Mr K J Merrifield as a Director
- 6 to re-elect Mr B Nixon as a Director
- 7 to re-elect Mr E Malone as a Director
- 8 to re-elect Mr N Goutard as a Director
- 9 to re-appoint Deloitte & Touche as Auditors of the Company and to authorise the Directors to fix their remuneration

Special business

- 10 **SPECIAL RESOLUTION (Change of Company name)**
That the Company changes its name to Coats plc.
- 11 **SPECIAL RESOLUTION (Authority for the Company to purchase its own shares)**
That the Company be and is hereby authorised to purchase for cancellation its own fully paid ordinary shares by way of market purchase upon and subject to the following conditions:
 - (i) the maximum number of shares which may be purchased is 100,000,000 ordinary shares of 20p each;
 - (ii) the maximum price at which shares may be purchased is an amount equal to 105% of the average of the middle market quotations derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the shares are contracted to be purchased and the minimum price at which shares may be purchased is 20p per share, in both cases exclusive of expenses; and
 - (iii) the authority to purchase conferred by this resolution shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2002 and in any event no later than 15 November 2002 provided that any contract for the purchase of any ordinary share as aforesaid which has been concluded before the expiry of the said authority may be executed wholly or partly after the said authority expires.
- 12 **ORDINARY RESOLUTION (Authority for Directors to allot relevant securities)**
That the Directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the said Act) up to an aggregate nominal value of £30,000,000 (representing approximately 21% of the issued share capital of the Company) provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 August 2002 whichever is the sooner save that the Company may before the expiry of such period make offers or agreements which would or might require relevant securities to be allotted after the expiry of such period and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority hereby conferred had not expired.
- 13 **SPECIAL RESOLUTION (Disapplication of pre-emption rights)**
That the Directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the Authority conferred on them in that behalf by Resolution 12 above (as varied from time to time by the Company in General Meeting) as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment provided that (without prejudice to the authority conferred in Resolution 12 above) the power conferred by this Resolution shall be limited:
 - (i) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (or as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusion or other arrangements as the Directors may consider appropriate to deal with fractional entitlements, and in connection therewith to sell, for the benefit of those shareholders who are citizens of or resident in any overseas territory where in the opinion of the Directors it would at the time of the offer be illegal (by a relevant law) or unduly costly or burdensome for the Company to make or for those shareholders to accept an offer of equity securities of the Company, the equity securities to which they would otherwise be entitled, save that proceeds (net of expenses) of £2 or less to any such shareholder may be retained for the benefit of the Company;

Notice of Annual General Meeting (continued)

- (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities having in the case of relevant shares (as defined for the purposes of Section 89 of the said Act) a nominal amount or in the case of other equity securities giving the right to subscribe for or convert into relevant shares having a nominal amount not exceeding in aggregate £7,700,000 (representing approximately 5% of the issued share capital of the Company); and
- (iii) to the allotment of equity securities pursuant to an election by any holders of ordinary shares to take shares instead of a cash dividend in connection with any share dividend or distribution reinvestment plan implemented by the Directors under Article 138A;

and such authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or 15 August 2002 whichever is the sooner, unless renewed or extended prior to or at such meeting except that the Company may before the expiry of any power contained in this Resolution make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Notes

- 1 Only ordinary shareholders are entitled to attend and vote at the Annual General Meeting and such members will receive a form of proxy with this notice.
- 2 A member entitled to attend and vote may appoint one or more proxies to attend and on a poll to vote instead of him or her. A proxy need not also be a member. A proxy or representative attending on behalf of a corporation is entitled to vote on a show of hands but a member (other than a corporation) present by proxy shall not be entitled to vote on a show of hands.
- 3 To be valid, the proxy forms must arrive at the office of the Registrars not less than 48 hours before the time the meeting is to be held. The appointment of a proxy does not prevent a member who so wishes from attending the meeting and voting in person.
- 4 The Register of Directors' share interests together with copies of any service contracts for periods in excess of one year between each Director and the Company or any of its subsidiary companies are available for inspection at the Registered Office during normal business hours from the date of this Notice until the date of the meeting and at the place of meeting from 15 minutes prior to the meeting until its conclusion.

Annual General Meeting – Explanatory Notes

Items 11, 12 and 13 of the Notice of Annual General Meeting contain resolutions which renew existing authorisations for a further year. The Directors believe that such renewal is necessary to take advantage of business opportunities as they arise and recommend you to vote in favour.

- 1 RESOLUTION 11 This resolution authorises the Company to purchase 100,000,000 of its own shares. {No purchases were made pursuant to last year's authority}
- 2 RESOLUTION 12 An ordinary resolution will be proposed to grant the Directors general authority to allot shares up to an aggregate nominal value of £30 million, representing almost all of the unissued authorised ordinary share capital of the Company.
- 3 RESOLUTION 13 The principal effect of this resolution is to give the Directors authority to allot equity securities for cash other than to existing shareholders up to a limited aggregate amount of £7,700,000 representing approximately 5% of the issued share capital.

By Order of the Board
Christopher Healy
Company Secretary
6 March 2001

Registered Office
2 Foubert's Place
London W1V 1HH
Registered in England No: 104998