Remuneration policy report

The Remuneration Policy was last approved by shareholders at the 2020 AGM. This updated policy will be subject to a binding shareholder vote at the 2023 AGM on 17 May 2023. If approved, the policy will apply for a period of up to three years from the date of approval.

As set out in the Remuneration Committee Chair's statement, following a review of the existing Policy, the Committee determined that the Policy should be rolled-forwards with no material changes.

Directors' Remuneration Policy

The Remuneration Committee has responsibility for determining remuneration for the Company's Directors including the Group Chair but excluding the Non-Executive Directors. The remuneration for Non-Executive Directors, excluding the Group Chair, is determined by the Board albeit the Non-Executive Directors are not present when their fees are discussed. The Committees take into account the need to recruit and retain Directors who have the suitable skills and experience to perform in the interests of the Company and its shareholders, while paying no more than is necessary.

The table below sets out how the proposed Policy specifically addresses the provisions of the UK Corporate Governance Code.

Alignment of the Remuneration Policy to the provisions of the 2018 Corporate Governance Code		
Clarity	**Simplicity**	**Risk**
The approach to all elements of remuneration for Executive Directors is set out clearly within the Policy.	The Policy structure is simple and aligns with FTSE market practice. Performance measures which are well understood by our stakeholders have been chosen with targets and achievement of these targets clearly disclosed either prospectively or retrospectively.	All elements of variable remuneration have been designed to discourage excessive risk taking and all contain appropriate maximum limits. Executive Directors are required to develop and maintain, including post-employment, material shareholdings in line with the shareholding requirements. This provides significant alignment to the long-term experience of shareholders.
Predictability	**Proportionality**	**Alignment to culture**
Maximum opportunity levels for each component of variable remuneration are defined within the Policy. The scenario chart later in this Policy sets out an illustration of how the Policy may operate in practice, including maximum and minimum potential values.	Variable remuneration opportunity levels have been set at an appropriate level, proportionate to the size of the business, and mindful of the levels of fixed remuneration. Performance measures are linked to the Company's strategy and aligned with long-term creation of value for shareholders. The Committee retains its discretion to adjust formulaic variable remuneration outcomes where these do not align to the financial or non-financial performance of the business.	Variable remuneration is based on the achievement of financial and non-financial measures which link to the overall business strategy.

There are no material changes to the previous Remuneration Policy being made. This is because the Committee reviewed the current Policy's effectiveness in aligning performance and reward as well as considered how it compared with market and institutional investor best practice. The conclusion of this process was that the policy has achieved a fair relationship between performance and reward and is aligned with best practice. As a result, the Committee determined no material changes should be made. The changes that are being made are to better align the Policy wording with the intended application of the policy. The changes to the previous Policy wording provide for:

- Flexibility in relation to the timing of the annual salary review date. This is currently set as 1 July each year for Executive Directors, with the refined Policy wording enabling the salary review date for Executive Directors to be aligned with the appropriate workforce if there was a change of review date. The Company does not currently intend to change the existing review date
- Aligning the pension Policy wording with pension practice from 1 January 2023. This is for Executive Director pension to be set at 12% and so aligned with the typical rate of Company pension provision to UK based employees
- Defining the portion of annual bonus that is normally deferred within policy (i.e. 50% of any bonus earned where the maximum bonus opportunity is 150% of salary and 40% of any bonus earned where the maximum bonus opportunity is below 150% of salary)

Remuneration policy report cont.

The Remuneration Policy set out below applies to all Directors who are appointed to the Board during the life of this policy.

Executive Directors' Remuneration Policy table

FIXED REMUNERATION

Purpose and link to strategy	Operation and opportunity
Salary	
To attract and retain the key talent that the Company needs to achieve its objectives.	Salaries for new Executive Directors will be set by the Board taking into account such factors as it determines to be necessary, as discussed above. Following recruitment, salaries will normally be reviewed annually with effect from 1 July (or such other date so as to align with the appropriate workforce review date). Salary reviews take account of factors including the market competitive level of pay in other companies, average salary increases applied elsewhere across the Group, the performance of the Company, the relative skills, performance and talent of the individual and any increase in the scope and/or responsibility of the individual's role. There is no set maximum salary but the Committee's approach will consider the median level of salary of similar positions in the FTSE 250 (excluding financial services), as well as companies in similar sectors and of a similar international scope and size to Coats, for UK based roles to reflect the global scope and dimensions of the Group's operations and the sector in which it operates. External benchmark data is considered only as a reference point and the median figure will not be regarded as a target level of remuneration.
Pension	
To provide a market competitive level of retirement provision.	From 1 January 2023 Executive Directors will be entitled to participate in a defined contribution scheme, on a non-contributory basis, with an employer contribution of up to the typical UK workforce (or other relevant local workforce where appropriate) rate which is currently 12% of salary, or will be provided with a cash alternative in lieu of any pension benefits of up to an equivalent value.
Benefits	
To provide a market competitive level of benefits.	Benefit provision to Executive Directors will be determined by the Committee taking into account such factors as it determines to be necessary, with the aim of creating a competitive overall package. There are no set maximum levels. Benefits may include the provision of private medical insurance, ill-health protection and/or life insurance and a cash-for- car-allowance. In addition, the Company may provide assistance in connection with the relocation of an Executive Director and, in the event of an international transfer, may provide tax equalisation arrangements. Executive Directors may also participate in any all-employee incentive plan operated by the Company from time to time, up to the same limit for participation as applies for other employees.

VARIABLE REMUNERATION

Purpose and link to strategy	Operation and opportunity	Performance
Annual bonus, Cash bonus and deferral into shares under the rules of the Deferred Bonus Plan		
Annual bonus incentivises key individuals to achieve the objectives of the annual business plan. The deferred element ensures that the final value of the annual incentive is linked to the longer-term value of the Group.	Annual bonuses will be determined by reference to performance, measured over one financial year. The maximum annual bonus that may be awarded to any executive director will be 150% of salary. Any bonuses awarded will be subject to a mandatory deferral which is normally 50% of any bonus earned where the maximum bonus opportunity is 150% of salary and 40% of any bonus earned where the maximum bonus opportunity is below 150% of salary. Deferred bonuses will be transferred into shares, to be held for a three year retention period, under the terms of the Deferred Bonus Plan. Deferral may operate so that shares will be held beneficially by the Executive Director during this period, in which case dividends will be payable on shares during such period. The deferral may alternatively be achieved by the grant of a share award or nil cost option in lieu of the deferred portion of the bonus, in which case an additional payment in cash or shares may be made to reflect dividends that may have been earned during the period from grant to vesting. The annual bonus including cash paid or deferred element of the bonus may be subject to malus or clawback. Details of malus and clawback terms are set out below.	The performance measures, weightings and targets for the annual bonus will be set by the Committee on an annual basis. Performance measures will normally include tests of both business and individual performance. The weighting for each objective will be determined annually by the Committee to reflect the strategic importance of each objective for the year ahead. The Target level of performance will result in a payment of 50% of the maximum award. The Committee will determine the Target level of remuneration on a basis that it feels is stretching and challenging. Below Target, payment will increase between nil (below Threshold performance) and Target pay-out, on a straight- line basis. Above Target, payment will increase on a straight-line basis up to 100% for Maximum performance. The Committee will have the discretion to reduce vesting levels if it determines the result of the performance targets does not accurately reflect the financial health of the Company. All annual bonus payments and awards are made at the discretion of the Committee and the terms of the awards may be amended by the Committee at any time provided that they remain within the terms of this policy.

Remuneration policy report cont.

VARIABLE REMUNERATION cont.

Purpose and link to strategy	Operation and opportunity	Performance
Long Term Incentive Plan		
To incentivise key individuals to achieve key long term objectives, in line with the Group's long-term strategy. To create alignment between executives and shareholders. To retain key individuals.	Awards will be made annually, conditional on the achievement of three-year performance conditions. Any vested shares will be subject to an additional two-year holding period. Award levels for any Director will be up to a maximum of 175% of salary. Awards may be made to other senior executives within the Group. Larger awards may be made in exceptional circumstances, but in no case to exceed 200% of salary. Awards will normally be made in the form of nil cost options, exercisable between the third and the tenth anniversary of grant (subject to the additional two-year holding period), although awards may be made in other forms. An additional payment in cash or shares may be made to reflect dividends that may have been earned on the proportion of the award that vests during the period from grant to the end of the holding period. Awards will be subject to malus and clawback provisions. The malus provisions give the Committee discretion to reduce the level of an award prior to vesting in the event of personal misconduct or if events have happened that caused the Committee to determine the grant level was not appropriate. Details of malus and clawback terms are set out below.	The performance measures used, the weighting on each measure, the definition of the measures and the performance targets, will be determined by the Committee considering the balance of strategic priorities for the Company for the upcoming three-year performance period. In addition, the Committee may consider setting an underpin condition which must be satisfied prior to vesting of an award. No awards will vest for performance below Threshold, 25% of each element will vest for achieving Threshold performance, increasing on a straight-line basis to 100% for Maximum performance. The Committee will be able to reduce vesting levels if it determines the result of the performance targets does not accurately reflect the financial health of the Company. Following grant of an award, the Committee will have power to amend performance measures and targets if events happen that mean they are no longer a fair test of performance, but not so as to make the assessment of performance materially less onerous.

Shareholding requirements

Executive Directors will be required to attain a shareholding, over a five-year period, equivalent to 200% of salary. This requirement will apply for a two year period post termination of employment based on the lower of the in-post requirement and the Executive Director's actual shareholding on termination of employment.

Malus & clawback

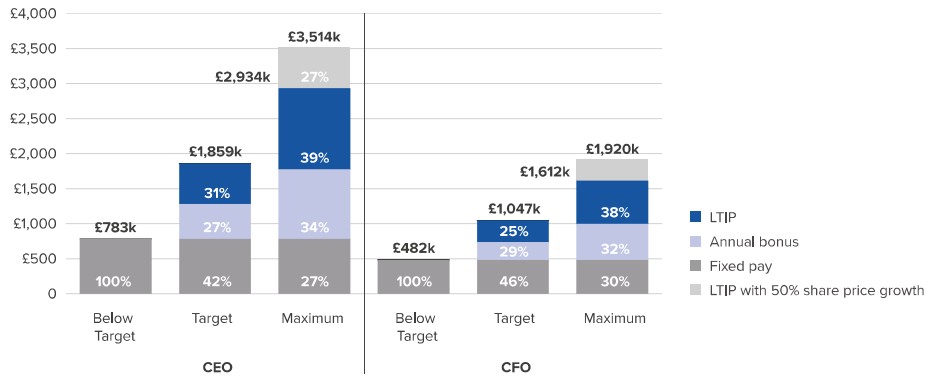
The Committee may, at any time within three years of a cash bonus payment, LTIP or deferred bonus award vesting, determine that malus and / or clawback shall apply if the Committee determines that:

- there was a material misstatement of the financial statements of the Company upon which the performance targets were assessed, or an erroneous calculation was made in assessing the extent to which performance targets were met;
- the award holder has contributed to serious reputational damage to the Company or one of its business units;
- the award holder's conduct has amounted to serious misconduct, gross negligence, fraud, dishonesty, a breach of the Code of Business Conduct or material wrongdoing; or
- where corporate failure or failure in risk management has occurred.

Performance measure selection and target-setting

The measures used under the annual bonus and LTIP are selected annually to reflect the most important measures for the upcoming year and include both business and individual performance objectives. Performance targets are set taking into account the objectives for the business and the need to successfully progress the execution of the Group's long term growth strategy. Targets are also established on the basis that they should be stretching within an acceptable degree of risk.

Illustrations of the application of remuneration policy (figures in £000)



Remuneration policy report cont.

The above charts give an illustrative value of the remuneration package for each of the executive Directors in the upcoming year.

- Minimum is the base salary and pension contributions as of 1 January 2023 plus the value of benefits as disclosed in the FY 2022 single figure table
- On target is the aforementioned minimum plus an assumed 50% pay-out of the annual bonus opportunity and 50% vesting of LTIP awards to be made in FY 2023
- Maximum is the aforementioned minimum with an assumed 100% pay-out of the annual bonus opportunity and full vesting of LTIP awards to be made in FY 2023
- Maximum + share price assumption shows maximum plus a 50% share price appreciation on the shares subject to vested LTIP awards to be made in FY 2023

Legacy matters in respect of future Executive Directors

In the event that an executive of the Group is promoted to the Board, the Company retains discretion to honour any existing remuneration commitments. In particular, any long term awards, both cash and share awards, will continue to be capable of vesting on their existing terms. This would include awards previously granted under legacy Group incentive plans. This would also include any awards granted under the Long Term Incentive Plan or Deferred Bonus Plan prior to the individual being appointed as a Director (although it would be intended that any such awards would in any event comply with the Policy as set out above).

Recruitment Policy

When appointing an Executive Director, including a promotion to the Board of an executive from within the Group, the Committee will offer the recruit a remuneration package that it believes is appropriate, taking into account the skills and experience of the individual and the need to attract, retain and motivate individuals of the appropriate calibre. In determining the remuneration package that may be offered to a new Executive Director, the Committee may also take into account external and internal comparisons and relevant market factors, as well as any other factors which the Board determines to be relevant.

External appointment

In the cases of hiring or appointing a new Executive Director from outside the Company, the Committee may make use of all the existing components of remuneration, as follows:

Component	Approach	Maximum annual grant value
Base salary	Salaries for new appointees will be determined by reference to the relative skills and experience of the individual, the market competitive level of pay in other companies and any other relevant external or internal comparisons.	
Benefits	New appointees will be eligible to receive benefits which may include (but are not limited to) the provision of private medical insurance, ill-health protection and/or life insurance and a cash- for-car-allowance, and, where appropriate, relocation, international transfer or tax equalisation arrangements.	
Pension	New appointees will receive pension contributions or cash alternative in lieu of any pension benefit.	Currently 12% of salary if UK based
Annual bonus	The structure described in the policy table will apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of employment over the year. Targets for the personal element will be tailored to each Executive Director. The Committee retains discretion to set different targets for a new Executive Director in the year of appointment to the other Executive Director(s) targets depending on the timing of their appointment.	150% of salary
LTIP	New appointees will be granted awards under the LTIP on the same terms as other Executive Director's, as described in the policy table.	200% of salary in exceptional circumstances

For external appointment, the Committee may determine that there may be exceptional circumstances where it would be appropriate, in order to secure the right candidate, to compensate for lost awards incurred by an individual as a result of leaving their former employer. In the case of any long term incentive awards, save where such awards are close to vesting, any such award on appointment would normally be granted as a share based award, subject to such vesting and/or performance conditions as the Committee determines to be appropriate, either under a one-off arrangement or under the terms of the Long Term Incentive Plan. In determining the terms of any such awards, the Committee would take account of the vesting schedule and conditions attached to the forfeited awards, but also other factors that it determines to be relevant, including the need to suitably incentivise and retain the individual during the initial years of their applicable appointment.

Remuneration policy report cont.

Internal promotion

In cases of appointing a new Executive Director by way of internal promotion, the Committee and Board will be consistent with the policy for external appointees detailed above.

Service contracts for Executive Directors

The Committee's policy is for service contracts for Executive Directors to reflect the Committee's understanding of best corporate practice for listed companies. However, in the event that an executive of the Group is promoted to the Board, the Committee may include terms in any new service contract which are consistent with that individual's existing service contract and legacy arrangements.

Subject to this, the key elements of a service contract offered to a UK based Executive Director appointment are:

Notice period	Contracts are rolling with an indefinite term. The notice period is no more than 12 months (in the case of notice being given by the Company or the Executive Director). An Executive Director may be placed on garden leave during some or all of the notice period.
Payment in lieu of notice ('PILON')	Save in circumstances justifying summary termination, employment may be terminated without notice by paying a PILON comprising basic salary and contractual benefits. Subject to any legacy terms, the Company will have discretion to pay on a phased basis, which will normally be subject to mitigation.
Pension	The service contract may include entitlement to pension benefits, subject to the provisions and any limits set out in this Policy and the pension scheme rules or an annual allowance. The entitlement to pension benefits may continue during any notice period.
Benefits	The service contract may include entitlement to other benefits, subject to the provisions and limits set out in this Policy. The entitlement to benefits may continue during any notice period.
Incentive plans	The Executive Director will be eligible to be considered (at the Committee's discretion) to participate in the annual bonus and long term incentive arrangements operated from time to time, subject to the provisions and limits set out in this Policy. The terms of such arrangements would apply in the event of a cessation of office or employment, as set out in the table below.

Service contracts offered to non-UK based, external appointments will generally be in line with the provisions set out above, subject to any local law requirements. All Executive Director letters of appointment are available for inspection at the Company's registered office during normal hours of business, and will also be available at the Company's AGM.

Executive Directors will be able to accept non-executive appointments outside the Company (as long as this does not lead to a conflict of interest) with the consent of the Board, as such appointments can enhance their experience and add value to the Company. Any fees received (excluding positions where the Executive Director is appointed as the Company's representative) may be retained by the Executive Director.

Policy on payment for loss of office of Executive Directors

In the case of an executive of the Group who is promoted to the Board, the terms on cessation of office or employment would be governed by the terms of the individual's existing employment agreement. In addition, the terms of any incentive awards made to the individual prior to being appointed as an Executive Director, and the terms of any pre-existing participation in a pension scheme, would govern the treatment of such arrangements.

The policy that applies to the appointment of any Executive Director is shown below. The remuneration package may include the components of remuneration described below in the Executive Directors' Remuneration Policy table subject to the relevant limits as set out in the following tables.

Notice periods, salary and contractual rights

The notice periods and contractual rights on termination that would be included in a service contract offered to an external recruit are set out above. In addition, the Executive Director would be entitled to accrued but untaken holiday.

In respect of any awards made to an Executive Director under any all-employee share plan, the same leaver conditions will apply as apply in respect of employees generally.

Discretions

In considering the exercise of its discretions under the incentive arrangements, as referred to above, or otherwise in connection with the cessation of office or employment of an Executive Director, the Committee will take into account all relevant circumstances, having regard to their duties as Directors.

In doing so, factors that the Committee may take into account shall include, but not be limited to, considering the best interests of the Company, whether the Executive Director has presided over an orderly handover, the contribution of the Executive Director to the success of the Company during their tenure, the need to ensure continuity, the need to compromise any claims that the Executive Director may have, whether the Executive Director received a PILON and whether, had the Executive Director served out their notice, a greater proportion of the outstanding award may have vested.

Other

The Company may enter into new contractual and financial arrangements with a departing Executive Director in connection with the cessation of office or employment, including (but not limited to) in respect of settlement of claims, confidentiality, restrictive covenants and/or consultancy arrangements, where the Committee determines it necessary or appropriate to do so. Appropriate disclosure of any such arrangement would be made.

Remuneration policy report cont.

Corporate actions

On a corporate action affecting the Company, the rules of the Long Term Incentive Plan and Deferred Bonus Plan will apply. In summary, on a change of control awards will vest, subject to the performance conditions and, unless the Committee determines otherwise, time pro-rating.

Deferred shares awarded under the terms of the Deferred Bonus Plan, which represent deferrals of previously earned bonus, will vest in full. Under the Long Term Incentive Plan and Deferred Bonus Plan, the Committee may determine that a demerger or similar event shall constitute a corporate action.

On a variation of share capital or similar event, the Committee may make such adjustment to awards under the Long Term Incentive Plan and the Deferred Bonus Plan as the Committee considers appropriate.

Incentive plans	Good leavers	Other leavers
Annual bonus	The Company does not consider it appropriate to set defined 'good leaver' and 'bad leaver' conditions in respect of the annual bonus arrangements. Instead, where an Executive Director has ceased to hold office or employment with the Group, or is under notice, other than due to personal misconduct, the Committee will determine whether or not the individual will be eligible to receive any annual bonus. If the Committee determines that a departing Executive Director is eligible to receive a bonus, the amount of the bonus will be assessed by reference to the performance targets set for that financial year. The deferral requirement in respect of any bonus awarded will continue to apply if the Committee so determines. The amount of any bonus will be pro-rated for time, provided that the Committee has discretion to waive time pro-rating.	Where the reason for cessation of office or employment is personal misconduct no bonus will be payable. In other cases, unless the Committee determines that the departing Executive Director is eligible to receive a bonus, no bonus will be payable.
Long Term Incentive Plan	A departing Executive Director will be a 'good leaver' on ceasing employment due to retirement, injury, disability, ill-health, death, redundancy or the sale of a business or subsidiary out of the Group. Awards held by 'good leavers' will normally vest on the normal vesting date (i.e. the third anniversary of grant) to the extent that the performance conditions are met, and be pro-rated for time. Any awards that the Committee determines to have vested will ordinarily be subject to the additional two- year holding period, unless the Committee determines in its discretion to accelerate vesting to the date of cessation. The Committee also will have discretion to waive the time pro-rating requirement.	Unvested awards will lapse in full where the cessation of office or employment is on grounds of personal misconduct. In other cases, the Committee will have discretion to determine that unvested awards will vest (in which case the terms applicable to 'good leavers' will apply). Unless this discretion is exercised, no bonus will be payable.
Deferred Bonus Plan	Unvested deferred shares (which represent deferrals of earned bonus) will vest in full on the normal vesting date (i.e. the third anniversary of grant), provided that the Committee will have discretion to accelerate vesting to the date of cessation.	Where the reason for cessation of office or employment is personal misconduct unvested awards lapse in full.

Non-Executive Directors

The Chair and Non-Executive Directors receive an annual fee (paid in monthly instalments). Non-Executive Directors (excluding the Chair) may also receive an additional fee in respect of travel if over five hours of one-way flight time is required to attend a Board meeting, up to an annual cap. The fee for the Chair is set by the Remuneration Committee and the fees for the Non-Executive Directors are approved by the Board, on the recommendation of the Chair. In determining the appropriate level of fees the Committee and the Chair consider advice from external sources and data on the fee levels in other similar companies. No individual is present when his or her own level of remuneration is discussed.

Remuneration policy report cont.

For Non-Executive Directors, the remuneration arrangements will be in line with those set out in the relevant Section below.

Non-Executive Directors' Remuneration Policy table

Element	Purpose and link to strategy	Operation
Fees	To attract and retain a high-calibre Chair and Non-Executive Directors by offering market competitive fee levels.	The Chair is paid an all-inclusive fee for all Board responsibilities. The other Non-Executive Directors receive a basic Board fee, with supplementary fees payable for additional Board responsibilities and travel (if appropriate). The fee levels are reviewed on a periodic basis and may be increased taking into account factors such as the time commitment of the role and market levels in companies of comparable size and complexity. Additional payments may be made above the basic Board fee if duties significantly exceed expectations.
Supplementary fees		Supplementary fees may be payable to the Senior Independent Director, Chair of the Audit and Risk Committee, and Chair of the Remuneration Committee and the Director responsible for employee engagement.
Travel fees	The Board benefits from the diverse global business experience of its Non-Executive Directors, some of whom do not reside in the UK. However, the increasingly global nature of our business means that our Non-Executive Directors are required to travel, with recent meetings held in Brazil, China, Mexico, Sri Lanka, the USA and Vietnam. The Board wishes to recognise the additional time commitment required for Non- Executive Directors (excluding Chair) in travelling to Board meetings.	An additional fee may be payable to any Non-Executive Director (excluding the Chair) who is required to travel for more than a specified length of time to attend a Board meeting. The maximum total fees for travel will be subject to an annual cap. For 2023, a travel fee will be payable for any journey longer than 5 hours of one-way flight time and the maximum fee will be capped at the equivalent of 5 trips. The length of journey and maximum cap will be reviewed annually to ensure their continued relevance and appropriateness.

No benefits or other remuneration will be provided to Non-Executive Directors. However in some cases reimbursement of business travel, entertaining and accommodation expenses claimed in accordance with the UK expenses policy may be deemed taxable benefits under UK tax rules. The Company pays the resulting tax liability. In addition, professional fees may be paid to assist a non-UK tax resident Director submit appropriate UK income tax returns; the cost of these fees may be regarded as a taxable benefit

In determining the level of fees for a new Non-Executive Director, the Committee will take into account all factors it determines to be relevant, including the skills and experience of the individual and the need to attract Non-Executive Directors of the appropriate calibre. The Committee will also take into account the level of fees offered by equivalent companies.

Under their respective Non-Executive Director appointment letters, all of the Non-Executive Directors are entitled to receive an annual fee. None of the appointment letters contains a set term of office. None of the appointment letters contains a notice period. There are no provisions in the Non-Executive Directors' letters of appointment that would give rise to any compensation payments for loss of office.

Removal of the Non-Executive Directors would be governed by the Articles of Association of the Company. All Non-Executive Director letters of appointment are available for inspection at the Company's registered office during normal hours of business, and will also be available at the Company's AGM.

Development of this policy

Statement of consideration of employment conditions elsewhere in the Company

Prior to setting the Remuneration Policy the Committee the Committee does consider the pay structures elsewhere in the Group. The approach to benchmarking identifies similar comparator companies in each local market that the Company wishes to recruit from; the same underlying principles of fairness, transparency and market competitiveness are applied to executive appointments and to local remuneration arrangements. Benefit provision follows the same principles of being security minded and in line with local market practice with an objective of promoting mental and physical well-being. There is a greater level of "at risk" remuneration for more senior roles reflecting the extent to which pay is conditional on company performance. The Committee annually reviews the details, market competitiveness and quantum of the remuneration policies in each of the Company's major markets and compares that, where applicable, to senior leadership roles based in that location. This consideration is also extended to the implementation of the Company's Living Wage policy, which is reviewed annually to ensure it is relevant to all our employees and corrective actions are identified to increase compensation where this is required. Committee takes into account the impact on and comparison with pay arrangements throughout the Company. The Committee does not directly consult with employees when determining remuneration policy.

The structure of remuneration for Coats' senior management team is consistent with that for the Executive Directors. Senior executives participate in annual bonus and long-term incentive arrangements based on performance measures that are aligned to the measures applicable to Executive Directors.

Statement of consideration of shareholder views

The Committee remains committed to shareholder dialogue and takes an active interest in voting outcomes. The Committee sought the views of our major shareholders before submitting this Policy for shareholder approval at the 2023 AGM.

The Committee may, without seeking shareholder approval, make minor changes to this Policy that do not have a material advantage to Directors.

A copy of the Remuneration Policy will be made available at **www.coats.com/governance**