

**This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, you should seek your own independent financial advice from a stockbroker, bank manager, solicitor, accountant, or other financial adviser authorised under the UK Financial Services and Markets Act 2000. If you are outside the UK, you should immediately consult an appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your Coats Group plc shares, please send this document, together with the accompanying documents (but not the personalised 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 delivery to the purchaser or transferee.



## **COATS GROUP PLC**

(Incorporated and registered in England & Wales  
with registered number 00103548)

# **NOTICE OF ANNUAL GENERAL MEETING**

**TO BE HELD ON 11 JUNE 2020 AT 2:30 P.M.**

**AT 4 LONGWALK ROAD, STOCKLEY PARK, UXBRIDGE UB11 1FE, UK**

**IMPORTANT NOTE: THIS DOCUMENT GIVING NOTICE OF THE ANNUAL GENERAL MEETING (TOGETHER WITH ACCOMPANYING DOCUMENTS) SUPERSEDES THE DOCUMENT GIVING NOTICE OF THE ANNUAL GENERAL MEETING DATED 24 APRIL 2020 (TOGETHER WITH ACCOMPANYING DOCUMENTS), AND REQUIRES YOUR IMMEDIATE ATTENTION.**

This document gives notice of the Annual General Meeting of Coats Group plc to be held on 11 June 2020 at 2:30 p.m. at 4 Longwalk Road, Stockley Park, Uxbridge UB11 1FE, UK – see pages 6 to 8 of this document.

Shareholders will have recently received a document giving Notice of the Annual General Meeting dated 24 April 2020, together with accompanying documents (the Original Notice), in connection with an Annual General Meeting to be held on 20 May 2020 (the Original AGM). **Shareholders are requested to disregard the Original Notice. This document, together with accompanying documents, supersedes the Original Notice.**

Any appointments of proxy or proxy voting instructions received in connection with the Original Notice or the Original AGM will be discarded. Shareholders will find enclosed a new Form of Proxy for use at the Annual General Meeting. To be valid, the Form of Proxy should be completed and returned in accordance with the instructions to the Company's Registrar at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible but in any event so as to arrive not later than 2:30 p.m. on 9 June 2020. New electronic proxy votes must also be submitted in accordance with the instructions on page 10 of this document and no later than 2:30 p.m. on 9 June 2020.

# LETTER FROM THE CHAIRMAN OF COATS GROUP PLC

(Incorporated and registered in England & Wales with registered number 00103548)

4 Longwalk Road,  
Stockley Park,  
Uxbridge  
UB11 1FE

18 May 2020

## Dear Shareholder Notice of Annual General Meeting

I am writing to inform you of a change to the details of our Annual General Meeting (AGM).

Shareholders will recently have received a separate document giving notice of the Annual General Meeting dated 24 April 2020, together with accompanying documents (the Original Notice) in connection with an Annual General Meeting to be held at 2:30 p.m. on Wednesday 20 May 2020 at 4 Longwalk Road, Stockley Park, Uxbridge UB11 1FE, UK (the Original AGM). Unfortunately, the Original Notice contained typographical errors in connection with Resolution 15, which should have been proposed as a Special Resolution but was incorrectly proposed as an Ordinary Resolution. In accordance with the Company's Articles of Association and in order to allow the business of the AGM to be properly carried out, the Original AGM has been adjourned indefinitely and the Company is instead convening its AGM to be held at 2:30 p.m. on 11 June 2020 at 4 Longwalk Road, Stockley Park, Uxbridge UB11 1FE, UK. The formal notice of AGM is set out on pages 6 to 8 of this document. Except to correct those typographical errors in connection with Resolution 15, no other changes have been made to any of the Resolutions proposed. You are nonetheless advised to consider fully the contents of this document and disregard the Original Notice entirely. Any appointments of proxy or proxy voting instructions received in connection with the Original Notice or the Original AGM will be discarded and will not be counted for the purposes of the AGM. Shareholders are requested to submit new appointments of proxy and proxy voting instructions to be included for the purposes of the AGM, whether by Form of Proxy (using the enclosed document) or electronically, no later than 2:30 p.m. on 9 June 2020. The Board would like to apologise for any inconvenience caused by these changes.

In line with the Government's compulsory measures relating to social distancing in light of Covid-19 (the Measures), the Company will not be able to give shareholders access to attend the AGM in person and so shareholders should instead vote by way of proxy. More information on how to vote can be found on page 9 of this document. The usual format of the AGM will be condensed and will include only the formal business of the meeting. You are strongly advised to appoint the chairman of the meeting as your proxy to ensure your vote is counted. Other named proxies will not be allowed to attend the AGM. Shareholders can vote in advance using one of the methods set out in the notes on pages 9 to 10 of this document. Registered shareholders may submit questions relating to the business of the AGM in advance of the meeting and no later than 10 June by email to [AGM@coats.com](mailto:AGM@coats.com). This situation is constantly evolving, and the Government may change current restrictions or implement further measures relating to the holding of annual general meetings during the affected period. Any changes to the arrangements for the AGM (including any change to the location of the AGM) will be communicated to shareholders before the meeting through our website ([www.coats.com/agm2020](http://www.coats.com/agm2020)) and, where appropriate, by a Regulatory Information Service announcement. We are disappointed that our AGM has been impacted by current events and that shareholders will not be able to attend in person. The Board would like to thank shareholders for their understanding in these exceptional times.

As announced on 27 March 2020, the Directors no longer believe that it is appropriate to recommend the payment of a final dividend for the financial year ended 31 December 2019. Therefore there is no resolution in connection with that.

The purpose of this letter is to explain certain elements of the business to be considered at the AGM. Resolutions 1 to 14 inclusive and resolution 19 will be proposed as Ordinary Resolutions and resolutions 15 to 18 inclusive will be proposed as Special Resolutions.

# LETTER FROM THE CHAIRMAN OF COATS GROUP PLC

## CONTINUED

### Resolution 1 – Annual Report and Accounts

For each financial year, the Directors must present the Directors' Report, the audited Financial Statements and the independent auditor's report to shareholders at a general meeting. A copy of each of these documents may be found in the Annual Report 2019 which was published on [www.coats.com](http://www.coats.com) on 10 March 2020.

### Resolution 2 – Directors' Remuneration Report

The Company is required to seek shareholder approval for the Annual Report on Remuneration which can be found on pages 70 to 85 (inclusive) of the Annual Report 2019. The Annual Report on Remuneration discloses how the Company's existing Directors' Remuneration Policy (the Policy) is implemented and sets out details of each Director's remuneration during the year under review. In accordance with the relevant regulations, this resolution is an advisory vote and the Directors' entitlement to remuneration is not conditional upon it.

### Resolution 3 – Approval of the Directors' Remuneration Policy

In accordance with the UK Companies Act 2006 (the UK Companies Act), the Company proposes an Ordinary Resolution to approve the directors' remuneration policy contained in the directors' remuneration report. The proposed policy is set out on pages 86 to 94 of the Annual Report 2019. The vote on this resolution is binding and, if passed, will mean that remuneration payments and payments for loss of office can only be made to directors or former directors in accordance with the approved policy. The Company is required to ensure that a vote on its remuneration policy takes place at least every three years, unless it is proposed that the policy is to be changed before the expiry of the three-year period in which case the Company will propose a new resolution to approve the amended policy. The previous vote on the Company's existing directors' remuneration policy was held in 2017 and the policy is due to expire at the close of the AGM. Subject to approval at the AGM, the proposed directors' remuneration policy will take effect from 11 June 2020 and will replace the existing policy as approved by shareholders in 2017.

### Resolutions 4 to 11 – Re-election of Directors

Resolutions 4 to 11 deal with the re-election of the Directors. In accordance with the provisions of the UK Corporate Governance Code (Code) and the Company's Articles of Association, all Directors, with the exception of Alan Rosling who is not standing for re-election, will submit themselves for re-election at the AGM. Further information on the Board, including the roles of the Directors, can be found in the Corporate Governance Report on pages 48 to 58 of the Annual Report 2019. The Chairman confirms that following reviews, as outlined on pages 57 to 58 of the Annual Report 2019, he is satisfied the Directors seeking re-election are performing effectively and demonstrate commitment to the role and that the balance of skill, experience, diversity, independence and knowledge of the Group are sufficient to enable the Directors to discharge their respective duties and responsibilities effectively. All of the Non-Executive Directors are deemed to be independent in accordance with the criteria set out in the Code. A summary of the skills and experience of each of the Directors seeking re-election can be found in Appendix 1 on pages 11 to 12 of this document.

### Resolutions 12 and 13 – Reappointment of Auditor and Auditor's Remuneration

The UK Companies Act requires that an Auditor be appointed at each General Meeting at which accounts are laid, to hold office until the next such meeting. Resolution 12 seeks shareholder approval for the reappointment of Deloitte LLP. The Audit and Risk Committee keeps under review the independence and objectivity of the external Auditor, further information on which can be found in the Annual Report 2019 on pages 59 to 63. After considering relevant information, the Audit and Risk Committee recommended to the Board that Deloitte LLP be reappointed.

Resolution 13 gives the Directors the authority to determine the remuneration of the Auditor. The amount of the remuneration paid to the Auditor for the next financial year will be disclosed in the next audited accounts of the Company.

### Resolution 14 – Allotment of share capital

The UK Companies Act provides that the Directors are not permitted to allot shares (or other relevant securities such as rights to subscribe for, or convert securities into, Ordinary Shares) unless they are authorised to do so by the Company's shareholders in a General Meeting.

Paragraph (a)(i) of Resolution 14 seeks to renew the Directors' general authority to allot shares and grant rights to subscribe for or convert any security into shares up to an aggregate nominal amount of £23,859,834 as permitted by the Company's Articles of Association and pursuant to the provisions of section 551 of the UK Companies Act. This amount represents no more than 33.33 percent (i.e. one-third) of the Company's issued share capital (excluding treasury shares) as at the Latest Practicable Date.

Paragraph (a)(ii) of Resolution 14 would give the Directors authority to allot shares and grant rights to subscribe for or convert any securities into shares in connection with a rights issue in favour of shareholders up to an aggregate nominal amount equal to £47,719,669 (representing 954,393,385 shares), as reduced by the nominal amount of any shares issued under paragraph (a)(i) of the resolution).

This amount (before any reduction) represents no more than 66.66 per cent (i.e. two-thirds) of the Company's issued share capital (excluding treasury shares) as at the Latest Practicable Date.

Resolution 14 will be proposed as an Ordinary Resolution. The Directors have no present intention of allotting new shares except in connection with the employee share option schemes. However, passing this resolution will ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares.

# LETTER FROM THE CHAIRMAN OF COATS GROUP PLC CONTINUED

The authorities sought under this resolution will expire at the conclusion of the Annual General Meeting in 2021 or at the close of business on 30 June 2021, whichever is the earlier (unless previously renewed, varied or revoked by the Company in a General Meeting).

## **Resolution 15 – Disapplication of statutory pre-emption rights**

Resolution 15, which will be proposed as a Special Resolution, is to enable the Directors to allot shares and other equity securities pursuant to the authority granted under Resolution 14 either in connection with a rights issue or other offer of securities to existing shareholders or (up to the specified amount) for cash, without first offering them to existing shareholders exactly in proportion to their existing shareholdings (which would otherwise be required under statutory pre-emption rights contained in the UK Companies Act). This resolution, if passed, will renew the Directors' authority (given by shareholders at the 2019 AGM) to allot shares and other equity securities for cash, in appropriate circumstances, subject to the maximum amount set out in the resolution, and is consistent with the level commonly proposed by other UK listed companies. The maximum amount is approximately 5% of the issued share capital, being 72,302,529 Ordinary Shares, as at the Latest Practicable Date.

The Directors confirm their intention to (except in relation to any issue of up to an additional 5% in accordance with Resolution 16 below) follow the provisions of the Pre-Emption Group's Statement of Principles (Principles) regarding cumulative usage of authorities within a rolling three-year period.

If passed, this authority will expire on 30 June 2021 or at the conclusion of next year's AGM, whichever is the earlier.

## **Resolution 16 – Disapplication of statutory pre-emption rights in connection with acquisitions and specified capital investments**

This resolution, which will be proposed as a Special Resolution, is to enable the Directors to allot shares pursuant to the authority granted under Resolution 14, and in addition to the right under Resolution 15, for cash (up to the specified amount), without first offering them to existing shareholders exactly in proportion to their existing shareholdings (which would otherwise be required under statutory pre-emption rights contained in the UK Companies Act) to be used only in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six months and is disclosed in the announcement of the issue. This resolution, if passed, will give the Directors an additional authority to allot shares and other equity securities for cash, in appropriate circumstances, subject to the maximum amount set out in the resolution, and is consistent with the level commonly proposed by other UK listed companies. The maximum additional amount is approximately 5% of the issued share capital, being 72,302,529 Ordinary Shares, as at the Latest Practicable Date.

If passed, this authority will expire on 30 June 2021 or at the conclusion of next year's AGM, whichever is the earlier. This resolution has been drafted to align with the approach recommended in the Principles.

## **Resolution 17 – Authority to purchase own shares**

This resolution, which will be proposed as a Special Resolution, gives the Company general authority to buy back its own shares in the market as permitted by the UK Companies Act. The authority limits the number of shares that could be purchased to a maximum of 144,605,058 (representing approximately 10% of the Company's issued shares as at the Latest Practicable Date). This resolution also sets minimum and maximum prices in accordance with the UK Listing Rules.

The authority granted pursuant to Resolution 17 will expire on 30 June 2021 or at the conclusion of next year's AGM, whichever is the earlier.

UK listed companies purchasing their own shares are allowed to hold them in treasury as an alternative to cancelling them. If Resolution 17 is passed at the AGM, and the Company buys back its own shares, it is the Company's current intention to cancel all of the shares it may purchase pursuant to the authority granted to it. However, in order to respond properly to the Company's capital requirements and prevailing market conditions, the Directors will reassess at the time of any and each actual purchase whether to hold the shares in treasury or cancel them, provided it is permitted to do so.

The Board is focused on achieving a strategy which will involve capital management initiatives as the Group's cash flows permit. The Directors would only authorise such purchases after careful consideration, taking account of other investment opportunities, appropriate gearing levels, the overall financial position of the Company and whether the effect would be in the best interests of shareholders generally.

The total number of warrants and options to subscribe for shares that are outstanding under the Coats Group plc share option schemes are 56,769,759 as at the close of business on the Latest Practicable Date. These options equate to 3.93% of the issued share capital of the Company.

If the authority to purchase the Company's Ordinary Shares being sought in Resolution 17 and the existing authority to purchase shares taken at last year's AGM (which expires at the end of this year's AGM) were to be exercised in full, the warrants and options to subscribe for shares that are outstanding would represent 3.57% of the Company's issued share capital (excluding treasury shares).

# LETTER FROM THE CHAIRMAN OF COATS GROUP PLC

## CONTINUED

---

As previously notified to shareholders, the Company will look to support its share-based long term incentives programme by funding an employee benefit trust to buy shares in the open market. As the employee benefit trust is an independent entity outside of the Company's group, it will not be relying on this authority when purchasing shares.

### **Resolution 18 – Length of notice of meeting**

Resolution 18 is a resolution to allow the Company to hold General Meetings (other than AGMs) on 14 clear days' notice.

The minimum notice period for General Meetings of listed companies is 21 clear days, but companies may reduce this period to 14 clear days (other than for AGMs) provided that two conditions are met. The first condition is that the company offers a facility for shareholders to vote by electronic means. This condition is met if the company offers a facility, accessible to all shareholders, to appoint a proxy by means of a website. The second condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 clear days to 14 clear days.

The Board is therefore proposing Resolution 18 as a Special Resolution to approve 14 clear days as the minimum period of notice for all General Meetings of the Company other than AGMs. The approval will be effective until the conclusion of next year's AGM, when it is intended that the approval be renewed. The Board will consider on a case by case basis whether the use of the flexibility offered by the shorter notice period is merited, taking into account the circumstances, including whether the business of the meeting is time-sensitive and whether it is thought to be to the advantage of shareholders as a whole.

### **Resolution 19 – Amendment to the rules of the Coats Group plc Long Term Incentive Plan**

During the year, the Remuneration Committee undertook a thorough review of the Company's remuneration policy (which shareholders are being asked to approve in accordance with Resolution 3). To ensure that the Company is able to attract, incentivise and retain Executive Directors with a remuneration package mix that aligns with the Company's peer group, without paying more than is necessary, as part of the Company's updated remuneration policy, it is considered appropriate to increase the annual maximum opportunity under the Coats Group plc Long Term Incentive Plan (LTIP) from 150% to 175% of total basic salary in normal circumstances but to reduce it from 250% to 200% of total basic salary in exceptional circumstances, such as to aid the recruitment of a new Executive Director.

Resolution 19 seeks shareholder approval to amend the rules of the LTIP to take account of the updated remuneration policy.

### **Recommendation**

The Board considers the resolutions will promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own holdings.

Voting on all resolutions at the AGM will again be by way of a poll using poll cards. We believe that this is a more transparent method of voting as shareholder votes are counted according to the number of shares held and this will ensure an exact and definitive result.

### **Mike Clasper**

*Chairman Coats Group plc*

18 May 2020

# NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given** that the 2020 Annual General Meeting of Coats Group plc (Company) will be held on 11 June 2020 at 4 Longwalk Road, Stockley Park, Uxbridge UB11 1FE at 2:30 p.m. to consider and, if thought fit, to pass the following resolutions of which Resolutions 1 to 14 inclusive and Resolution 19 will be proposed as Ordinary Resolutions and Resolutions 15 to 18 inclusive will be proposed as Special Resolutions:

**Resolution 1**

To receive the Accounts and Reports of the Directors and the Auditor for the year ended 31 December 2019.

**Resolution 2**

To approve the Directors' Remuneration Report in the form set out in the Company's Annual Report for the year ended 31 December 2019.

**Resolution 3**

To approve the Directors' Remuneration Policy in the form set out in the Company's Annual Report for the year ended 31 December 2019.

**Resolution 4**

To re-elect Simon Boddie as a Director.

**Resolution 5**

To re-elect Nicholas Bull as a Director.

**Resolution 6**

To re-elect Mike Clasper as a Director.

**Resolution 7**

To re-elect Anne Fahy as a Director.

**Resolution 8**

To re-elect David Gosnell as a Director.

**Resolution 9**

To re-elect Hongyan Echo Lu as a Director.

**Resolution 10**

To re-elect Fran Philip as a Director.

**Resolution 11**

To re-elect Rajiv Sharma as a Director.

**Resolution 12**

To re-appoint Deloitte LLP as Auditor of the Company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company.

**Resolution 13**

To authorise the Directors to fix the remuneration of the Auditor.

**Resolution 14**

That the Directors be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:

- (i) up to a nominal amount of £23,859,834 (such amount to be reduced by any allotments or grants made under paragraph (ii) below in excess of such sum); and
- (ii) comprising equity securities (as defined in section 560 of the UK Companies Act) in the Company up to a nominal amount of £47,719,669 (such amount to be reduced by any allotments or grants made under paragraph (i) above) in connection with an offer by way of a rights issue:
  - a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

# NOTICE OF ANNUAL GENERAL MEETING

## CONTINUED

Such authority shall apply in substitution for all subsisting authorities (without prejudice to the continuing authority of the Directors to allot shares, and grant rights to subscribe for or convert any security into shares, pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made) and shall expire (unless previously varied as to duration, revoked or renewed by the Company in a General Meeting) on 30 June 2021 or at the conclusion of next year's AGM, whichever is the earlier, save that the Company shall be entitled to make offers and enter into agreements before the expiry of such authority which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors shall be entitled to allot shares and grant rights to subscribe for or convert securities into shares pursuant to any such offer or agreement as if this authority had not expired.

### Resolution 15

That the Directors be hereby empowered pursuant to section 570 and section 573 of the UK Companies Act to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the authority conferred by Resolution 14 above, or by way of sale of treasury shares, as if section 561(1) of the UK Companies Act did not apply to any such allotment provided that this power shall be limited to:

- (i) the allotment or sale of equity securities in connection with an offer of securities in favour of the holders of Ordinary Shares on the register of members at such record date as the Directors may determine and other persons entitled to participate therein, in any or all jurisdictions where equity securities are listed on any recognised stock exchange, where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective shareholdings on the record date of such allotment or sale. This is subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or the legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of Ordinary Shares being represented by depositary receipts or any other matter; and
- (ii) the allotment or sale (otherwise than pursuant to sub-paragraph (i) above) to any person or persons of equity securities for cash up to an aggregate nominal value not exceeding £3,615,126.46.

Such power, unless renewed or otherwise varied by the Company in a General Meeting, shall expire upon the expiry of the general authority conferred by Resolution 14 above, save that the Company may make an offer or agreement before this power has expired, which would or might require equity securities to be allotted or sold after such expiry and the Directors may allot or sell equity securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired. Any earlier power of the Directors to allot equity securities as aforesaid shall be hereby revoked.

### Resolution 16

That, in addition to any authority granted under Resolution 15, the Directors be hereby empowered pursuant to section 570 and section 573 of the UK Companies Act to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the authority conferred by Resolution 14 above, or by way of sale of treasury shares, as if section 561(1) of the UK Companies Act did not apply to any such allotment provided that this power shall be limited to:

- (i) the allotment or sale to any person or persons of equity securities or sale of treasury shares for cash up to an aggregate nominal value not exceeding £3,615,126.46; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice.

Such power, unless renewed or otherwise varied by the Company in a General Meeting, shall expire upon the expiry of the general authority conferred by Resolution 14 above, save that the Company may make an offer or agreement before this power has expired, which would or might require equity securities to be allotted or sold after such expiry and the Directors may allot or sell equity securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired. Any earlier power of the Directors to allot equity securities as aforesaid shall be hereby revoked.

# NOTICE OF ANNUAL GENERAL MEETING CONTINUED

---

## Resolution 17

That the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the UK Companies Act) of its Ordinary Shares on such terms and in such manner as the Directors may from time to time determine, provided that:

- (i) the maximum number of Ordinary Shares hereby authorised to be acquired is 144,605,058;
- (ii) the minimum price (exclusive of associated expenses) which may be paid for any such Ordinary Share shall not be less than the nominal value of such share;
- (iii) the maximum price which may be paid for any such Ordinary Share shall be the higher of: (a) the amount equal to 105% of the average of the middle market quotations for an Ordinary Share in the Company as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased (exclusive of associated expenses); and (b) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out;
- (iv) unless previously renewed, revoked or varied by the Company in a General Meeting, the authority conferred by this resolution shall expire on 30 June 2021 or at the conclusion of next year's AGM, whichever is earlier; and
- (v) the Company may contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority, and may purchase its Ordinary Shares in pursuance of any such contract.

## Resolution 18

That a General Meeting, other than an Annual General Meeting of the Company, may be called on not less than 14 clear days' notice.

## Resolution 19

That the Rules of the Coats Group plc Long Term Incentive Plan (LTIP) (a copy of which is produced to the meeting and initialled by the Chairman for the purposes of identification) be amended in the form produced to the meeting.

### Registered office

4 Longwalk Road  
Stockley Park  
Uxbridge  
UB11 1FE

### By order of the Board

Stuart Morgan

Registered Number 00103548



# NOTES TO NOTICE OF ANNUAL GENERAL MEETING

1. The venue for the 2020 AGM is 4 Longwalk Road, Stockley Park, Uxbridge UB11 1FE.
2. As explained on page 2 of this document, shareholders will not be permitted to attend the AGM due to the Government's compulsory measures relating to social distancing in light of Covid-19 (the Measures) and are therefore strongly advised to appoint a proxy to exercise all their rights to vote on their behalf at the AGM.
3. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. You are strongly advised to appoint the chairman of the meeting as your proxy to ensure your vote is counted. As the 2020 AGM is being held as a closed meeting due to the Measures, other named proxies will not be allowed to attend the AGM. To appoint a proxy or proxies, shareholders must complete: (a) a printed form of proxy (enclosed), sign it and return it, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such authority, to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; or (b) a CREST Proxy Instruction (for UK registered members) (as set out in paragraphs 19 to 20 below), in each case so that it is received no later than 2:30 p.m. on 9 June 2020. Alternatively, you may submit your proxy electronically by accessing [www.investorcentre/proxy](http://www.investorcentre/proxy). You will be asked to enter the control number, your Shareholder Reference Number (SRN) and PIN to validate the submission of your proxy online. The control number, and member's individual SRN and PIN numbers are shown on the printed Form of Proxy or e-mail notification. To appoint more than one proxy, you will need to complete a separate form of proxy in relation to each appointment. Forms of proxy for use in connection with the AGM are enclosed with this document. Any appointments of proxy or proxy voting instructions received in connection with the Original Notice or the Original AGM will be discarded and will not be counted for the purposes of the AGM. Shareholders are requested to submit new appointments of proxy and proxy voting instructions to be included for the purposes of the AGM, whether by using the enclosed form of proxy or electronically, no later than 2:30 p.m. on 9 June 2020. If you do not have a form of proxy and believe that you should, please contact the Company's Registrars, Computershare Investor Services PLC, on 0370 707 1022. Additional forms of proxy may be obtained by contacting the Company's Registrars on the number listed above or you may photocopy the form. Please indicate in the box next to the proxy holders name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of the multiple instructions being given. All forms must be signed and should be returned in the same envelope.
4. The Chairman intends to vote any undirected proxies given to him in favour of all the resolutions set out in this Notice and will vote such undirected proxies as he thinks fit on any matters or motions before the meeting.
5. You will need to state clearly on each form of proxy the number of Ordinary Shares in relation to which the proxy is appointed. A failure to specify the number of Ordinary Shares each proxy appointment relates to or specifying a number of Ordinary Shares in excess of those held by the member will result in the proxy appointment being invalid.
6. A shareholder must inform the Company in writing of any termination of the authority of a proxy. If two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same AGM, the appointment of proxy which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was last received, none of them should be treated as valid in respect of that share. Any appointments of proxy or proxy voting instructions received in connection with the Original Notice or the Original AGM will be discarded and will not be counted for the purposes of the AGM.
7. In normal circumstances, the return of a completed form of proxy or any CREST Proxy Instruction (as described in paragraph 20 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so. However, as the 2020 AGM is being held as a closed meeting due to the Measures, no shareholder or proxy will be permitted entry.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, 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).
9. Any person to whom this Notice is sent who is a person nominated under section 146 of the UK Companies Act to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
10. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 2, 3 and 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
11. Copies of (i) the Non-Executive Directors' engagement letters; (ii) indemnities in favour of each of the Directors of the Company; (iii) the rules of the Coats Group plc Long Term Incentive Plan showing the amendments for which shareholder approval is being sought under Resolution 19; and (iv) the Articles of Association of the Company, will each be available for inspection. If you wish to review any of these documents, please email [group.legal@coats.com](mailto:group.legal@coats.com) by 10 June 2020 to request a copy. Responses will be provided during normal working hours Monday to Friday, excluding bank holidays.
12. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 and the UK Companies Act, the Company gives notice that only those shareholders included in the register of members of the Company at 8:00 p.m. on 9 June 2020 or, if the meeting is adjourned, in the register of members at 8:00 p.m. on the day which is two days before the day of any adjourned meeting, will be entitled to vote at the AGM in respect of the number of Ordinary Shares registered in their names at that time. Changes to entries on the register of members after 8:00 p.m. on 9 June 2020, or, if the meeting is adjourned, in the Register of Members at 8:00 p.m. on the day which is two days before the day of any adjourned meeting, will be disregarded in determining the rights of any person to vote at the AGM.
13. As at 9:00 a.m. on 18 May 2020 being the latest practicable date prior to the publication of this Notice (Latest Practicable Date), the Company had 1,446,050,584 Ordinary Shares in issue, carrying one vote each. Therefore the total voting rights in the Company are 1,446,050,584. The Company does not hold any Ordinary Shares as treasury shares.

# NOTES TO NOTICE OF ANNUAL GENERAL MEETING

## CONTINUED

14. Under section 527 of the UK Companies Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the UK Companies Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the UK Companies Act. Where the Company is required to place a statement on a website under section 527 of the UK Companies Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the UK Companies Act to publish on a website.
15. Shareholder engagement remains important to us and, as such, registered shareholders may submit questions relating to the business of the AGM as set out in this Notice in advance of the AGM and no later than 10 June 2020 by email to AGM@coats.com. The Board will endeavour, where appropriate, to answer such questions as soon as practicable following the AGM.
16. You may not use any electronic address provided in this Notice, or any related documents including the proxy form, to communicate with the Company for any purposes other than those expressly stated.
17. The contents of this Notice, details of the total number of Ordinary Shares in respect of which members are entitled to exercise voting rights at the meeting, details of the totals of the voting rights that members are entitled to exercise at the meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice will be available on the Company's website at: [www.coats.com/agm2020](http://www.coats.com/agm2020).
18. Voting on all resolutions at this year's AGM will be conducted by way of a poll using poll cards to accurately record the votes. As soon as practicable following the AGM, the results of the voting at the meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed on the Company's website at: [www.coats.com/investors](http://www.coats.com/investors).
19. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Any appointments of proxy or proxy voting instructions received in connection with the Original Notice or the Original AGM will be discarded and will not be counted for the purposes of the AGM. Shareholders are requested to submit new appointments of proxy and proxy voting instructions to be included for the purposes of the AGM, whether by using the enclosed form of proxy or electronically.
20. 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 Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 Company's agent (ID: 3RA50) by the latest time for receipt of proxy appointments set out in paragraph 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent 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 appointee through other means. The Company may treat as invalid any CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
21. CREST members and, where applicable, their CREST sponsors, or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation 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 any 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 any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

# APPENDIX 1

## BIOGRAPHICAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

### **Simon Boddie, Chief Financial Officer**

Key skills and experience:

- Strong financial expertise within an international emerging markets and digital context.
- Wealth of finance experience in large listed multinationals.

Other current appointments: He is currently a Non-Executive Director and chair of the Audit Committee of PageGroup plc, a specialist recruitment company.

Previous relevant experience: Simon was previously Group Finance Director at Electrocomponents plc. Formerly worked for Diageo, where he held a variety of senior finance positions, Hill Samuel Bank and Price Waterhouse.

Qualifications: Simon is a member of the Institute of Chartered Accountants in England and Wales and has an MA in Economics from the University of Cambridge.

### **Nicholas Bull, Senior Independent Non-Executive Director** A N

Key skills and experience:

- Global financial services and banking experience.
- International business experience and insights, especially in China.
- Advocate for ESG and SRI matters at the Board.

Other current appointments: He is currently Chairman of Fidelity China Special Situations plc and Conran Holdings Ltd, Trustee of the Design Museum, Camborne School of Mines Trust, The Creative Education Trust and the Conran Foundation.

Previous relevant experience: Nicholas has served as Chairman of De Vere, Chairman of the Advisory Board of Westhouse Securities and of Smith's Corporate Advisory Limited. He had a global career in banking with Morgan Grenfell (subsequently Deutsche Bank), Société Générale and ABN AMRO.

Qualifications: Nicholas has a BSc in Chemistry from the University of Exeter and is a Fellow of the Institute of Chartered Accountants in England and Wales.

### **Mike Clasper CBE, Chairman** N

Key skills and experience:

- Extensive executive and non-executive experience, including in general management and marketing for global companies.
- Long-term track record of value creation and change.

Other current appointments: He is currently Chairman of SSP Group plc and Bioss, Trustee of Heart Cells Foundation, Governor of the Royal Shakespeare Company, Advisory Board member for Arora International; Chairman of the West London Consortium, and Chairman of the Market Place Impact Taskforce of Business in the Community.

Previous relevant experience: Mike was previously Senior Independent Director at Serco Group plc and ITV plc, Chairman of Which? Ltd, Chief Executive Officer of BAA plc, Chairman of HM Revenue & Customs, President of the Chartered Management Institute and Operational Managing Director at Terra Firma. He has also held a number of senior management positions at Procter & Gamble.

Qualifications: Mike holds an MA in Engineering from the University of Cambridge.

### **Anne Fahy, Independent Non-Executive Director** R A

Key skills and experience:

- Experienced audit committee chairman with extensive financial and internal controls experience.
- Global business and developing markets experience.

Other current appointments: Anne is currently a Non-Executive Director and Chairman of the Audit Committee of SThree and Non-Executive Director of Nyrstar. She is also a Trustee of Save the Children.

Previous relevant experience: Anne is a former Non-Executive Director of Interserve. Previously at BP, Anne gained extensive experience of global business, developing markets, risk management, internal control, compliance and strategy development in the aviation, petrochemicals, trading and retail sectors.

Qualifications: Anne is a Fellow of the Institute of Chartered Accountants in Ireland and a Bachelor of Commerce in Economics, Accounting and Business from University College Galway, Ireland.

# APPENDIX 1

## CONTINUED

### David Gosnell OBE, Independent Non-Executive Director R A N

Key skills and experience:

- Strong and deep supply and procurement background in global multi-national companies.
- International and strategic mindset.

Previous relevant experience: David was previously Chairman of Old Bushmills Distillery Company Ltd and a Non-Executive Director of Brambles Ltd. David retired from Diageo plc in 2014 where he had most recently held the role of President of Global Supply and Procurement. Prior to joining Diageo, David spent 25 years at HJ Heinz in various operational roles.

Qualifications: David holds a Bachelor of Science degree in Electrical and Electronic Engineering from Middlesex University. He is a Fellow of the Institute of Engineering and Technology (FIET). He has completed Supply Chain Manufacturing – Drive Operational Excellence at INSEAD (Singapore).

### Hongyan Echo ('Echo') Lu, Independent Non-Executive Director R N

Key skills and experience:

- Global business experience gained in different sectors in Europe, Asia and the US.
- Strong background in general management and track record of delivering positive change.

Other current appointments: Echo is currently Managing Director of Haulfryn Group Ltd, a UK leisure business.

Previous relevant experience: Echo previously served as Managing Director of Managing Director, International of Holland & Barrett International and before that Homebase Ltd as part of Home Retail Group plc. Echo spent ten years at Tesco plc in a variety of senior leadership roles. Echo was a Non-Executive Director of Dobbies Garden Centres and a steering committee member of the Trestle Group Foundation.

Qualifications: Echo has a Bachelor of Arts in International Economy and Finance from Fudan University, Shanghai and a Master of Science in Industrial Relations and Human Resources from West Virginia University.

### Fran Philip, Independent Non-Executive Director, Designated Non-Executive Director for workforce engagement R N

Key skills and experience:

- Extensive speciality retailing business experience.
- Workforce dynamics experience.

Other current appointments: Fran is currently a Non-Executive Director of Vera Bradley Inc., Totes Isotoner, Vista Outdoors, Regent Holding and an industry executive for Freeman Spogli, a US private equity firm specialising in retail and consumer brands.

Previous relevant experience: Fran worked for The Gap, Williams-Sonoma and The Nature Company, and LL Bean, where she initially served as Director of Product Development, Home Furnishings going on to hold a number of roles including Vice President, Affiliated Brands, before becoming Chief Merchandising Officer until her retirement.

Qualifications: Fran has a degree in English and Sociology from Bowdoin College, Maine, and an MBA from the Harvard Business School.

### Rajiv Sharma, Group Chief Executive N

Key skills and experience:

- 30 years global multi-industry leadership experience.
- Leading large complex businesses.
- Strategy and transformation.

Other current appointments: Rajiv is a Non-Executive Director of Senior plc.

Previous relevant experience: Rajiv has been on the board of joint ventures at both GE and Shell and held management positions with Saab, Honeywell, GE and Shell.

Qualifications: Rajiv holds a degree in Mechanical Engineering, as well as an MBA from the University of Pittsburgh, USA.

#### Key to Committee membership:

- Committee chair
- Committee member
- R Remuneration
- A Audit
- N Nomination