

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to 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 or CDIs, 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.



(formerly Guinness Peat Group plc)

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

Notice of Annual General Meeting

to be held on Thursday 21 May 2015 at 2:30 p.m. at FTI Consulting,
200 Aldersgate, Aldersgate Street, London, EC1A 4HD, UK

A Form of Proxy for use at the Annual General Meeting is enclosed. 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 6ZZ (for UK registered members), Computershare Investor Services Limited, Private Bag 92119, Auckland 1142 (for New Zealand registered members) and Computershare Investor Services Pty Limited, GPO Box 3329, Melbourne VIC 3001 (for Australian registered members) as soon as possible but in any event so as to arrive not later than 2:30 p.m. London time on Tuesday 19 May (for UK registered members), 1:30 a.m. Auckland time on Wednesday 20 May (for New Zealand registered members) and 11:30 p.m. Sydney time on Tuesday 19 May (for Australian registered members).

All references to times in this document are to London, British Summer Time, unless otherwise indicated.

LETTER FROM THE CHAIRMAN OF COATS GROUP PLC

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

1 The Square
Stockley Park
Uxbridge
Middlesex
UB11 1TD

17 April 2015

Dear Shareholder

Notice of Annual General Meeting

I am pleased to be writing to you with details of our Annual General Meeting ('**AGM**') which we are holding at 2:30 p.m. on Thursday 21 May 2015 at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD, UK. The formal notice of AGM is set out on pages 7 to 9 of this document.

On 26 February 2015 the Directors took the decision to rename Guinness Peat Group plc as Coats Group plc ('**the Company**') and establish a single, combined Board of Directors, on the 125th anniversary year of Coats' initial listing on the London Stock Exchange. It also marked the point at which the listed Company became a focused, global industrial manufacturing business and moved on from being an investment company with a diversified portfolio of assets.

If you would like to vote on the resolutions but cannot attend the AGM, you can appoint a proxy to exercise all or any of your rights to attend, vote and speak at the AGM by using one of the methods set out in the notes to the Notice of AGM on pages 10 to 12 of this document.

The purpose of this letter is to explain certain elements of the business to be considered at the AGM. Resolutions 1 to 12 inclusive and 17 will be proposed as Ordinary Resolutions and Resolutions 13 to 16 inclusive will be proposed as Special Resolutions.

Resolution 1 – To receive the Annual Report and Accounts

The Directors are required by the UK Companies Act 2006 (the '**UK Companies Act**') to present to the shareholders of the Company at a general meeting the reports of the Directors and Auditor, and the audited financial statements of the Company, for the year ended 31 December 2014. The reports of the Directors and the audited financial statements have been approved by the Directors, and the report of the Auditor has been approved by the Auditor, and a copy of each of these documents may be found in the Annual Report 2014, starting at page 24, which is published on www.coats.com on 19 March 2015 ('**Annual Report 2014**').

Resolution 2 – Directors’ remuneration report

Resolution 2 is the Ordinary Resolution to approve the Directors’ remuneration report. In accordance with the provisions of the UK Companies Act, the Directors’ remuneration report in the Annual Report 2014 contains:

- the annual statement by David Gosnell, Chairman of the Company’s Remuneration Committee; and
- the annual report on remuneration, which sets out the remuneration paid to the Company’s Directors in the financial year ending 31 December 2014.

The Directors’ remuneration report is set out in full in the Annual Report 2014 on pages 32 to 40.

The statement by the Remuneration Committee Chairman and the annual report on remuneration will, as in the past, be put to an advisory shareholder vote which does not affect the future remuneration paid to any Director.

Shareholders approved the Directors’ remuneration policy in relation to future payments to the Directors and former Directors at the AGM in 2014 and it remains unchanged this year. If the Directors’ remuneration policy remains unchanged, the UK Companies Act requires the Company to put the remuneration policy to shareholders again no later than 31 December 2017. For ease of reference, the Directors’ remuneration policy has been included in the Directors’ remuneration report but does not form part of the Directors’ remuneration report for the purposes of Resolution 2.

Resolutions 3 to 9 – Election and re-election of Directors

Resolutions 3 to 9 deal with the election and re-election of the Directors in accordance with the Company’s Articles of Association. Pursuant to the Company’s Articles of Association, one Director must retire by rotation from the Board at the AGM this year, although they may offer themselves for re-election. Accordingly, Mike Allen, having been longest in office since his last reappointment, is retiring and seeking re-election. The Board confirms that Mike Allen continues to be effective and to demonstrate commitment to the role.

The Company’s Articles of Association also require that any person appointed as a Director by the Directors must retire and seek re-appointment at the next AGM. Accordingly, Paul Forman, David Gosnell, Richard Howes, Alan Rosling and Rajiv Sharma, who were all appointed on 2 March 2015, and Nicholas Bull, who was appointed on 10 April 2015, are retiring and seeking election by the shareholders at this year’s AGM.

Biographical details of each of the Directors seeking election/re-election can be found in Appendix 1 on page 13 of this document.

Resolutions 10 and 11 – 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 10 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 2014 on pages 29 to 31. After considering relevant information, the Audit and Risk Committee recommended to the Board of Directors that Deloitte LLP be reappointed.

Resolution 11 gives the Directors the authority to determine the remuneration of the Auditor for the audit work to be carried out by them in the next financial year. 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 12 – 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. This Resolution will, if passed, renew the Directors’ authority (given by shareholders at the AGM in 2014) to allot shares and other relevant securities up to the maximum amount set out in the Resolution, and is consistent with the level commonly proposed by other UK listed companies.

At the last AGM of the Company held on 22 May 2014, the Directors were given authority to allot shares in the capital of the Company up to a maximum nominal amount of £23,453,888 representing one third of the Company's then issued ordinary share capital. This authority expires at the end of this year's AGM. Resolution 12 will, if passed, renew this authority to allot, on broadly the same terms as last year's resolution.

The maximum figure of £23,460,205 is approximately to one third of the current issued share capital of the Company as at 10 April 2015 (being the latest practicable date before publication of this document). The Company does not hold any shares in treasury. The authority will expire on 20 August 2016 or at the conclusion of the AGM of the Company in 2016, whichever is the earlier.

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.

Resolution 13 – Disapplication of statutory pre-emption rights

This Resolution is to enable the Directors to allot shares pursuant to the authority granted under Resolution 12 either for 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 UK statutory pre-emption rights contained in the UK Companies Act). This Resolution, if passed, will renew the Directors' authority (given by shareholders at the AGM in 2014) 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 5 per cent of the issued share capital as at 10 April 2015 (being the latest practicable date before publication of this document).

The Directors confirm their intention to follow the provisions of the Pre-emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period. The Principles provide that companies should not issue shares for cash representing more than 7.5 per cent of the company's issued ordinary share capital in any rolling three-year period, other than to existing shareholders, without prior consultation with shareholders.

If passed, this authority will expire on 20 August 2016 or at the conclusion of the AGM of the Company in 2016, whichever is the earlier.

Resolution 14 – Authority to purchase own shares

This 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 211,001,081 (representing approximately 14.99 per cent of the Company's issued shares as at 10 April 2015 (the latest practicable date prior to publication of this document)). This resolution also sets minimum and maximum prices in accordance with the UK Listing Rules.

The authority granted pursuant to Resolution 14 will expire on 20 August 2016 or at the conclusion of the AGM of the Company in 2016, 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 14 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 focussed on achieving a strategy which will involve capital management initiatives as the Group's cash flows, continuing obligations to the Group's on-going pension schemes and liabilities permit. Passing this resolution allows the directors the flexibility to act in the best interests of shareholders when opportunities arise. This may result in an exercise of the authority to purchase the Company's ordinary shares if the Board considers this to be in the best interests of the shareholders as a whole.

The total number of options that are outstanding under the Coats Group plc share option schemes are 51,805,935 as at the close of business on 10 April 2015 (being the latest practicable date prior to the publication of this document). These options equate to 3.68 per cent of the issued share capital of the Company.

If the authority to purchase the Company's ordinary shares being sought in Resolution 14 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, these warrants and options would represent 4.49 per cent of the Company's issued share capital (excluding treasury shares).

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 15 – Length of notice of meeting

Resolution 15 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 15 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 end of the next AGM of the Company, 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.

Resolutions 16 and 17 – Articles of Association

To mark its transition and change of name, the Board has decided to modernise the Articles of Association of the Company to reflect changes to law and regulation and current UK governance practices. As such, Resolution 16 proposes the adoption of new Articles of Association at the AGM. A summary of the principal changes in the new Articles of Association is set out in Appendix 2 of this document on pages 15 to 19. Resolution 16 is proposed as a Special Resolution.

One of the changes proposed in the new Articles of Association is to increase the amount available for Non-Executive Directors' fees. In accordance with Australian Listing Rule 10.17 and article 78 of the Company's existing Articles of Association, any proposed increase in the maximum total amount available for Non-Executive Directors' fees must be approved by Ordinary Resolution by the Company in general meeting, and Resolution 17 seeks approval for this purpose. The Company does not anticipate any significant increase to fees, nor any significant increases to the size of the Board, and approval of this amendment is being sought to maintain flexibility and to facilitate any future appointment of Non-Executive Directors.

Directors are not permitted to vote on Resolution 17 and as such the Company will disregard any votes cast on Resolution 17 by a Director and any associate of a Director. However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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 which amount in aggregate to 34,505,689 shares representing approximately 2.45 per cent of the existing issued ordinary shares of the Company (excluding treasury shares).

Voting on Resolutions 1 to 17 at the AGM will be by way of a poll. Voting procedures will be explained at the AGM.

Yours sincerely

Mike Clasper
Chairman
Coats Group plc
17 April 2015

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2015 Annual General Meeting of Coats Group plc (**the Company**) will be held on Thursday 21 May 2015 at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD, UK at 2:30 p.m. to consider and, if thought fit, to pass the following Resolutions of which Resolutions 1 to 12 inclusive and 17 will be proposed as Ordinary Resolutions and Resolutions 13 to 16 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 2014.

Resolution 2

To approve the Directors' remuneration report (other than the Directors' remuneration policy) for the year ended 31 December 2014.

Resolution 3

To re-elect Mike Allen as a Director.

Resolution 4

To elect Nicholas Bull as a Director.

Resolution 5

To elect Paul Forman as a Director.

Resolution 6

To elect David Gosnell as a Director.

Resolution 7

To elect Richard Howes as a Director.

Resolution 8

To elect Alan Rosling as a Director.

Resolution 9

To elect Rajiv Sharma as a Director.

Resolution 10

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 11

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

Resolution 12

That the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the UK Companies Act 2006 to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (**'Rights'**) up to an aggregate nominal amount of £23,460,205 provided that this authority shall expire (unless previously varied as to duration, revoked or renewed by the Company in General Meeting) on 20 August 2016 or at the conclusion of the AGM of the Company in 2016, whichever is the earlier, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the Directors to allot shares and grant Rights be and are hereby revoked.

Resolution 13

That the Directors be and they are hereby empowered pursuant to section 570 and section 573 of the UK Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the authority conferred by Resolution 12 above, or by way of sale of treasury shares as if section 561(1) of the UK Companies Act 2006 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 of the Company 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 numbers of ordinary shares held by them 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 £3,519,030

Such power, unless renewed or otherwise varied by the Company in General Meeting, shall expire upon the expiry of the general authority conferred by Resolution 12 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 be and is hereby revoked.

Resolution 14

That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the UK Companies Act 2006) of its own ordinary shares of 5 pence each in the capital of the Company 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 211,001,081 issued shares;
- (ii) the minimum price (exclusive of associated expenses) which may be paid for any such ordinary share is 5 pence;
- (iii) the maximum price which may be paid for any such ordinary share is the amount equal to 105 per cent 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);
- (iv) unless previously renewed, revoked or varied by the Company in general meeting, the authority conferred by this resolution shall expire on 20 August 2016 or the date of the next AGM of the Company, 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 15

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

Resolution 16

That the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

Resolution 17

That, for the purposes of ASX Listing Rule 10.17, the Articles of Association and all other purposes, the total pool available for Non-Executive Directors' fees is increased to an annual sum of £1,000,000 (this sum excludes any remuneration or other benefits which may be paid or provided by the Company for the benefit of the Directors who hold executive office or in connection with service on any Committee of the Board).

REGISTERED OFFICE

1 The Square
Stockley Park
Uxbridge
Middlesex
UB11 1TD

Registered Number 00103548

BY ORDER OF THE BOARD

Stuart Morgan
Group Company Secretary
17 April 2015

Notes to Notice of Annual General Meeting

1. The venue for the 2015 AGM is FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD, UK.
2. A member who is an individual is entitled to attend, speak and vote at the meeting or to appoint another person (who need not be a member of the Company) as his proxy to exercise all or any of his rights to attend, speak and vote at the meeting on his behalf. Further details of how to appoint a proxy, and the rights of proxies, are given in the paragraphs below. A member that is a company can appoint one or more corporate representatives (such as a Director or employee of the company) whose attendance at the meeting is treated as if the company were attending in person. In accordance with the provisions of the UK Companies Act 2006 (the '**UK Companies Act**'), each such representative may exercise (on behalf of the Company) the same powers as the company could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same ordinary shares. It is no longer necessary to nominate a designated corporate representative. A member that is a company may also appoint one or more persons as its proxy to exercise all or any of its rights on its behalf. In each case, a person attending the meeting will need to provide the Company or its registrars, Computershare Investor Services PLC (for UK registered members), Computershare Investor Services Limited (for New Zealand registered members) and Computershare Investor Services Pty Limited (for Australian registered members) with evidence of their identity and, if applicable, their appointment as a proxy or corporate representative with authority to vote on behalf of a member.
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 ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to represent you. Your proxy must vote as you instruct and must attend the meeting for your vote to be counted. To appoint a proxy or proxies, shareholders must complete: (a) a form of proxy, 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 6ZZ (for UK registered members), Computershare Investor Services Limited, Private Bag 92119, Auckland 1142 (for New Zealand registered members) and Computershare Investor Services Pty Limited, GPO Box 3329, Melbourne VIC 3001 (for Australian registered members); or (b) a CREST Proxy Instruction (for UK registered members) (as set out in paragraph 19 below), in each case so that it is received no later than 2:30 p.m. London time on 19 May 2015 (1:30 a.m. Auckland time on 20 May 2015). 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. 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 0870 707 1022 (for UK registered members), Computershare Investor Services Limited on 09 488 8777 (for New Zealand registered members) and Computershare Investor Services Pty Limited on 03 9415 4083 (for Australian registered members) or at any of the registrar addresses stated above.
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. The return of a completed form of proxy or any CREST Proxy Instruction (for UK registered members) (as described in paragraph 19 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
7. 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).

8. 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.
9. 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.
10. Copies of (i) the Directors' engagement letters; (ii) indemnities in favour of each of the Directors of the Company; (iii) the existing Articles of Association of the Company; and (iv) the proposed new Articles of Association of the Company, will each be available for inspection at the offices of the Company at 1 The Square, Stockley Park, Uxbridge, Middlesex, UB11 1TD during normal business hours any week day (Saturdays, Sundays and UK public holidays excepted) from the date of this document until 21 May 2015 being the date of the 2015 AGM and at the venue of the 2015 AGM from 15 minutes before the start of the meeting until the end of the meeting.
11. 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 6:00 p.m. (London time) on 19 May 2015 or, if the meeting is adjourned, in the register of members at 6:00 p.m. (London time) on the day which is two days before the day of any adjourned meeting, will be entitled to attend and 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 share register after 6:00 p.m. (London time) on 19 May 2015, or, if the meeting is adjourned, in the register of members at 6:00 p.m. (London time) 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 attend or vote at the AGM.
12. As at 9:00 a.m. on 10 April 2015 (London time) being the latest practicable date prior to the publication of this Notice, the Company had 1,407,612,282 ordinary shares in issue, carrying one vote each. Therefore the total voting rights in the Company are 1,407,612,282. The Company does not hold any ordinary shares as treasury shares as at close of business on 10 April 2015 (being the latest practicable date prior to publication of this document).
13. 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.
14. Any member attending the meeting has the right to ask questions. The Company must answer any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. 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.

16. 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/investors.
17. Voting on Resolutions 1 to 17 will be conducted by way of a poll. 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.

For UK registered members only

18. 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/CREST). 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.
19. 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.
20. 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 and election

Mike Allen

Independent Non-Executive Director

Mike has over 25 years' experience in investment banking and general management, both in New Zealand and the UK. He is a Non-Executive Director of Breakwater Ltd, Godfrey Hirst NZ Ltd, the Retirement Villages Group, Tainui Group and NZ Windfarms Ltd. Mike is also the current Chairman of PGG Wrightson Finance. He previously held various senior roles at Southpac Corporation and Westpac in New Zealand.

Appointed: September 2010

Committee member: Remuneration, Nominations

Nicholas Bull

Senior Independent Non-Executive Director

Nicholas has over 30 years of banking experience. Until 2008 he was Managing Director, Head of UK Global Clients, at ABN AMRO, and prior to that was Managing Director, Head of Consumer Sector M&A at Société Générale. He spent over 20 years at Morgan Grenfell (subsequently Deutsche Bank) and has worked in London, Sydney, Singapore and Hong Kong. He was a Director, then Chairman, of De Vere Group Ltd, the leisure and hospitality business, from 2010 until the completion of its asset disposal programme earlier this year. He was Chairman of the Advisory Board of City stockbroker, Westhouse Securities and Chairman of Smith's Corporate Advisory Limited. Nicholas is currently Senior Independent Director of the investment trust, Fidelity China Special Situations plc. He is a trustee of the Design Museum and the Conran Foundation and also a member of the Council of the University of Exeter. 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.

Appointed: April 2015

Committee member: Audit and Risk, Nominations

Paul Forman

Executive Director and Group Chief Executive

Paul joined Coats in November 2009 and became Group Chief Executive on 31 December 2009. Paul has wide experience in global manufacturing, as well as strategy consultancy and M&A advisory services. Before joining Coats he was Group Chief Executive of Low & Bonar PLC, a global performance materials group, quoted on the London Stock Exchange, and prior to that MD at Unipart International, the leading European automotive aftermarket supplier. Paul has served as a Non-Executive Director at Brammer PLC from 2006 to 2010 and on 1 January 2015 was appointed a Non-Executive Director at Tate & Lyle PLC. He holds an MA in English from Fitzwilliam College, University of Cambridge.

Appointed: March 2015 (Previously appointed to Coats plc Board, December 2009)

David Gosnell

Independent Non-Executive Director

David has over 30 years' experience in supply and procurement strategy and execution. In December 2014, he retired from Diageo plc where he had most recently held the role of President of Global Supply and Procurement. He led a team of 9,000 people around the world across manufacturing, logistics and technical operations as well as managing Diageo's global procurement budget. Prior to joining Diageo, David spent 25 years at HJ Heinz in various operational roles. David is also currently Non-Executive Director of Brambles Ltd, the supply chain solutions provider. He holds a Bachelor of Science degree in Electrical and Electronic Engineering from Middlesex University and has completed Supply Chain Manufacturing – Drive Operational Excellence at INSEAD (Singapore).

Appointed: March 2015

Committee member: Audit and Risk, Remuneration (Chairman), Nominations

Richard Howes***Executive Director and Chief Financial Officer***

Richard joined Coats as Chief Financial Officer in February 2012. Previously he held the same position at Topaz Energy and Marine, an oil field services company. Richard also worked for FTSE 250 company Geest plc, an international food manufacturer, and was made CFO following its takeover by the Bakkavor Group. Richard qualified as a Chartered Accountant with Ernst & Young before joining Dresdner Kleinwort Benson's Corporate Finance team. His experience includes a broad range of financial and commercial responsibilities including debt and equity capital market transactions, M&A as well as leading senior management functions. Richard holds a BSc (Hons) in Geography from Loughborough University.

Appointed: March 2015 (Previously appointed to Coats plc Board, February 2012)

Alan Rosling CBE***Independent Non-Executive Director***

Alan's international experience spans business development and the energy, government and policy, textiles and banking arenas. Alan chairs Griffin Growth Partners, a specialist strategic advisory firm that assists clients in developing and implementing winning strategies in India. He is also co-founder of Kiran Energy, a solar power developer based in Bombay and was previously an Executive Director of Tata Sons, where his responsibility was internationalisation of the Tata Group. From 1998 to 2003 he was Chairman of the Jardine Matheson Group in India. His earlier career included positions as Special Advisor to the British Prime Minister, Rt. Hon. John Major MP, and as a member of the Policy Unit at No.10 Downing Street; Strategy Development Director, United Distillers plc; Chief Executive, Piersons (a division of Courtaulds Textiles plc) and an investment banker with S.G. Warburg & Co Ltd. Alan was educated at Downing College, University of Cambridge, and the Harvard Business School. He was made an OBE in 1994 and a CBE in 2014.

Appointed: March 2015 (Previously appointed to Coats plc Board October 2011)

Committee member: Audit and Risk, Remuneration, Nominations

Rajiv Sharma***Executive Director and Global CEO, Industrial***

Rajiv joined Coats in November 2010 to lead the Industrial business and is responsible for its global operations. Prior to joining Coats, Rajiv worked at companies such as Westinghouse, SAAB, Honeywell, GE and Shell, and his experience spans sales, marketing, M&A, business development and operations. The majority of his career has been dedicated to growing or turning around businesses. Rajiv has a degree in Mechanical Engineering, as well as an MBA from the University of Pittsburgh, USA. He has lived in many different countries and covered all continents during his career.

Appointed: March 2015 (Previously appointed to Coats plc Board, December 2014)

APPENDIX 2

Summary of changes to Articles of Association

Pursuant to Resolution 16, the Company is proposing to adopt new Articles of Association (the '**New Articles**'). These are intended to replace the Company's existing articles of association (the '**Existing Articles**'). The New Articles take account of changes (including deregulatory changes) in UK Company law brought about by the UK Companies Act and The Companies (Shareholders' Rights) Regulations 2009 (the '**Shareholders' Rights Regulations**') not reflected in the Existing Articles, including, where appropriate, tracking the wording of the new model form articles for public companies contained in schedule 3 to The Companies (Model Articles) Regulations 2008, (the '**model form articles**'). The New Articles also include some other modernising and clarificatory amendments to reflect developments in practice and recommendations of various UK corporate governance advisory bodies.

Set out below is a summary of the principal changes. Other changes, which are of a minor, technical or clarifying nature, have not been summarised.

Shares and share capital

1. Redeemable shares

Under the UK Companies Act, the articles of association need not include the terms on which any redeemable shares may be redeemed. The Directors may determine the terms, conditions and manner of redemption of redeemable shares provided they are authorised to do so by the articles. The New Articles contain such authorisation. The Company currently has no plans to issue redeemable shares but if it did so the Directors would need shareholders' authority to issue new shares in the usual way.

2. Share certificates

The New Articles contain new provisions for the issue of consolidated share certificates, in line with the model form articles.

3. Transfers of shares

Under the UK Companies Act, a company must either register a transfer or give the transferee notice of, and reasons for, its refusal to register the transfer. Any registration of a transfer or notice of refusal must be made or given as soon as practicable and in any event within two months from the date that the transfer is lodged with the company. The New Articles reflect these requirements. The Company cannot in any event refuse to transfer a fully paid share except in very limited circumstances (such as a transfer to more than four persons). The provision which gave the ability to suspend the registration of transfers of shares for periods not exceeding 30 days in any one year has been removed from the New Articles as there is no ability under the UK Companies Act to close the register.

4. Disclosure of interests

The New Articles incorporate the powers contained in section 793 and related sections in Part 22 of the UK Companies Act which require members to disclose details of their interests in shares in the Company if the Company requests this information. If a member fails to comply with a section 793 request, the New Articles allow the Company to impose sanctions on a member, including restricting the voting of any member at a general meeting and, where the default shares represent at least 0.25% of their class, dividends payable in respect of the shares will be withheld and transfers will not be registered. The definition of what constitutes a default in supplying the information requested by the Company is stated in the New Articles to include the Company knowing, or having reasonable cause to believe, that the information provided is false or materially incorrect. The ASX has confirmed that this provision in the New Articles is 'appropriate and equitable' for the purposes of ASX Listing Rule 6.10.5.

5. Untraced members

The New Articles include a new provision that allows for the sale by the Company of shares of a member if the member has not been traced for 12 years. The Company must send a final notice to

the last registered address of the member and use reasonable steps to trace the member including, if considered appropriate, using a professional asset reunification company or other tracing agent. The ASX has confirmed that this new provision in the New Articles is “appropriate and equitable” for the purposes of ASX Listing Rule 6.12.3.

6. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the UK Companies Act 1985, a company required specific authorisations in its articles of association to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital. Under the UK Companies Act, public companies do not require specific authorisations in their articles of association to undertake these actions; but shareholder authority is still required. Amendments have been made to the New Articles to reflect these changes.

General Meetings

7. Quorum

The New Articles make it clear that two persons who are proxies for the same member or representatives of the same body corporate can constitute a quorum.

8. Security arrangements and orderly conduct

The New Articles provide Directors or the chairman of the meeting with the power to control the general security and conduct of meetings, refuse entry to general meetings and to reject unruly participants.

9. Attending and speaking

The New Articles provide that the Directors or chairman of the meeting may permit non-members or persons who are not entitled to exercise the rights of members to attend and, at the sole discretion of the chairman of the meeting, speak at a general meeting.

10. Adjournments

The Shareholders’ Rights Regulations added a provision to the UK Companies Act which requires that, when a general meeting is adjourned due to lack of quorum, at least seven clear days’ notice must be given to reconvene the meeting. The New Articles include amendments to the provisions dealing with notice of adjourned meetings to make them consistent with this requirement.

11. Amendments to special and ordinary resolutions

The New Articles include provisions dealing with amendments to resolutions. There is a distinction between the treatment of amendments to ordinary and special resolutions. The chairman of the meeting has discretion to decide whether a proposed amendment to an ordinary resolution may be considered or voted on.

12. Polls

The New Articles clarify that a poll may be demanded before a vote on a show of hands, as well as immediately after the result of a show of hands, and to give the Directors the right to demand a poll as well as the chairman of the meeting.

13. Removal of chairman’s casting vote

Pursuant to changes brought about by the Shareholders’ Rights Regulations, a traded company is no longer permitted to allow the chairman to have a casting vote in the event of an equality of votes. Accordingly, this provision has been removed in the New Articles.

14. Voting rights

The Shareholders’ Rights Regulations clarify the various powers of proxies and representatives of corporate members in respect of resolutions taken on a show of hands. Where a proxy has been duly appointed by one member, the proxy has one vote on a show of hands. Where a proxy has been appointed by more than one member, the proxy has one vote for and one vote against if the proxy has been appointed by one or more of those members to vote for the resolution and by one or more of those members to vote against the resolution. Where a corporate member appoints

representatives to attend meetings on its behalf, each representative duly appointed by a corporate member has one vote on a show of hands. The New Articles contain provisions which clarify these rights and also clarify how the provisions giving a proxy a second vote on a show of hands should apply to discretionary powers.

15. Voting record date

The New Articles include a new provision dealing with the method for determining which persons are allowed to attend or vote at a general meeting and how many votes each person may cast. Under the New Articles, when convening a meeting the Company may specify a time, not more than 48 hours before the time of the meeting (excluding any part of a day that is not a working day), by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting. This provision of the New Articles is in line with a requirement for listed companies introduced by the Shareholders' Rights Regulations.

16. Validity of votes

Following the implementation of the Shareholders' Rights Regulations, proxies are expressly required to vote in accordance with instructions given to them by members. The New Articles contain a provision stating that the Company is not required to enquire whether a proxy or corporate representative has voted in accordance with instructions given to him and that votes cast by a proxy or corporate representative will be valid even if he has not voted in accordance with his instructions.

17. Appointing proxies and corporate representatives

Under the UK Companies Act, members may appoint a proxy to exercise all or any of their rights to attend, speak and vote at meetings. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share or shares. The New Articles reflect these new proxy rights. The UK Companies Act also provides for multiple corporate representatives to be appointed and the New Articles therefore refer to the right to appoint multiple corporate representatives. The New Articles also provide that the Company can require a corporate representative to produce a certified copy of the resolution appointing him before permitting him to exercise his powers (this was previously required to be sent with the proxy).

18. Receipt of appointments of proxy and termination of proxy authority

The New Articles require that proxies for a poll to be taken after the date of a meeting or adjourned meeting must be received not less than 24 hours, or such shorter time as the Directors may determine, before the time of the poll. The deadlines for receipt of termination of proxy authority have been brought into line with the deadlines for receipt of proxies. The New Articles permit the Directors to specify, in a notice of meeting, that in determining the time for delivery of proxies, no account shall be taken of non-working days. The New Articles further provide that the termination of a proxy's authority should be in writing as this is required by the Shareholders' Rights Regulations.

Directors

19. Annual retirement of Directors

The Directors have chosen to comply going forward with the UK Corporate Governance Code principle of annual re-election. This has been formalised in the New Articles, which have been amended to require that each Director retire and seek re-election on an annual basis at each AGM following the adoption of the New Articles.

20. Alternate Directors

The New Articles now clarify that an alternative Director is entitled to be paid expenses (but not Directors' fees). The New Articles contain a new provision which effectively applies the provisions regarding removal of Directors, to alternate directors. The New Articles expressly provide that an alternate is subject to the same restrictions as the Director who appointed him.

21. Provisions for employees on cessation or transfer of business

The UK Companies Act provides that the powers of the Directors to make provision for a person employed or formerly employed by a company or any of its subsidiaries in connection with the cessation or transfer of the whole or part of the undertaking of the company or that subsidiary may only be exercised by the Directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the Directors may exercise this power.

22. Delegation to persons or committees

The New Articles include the new, simplified approach to delegation adopted in the model form articles, allowing the Directors to delegate as they decide appropriate.

23. Directors' remuneration, gratuities and pensions

Under the Existing Articles, the maximum amount available for fees payable to each non-executive Director is an annual sum of £100,000. In addition, non-executive Directors may also be paid such other remuneration as may be determined from time to time for performing additional services or taking on additional responsibilities, such as being a member of, or chairing, a committee of the Board.

The New Articles increase the maximum fees available to be paid to non-executive Directors in order to:

- ensure that the Company can offer non-executive Directors a competitive level of remuneration having regard to the remuneration paid by the Company's peers;
- enable the Board to continue to pay fees to attract and retain non-executive Directors with the relevant expertise and experience needed by the Company for the foreseeable future; and
- take account of the recent increase in the size of the Board to reflect the recent changes to the organisation of the Group.

For the above reasons, the New Articles provide for a limit on Directors' fees of £1,000,000 in total (which, on the current composition of the Board, represents an increase of £300,000 in total to the current limit). This limit continues to exclude fees or other expenses paid in connection with service on committees of the Board. This figure is a maximum only, and will not necessarily all be paid out in any year and all payments to Directors will remain within the Directors' remuneration policy approved by shareholders from time to time.

For the avoidance of any doubt, such fees do not include any remuneration (such as executive salaries or other benefits) which may be paid or provided by the Group for the benefit of the Directors who hold executive office.

For the purposes of ASX Listing Rule 10.17, there have been no securities issued to non-executive Directors under ASX Listing Rule 10.11 or 10.14 with the approval of shareholders at any time within the last 3 years.

24. Directors' appointments, interests and conflicts of interest

In accordance with the approach adopted by other listed companies, both the Existing Articles and New Articles provide that a Director may hold a position in a body corporate in which the company is interested (for example by being a director of a subsidiary company). The New Articles confirm that no transaction or arrangement will be liable to be avoided as a result and also ensure that the Director is able to deal with confidential information in accordance with his duties to each relevant company.

25. Procedures regarding Board meetings and resolutions in writing

The New Articles make it clear that notice of a Board meeting may be given personally, by telephone, in hard copy or in electronic form. The requirements for giving notice to Directors who are not in the UK have also been clarified. In order to clarify the procedure for written resolutions of Directors, the New Articles have been amended so that, rather than referring to a resolution in writing by all Directors, a resolution in writing will be valid and effectual as if it had been passed at a meeting executed by all the Directors entitled to receive notice of the meeting and who would have been entitled to vote (and whose vote would have been counted) on a resolution at a meeting.

26. Permitted interests and voting

The New Articles have expanded the circumstances in which a Director can vote on matters notwithstanding an interest. A Director can vote on a resolution of the Board which relates to giving the Director an indemnity or funding for expenditure incurred in defending proceedings provided all the other Directors have been given, or are to be given, arrangements on substantially the same terms. A Director can also vote on retirement benefit schemes, share schemes and the purchase or maintenance for any Director or Directors of insurance against any liability. These exceptions have become usual practice in UK listed company articles.

Other

27. Dividend payment procedure and unclaimed payments

The New Articles include provisions that give the Company more flexibility in the way that dividends are paid to shareholders. Although it is not the current intention to change the current method of payment by cheque, future circumstances may make this desirable, or even necessary, such as any changes in banking practice that eliminate cheque payments. As such, the New Articles will allow the Directors to decide, at some future point, that payments may be made exclusively by inter-bank transfer or other electronic means into an account (of a type approved by the Directors). The New Articles also provide Directors with the flexibility to declare dividends in whatever currency and to use whatever exchange rate they determine.

The New Articles include provision for unclaimed payments and clarify how unclaimed payments will be held by the Company. The New Articles confirm that the Company is not a trustee of any such payments and will not be liable to pay interest on such payments.

The New Articles also provide that if the Company sells the shares of an untraced shareholder, then any dividend or other money unclaimed in respect of those shares will be forfeited (unless the Directors decide otherwise).

28. Notices and other communications

The New Articles contain new provisions which specifically provide for service of notice in the event of a postal strike in the UK, New Zealand or Australia. The Company is permitted in such circumstances to serve notices only on those members who receive notices via electronic means, provided that the company also puts an advert in at least two national newspapers in the UK, New Zealand or Australia (as appropriate) and sends a confirmatory hard copy notice, if the postal service is available again within seven days of the meeting. The New Articles also provide additional flexibility as regards the method and receipt of notices, including via personal delivery, airmail and to cater for communications being sent via CREST or NZ Clear (or another relevant system).

29. Making and retention of minutes

The New Articles provide that minutes must be retained for at least ten years, reflecting the relevant provision of the UK Companies Act. No minimum retention time was previously specified.

30. Company seal

The New Articles provide an alternative option (in the absence of specific instructions from the Directors) for documents (other than share certificates) to which the seal is affixed to be signed by one authorised person in the presence of a witness, in addition to either two Directors or a Director and the secretary.

31. 2011 Scheme of Arrangement

Following the completion of the scheme of arrangement in July 2011 to return capital to shareholders and create distributable reserves, the provisions relating to the scheme of arrangement have been deleted as these are now redundant.