

**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.

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**COATS GROUP PLC**

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

## **NOTICE OF ANNUAL GENERAL MEETING**

TO BE HELD ON 19 MAY 2021 AT 2:30 P.M.  
AT 4 LONGWALK ROAD, STOCKLEY PARK, UXBRIDGE UB11 1FE, UK

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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 6ZY as soon as possible but in any event so as to arrive not later than 2:30 p.m. on Monday 17 May 2021.

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# 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

25 March 2021

**Dear Shareholder**

## **Notice of Annual General Meeting**

I am pleased to be writing to you with details of our Annual General Meeting (AGM or Meeting) which will be held at 2:30 p.m. on Wednesday 19 May 2021 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.

### **2021 AGM arrangements in respect of Covid-19**

Our preference had been to welcome shareholders in person to our 2021 AGM, particularly given the constraints we faced in 2020 due to the Covid-19 pandemic. However, in view of current Government guidance on public gatherings and non-essential travel and noting the national restrictions that are likely to impact the arrangements for our Meeting, we are proposing to hold our AGM as a combined physical and electronic meeting. Due to the current restrictions, shareholders will not be permitted to attend the physical location for the AGM in person (unless they are the two shareholder Directors who will attend to form the necessary quorum or are required to facilitate the arrangements for the Meeting) but instead will be able to participate remotely by conference call and will be able to ask questions in real time at the end of the AGM should they wish to do so. Given the constantly evolving nature of the situation, if it subsequently becomes possible to welcome a number of shareholders to the venue, attendance in this way is likely to be restricted in terms of numbers and we would therefore still encourage shareholders not to attend the venue in person and instead to participate in the Meeting remotely. This is to protect the health and wellbeing of our shareholders, directors, employees and other stakeholders.

### **How to participate in the AGM remotely**

To support engagement with our shareholders in these exceptional circumstances, the Company is providing a telephone facility to allow shareholders (or their duly appointed representatives) to listen to the business of the AGM and to ask questions. The telephone number is 0800 031 4838 (if dialling in from the UK) and +44 (0)330 027 1846 (if dialling in from outside the UK) and shareholders will then need to provide the telephone facility confirmation code 5155027, and provide their full name and shareholder reference number (which can be found on their personalised Form of Proxy or on any correspondence with the Company's Registrar), to listen to the AGM via the telephone facility. It is recommended any corporate representatives wishing to listen to the business of the AGM email a scanned copy of their letter of representation to the Company's Registrar (corporate-representatives@computershare.co.uk) in advance of the Meeting.

Please note that any such shareholder participation via the telephone facility will not constitute formal attendance in relation to the AGM and shareholders will not be able to vote through that facility. We therefore encourage you to register your vote in advance in the ways described below.

### **How to ask questions**

We welcome shareholders' questions in advance of the Meeting as well as during the question and answer session due to be held at the end of the AGM as set out above. Shareholders can submit their questions to the Board by email to AGM@coats.com by no later than 2.30pm on Monday 17 May 2021. Please include your full name and your shareholder reference number in your email. We will consider all questions received and, if appropriate and relating to the business of the AGM, give an answer at the AGM, or provide a written response or publish answers on our website. We will also maintain a list of 'questions and answers' on our website ([www.coats.com/agm2021](http://www.coats.com/agm2021)).

### **How to Vote**

Your vote is important to us. As you are not expected to be able to attend the AGM in person, we strongly encourage you to vote in advance by appointing the Chairman as your proxy. Given the Government restrictions that are likely to impact the arrangements for our AGM, voting by appointing the Chairman of the Meeting as your proxy in advance is the only way you will be able to exercise your vote at the AGM. Shareholders can register their votes and appoint the Chairman of the Meeting as their proxy online, via CREST or by post to vote on their behalf in accordance with the instructions set out in the notes on pages 9 to 10 of this document. This will ensure that your vote will be counted even if attendance at the Meeting is restricted or you are unable to attend in person.

# LETTER FROM THE CHAIRMAN OF COATS GROUP PLC CONTINUED

Since the current situation is evolving, these arrangements may change. Shareholders should therefore continue to monitor the Company's website ([www.coats.com/agm2021](http://www.coats.com/agm2021)) and announcements for any updates. The steps set out above are necessary and appropriate ones to take given the current Covid-19 pandemic. The Board would like to thank shareholders for their understanding in these exceptional times.

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

## **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 2020 which was published on [www.coats.com](http://www.coats.com) on 11 March 2021.

## **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 79 to 95 (inclusive) of the Annual Report 2020. The Annual Report on Remuneration discloses how the Company's existing Directors' Remuneration 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 – Dividend**

The Board recommends a final dividend of 1.30 US cents on each ordinary share of £0.05 each in the Company (Ordinary Share) in respect of the year ended 31 December 2020 to be paid to shareholders recorded on the Register of Members on 30 April 2021 and to be paid on 25 May 2021.

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

Resolutions 4 to 11 deal with the re-election and 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 Mike Clasper and Simon Boddie who are not standing for re-election, will submit themselves for re-election or election at the AGM as appropriate. Jacqueline Callaway, who was appointed to the Board on 1 December 2020 as an Executive Director, and Jakob Sigurdsson, who was appointed to the Board on 1 October 2020 as a Non-Executive Director, are both submitting themselves for 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 52 to 65 of the Annual Report 2020. The Chairman confirms that following reviews, as outlined on page 65 of the Annual Report 2020, he is satisfied the Directors seeking re-election or 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 or election can be found in Appendix 1 on pages 11 to 13 of this document.

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

The UK Companies Act 2006 (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 2020 on pages 66 to 70 together with our plans for the tender of the external audit. 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 £24,185,000 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% (i.e. one-third) of the Company's issued share capital (excluding treasury shares) as at 22 March 2021 (being the latest practicable date before publication of this document (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 £48,370,000 (representing approximately 967,401,345 Ordinary Shares), as reduced by the nominal amount of any shares issued under paragraph (a)(i) of the resolution.

# LETTER FROM THE CHAIRMAN OF COATS GROUP PLC CONTINUED

This amount (before any reduction) represents no more than 66.6% (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 and this resolution, if passed, will renew the Directors' authority (given by shareholders at the 2020 AGM).

The authorities sought under this resolution will expire on 30 June 2022 or at the conclusion of next year's AGM, 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 2020 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 72,627,729 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 2022 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 72,627,729 Ordinary Shares, as at the Latest Practicable Date.

If passed, this authority will expire on 30 June 2022 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 145,255,457 (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 2022 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.

# LETTER FROM THE CHAIRMAN OF COATS GROUP PLC CONTINUED

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The total number of warrants and options to subscribe for shares that are outstanding under the Coats Group plc share option schemes are 56,634,885 as at the close of business on the Latest Practicable Date. These options equate to 3.90% 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 4.87% of the Company's issued share capital (excluding treasury shares).

As previously notified to shareholders, the Company will continue to 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 – Articles of Association**

Resolution 19 seeks approval from shareholders to adopt new, amended Articles of Association (New Articles). Among other things, the amendments will facilitate the holding of 'hybrid' meetings which shareholders may attend and participate in via electronic means or in person. The amendments to facilitate such meetings are in line with best practice and are consistent with recent changes that have been proposed by other listed companies. They do not permit the holding of 'virtual only' meetings and do not require the holding of hybrid meetings.

The amendments reflect changes in both market practice and legal and regulatory requirements. The intended purpose and effect of the major amendments are set out in Appendix 2 on page 14 of this document, although changes of a minor, technical, or clarifying nature have not been detailed in full. If you wish to inspect a copy of the Company's current Articles of Association (Current Articles) or the New Articles (along with a version marked to show the proposed changes), you can request that a copy be emailed to you or arrange an appointment to inspect these at our offices by contacting [group.legal@coats.com](mailto:group.legal@coats.com) by 18 May 2021. Responses will be provided during normal working hours Monday to Friday, excluding bank holidays. These documents are also available on the Company's website ([www.coats.com/agm2021](http://www.coats.com/agm2021)). The New Articles will also be on display at the AGM at least 15 minutes prior to the start of the Meeting and up until the close of the Meeting.

Resolution 19 is proposed as a Special Resolution.

## **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.

This will be my last meeting of the Company as I will retire from the Board at the conclusion of the AGM. It has been my pleasure and honour to serve as your Chairman.

**Mike Clasper**  
Chairman  
Coats Group plc  
25 March 2021

# NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given** that the 2021 Annual General Meeting of Coats Group plc (the Company) will be held on 19 May 2021 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 will be proposed as Ordinary Resolutions and Resolutions 15 to 19 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 2020.

**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 2020.

**Resolution 3**

To declare a final dividend for the year ended 31 December 2020 of 1.30 US cents per ordinary share of £0.05 each in the Company (Ordinary Share), to be paid on 25 May 2021 to shareholders whose names appear on the Register of Members at the close of business on 30 April 2021.

**Resolution 4**

To re-elect Nicholas Bull as a Director.

**Resolution 5**

To re-elect Anne Fahy as a Director.

**Resolution 6**

To re-elect David Gosnell as a Director.

**Resolution 7**

To re-elect Hongyan Echo Lu as a Director.

**Resolution 8**

To re-elect Fran Philip as a Director.

**Resolution 9**

To re-elect Rajiv Sharma as a Director.

**Resolution 10**

To elect Jacqueline Callaway as a Director.

**Resolution 11**

To elect Jakob Sigurdsson 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 £24,185,000 (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 £48,370,000 (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 or 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 2022 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 £3,631,000.

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:

- (i) limited to 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 £3,631,000; 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 145,255,457;
- (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 2022 or at the conclusion of next year's AGM, whichever is the 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

To approve and adopt the draft Articles of Association in the form produced to the Meeting and initialled by the Chairman of the Meeting for the purpose of identification as the Articles of Association of the Company in substitution for, and to the exclusion of, all existing Articles of Association of the Company, with effect from the conclusion of the AGM.

#### Registered office

4 Longwalk Road,  
Stockley Park,  
Uxbridge  
UB11 1FE

Registered Number 00103548

#### By order of the Board

Stuart Morgan  
*Company Secretary*  
25 March 2021

# NOTES TO NOTICE OF ANNUAL GENERAL MEETING

1. The venue for the 2021 AGM is 4 Longwalk Road, Stockley Park, Uxbridge UB11 1FE.
2. As explained on page 2 of this document, shareholders cannot attend in person (unless they are the two shareholder Directors who will attend to form the necessary quorum or are required to facilitate the arrangements for the Meeting) and are accordingly encouraged to participate in the AGM remotely in line with current Covid-19 restrictions. Shareholders (or their duly appointed representatives) may listen to the business of the AGM using a telephone facility which will be provided by the Company. The telephone number is 0800 031 4838 (if dialling in from the UK) and +44 (0)330 027 1846 (if dialling in from outside the UK). Shareholders will also need to provide the telephone facility confirmation code of 5155027 to access and listen to the AGM. Shareholders will need to provide their full name as it appears on the Register of Members and their individual shareholder reference number (SRN) to be admitted to the telephone facility. Shareholders can find their SRN on any correspondence from the Company's Registrar. Should a corporate representative wish to listen to the Meeting, it is recommended that the Company's Registrar is informed as early as possible by sending a scanned copy of their letter of representation to [corporate-representatives@computershare.co.uk](mailto:corporate-representatives@computershare.co.uk). The Meeting will be formally opened by the Chairman at 2.30 p.m. Given the uncertainty around whether shareholders will be able to attend the AGM, we recommend that all shareholders appoint the Chairman of the Meeting as their proxy. This will ensure that your vote will be counted even if attendance at the Meeting is restricted or you are unable to attend in person.
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 attendance at the 2021 AGM is expected to be prohibited in line with current restrictions, 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 or available from the Company's Registrar as set out later in this note), 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 Registrar, 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 20 to 21 below), in each case so that it is received no later than 2:30 p.m. on 17 May 2021. Alternatively, you may submit your proxy electronically by accessing [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). You will be asked to enter the control number, your SRN and PIN to validate the submission of your proxy online. The control number, and members' 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 where shareholders have opted to receive these by post. If you do not have a Form of Proxy and believe that you should, please contact the Company's Registrar, Computershare Investor Services PLC, on 0370 707 1022. Additional Forms of Proxy may be obtained by contacting the Company's Registrar on the number listed above or you may photocopy the form. Please indicate in the box next to the proxy holder's 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.
7. The return of a completed Form of Proxy or any CREST Proxy Instruction (as described in paragraph 21 below) will not prevent a member attending the AGM and voting in person if the member wishes to do so, should this be permitted under applicable Covid-19 restrictions.
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; and (iii) the proposed New Articles and a marked up copy of the New Articles showing the amendments from the Existing Articles for which shareholder approval is being sought under Resolution 19 are available for inspection at a pre-agreed time at the Company's registered office: 4 Longwalk Road, Stockley Park, Uxbridge, UB11 1FE, UK and at the AGM venue from 15 minutes before the start of the Meeting until the end of the Meeting. If you wish to inspect these documents, or have a copy emailed to you, you should email [group.legal@coats.com](mailto:group.legal@coats.com) during normal business hours on any weekday (excluding public holidays). The documents referred to in (iii) above are also available on the Company's website ([www.coats.com/agm2021](http://www.coats.com/agm2021)).
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 17 May 2021 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 17 May 2021, or, if the Meeting is adjourned, in the Register of Members after 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.

# NOTES TO NOTICE OF ANNUAL GENERAL MEETING

## CONTINUED

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13. As at 9:00 a.m. on 22 March 2021 being the latest practicable date prior to the publication of this Notice (Latest Practicable Date), the Company had 1,452,554,572 Ordinary Shares in issue, carrying one vote each. Therefore the total voting rights in the Company are 1,452,554,572. The Company does not hold any Ordinary Shares as treasury shares.
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. Under section 338 and section 338A of the UK Companies Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive Notice of the Meeting, notice of a resolution which may properly be moved and is intended to be moved at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date which is six clear weeks before the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
16. 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 2.30 p.m. on 17 May 2021 by email to AGM@coats.com. The Board will endeavour, where appropriate, to answer such questions at the end of the AGM. Shareholders that participate remotely using the telephone facility will be able to ask questions at the AGM relating to the business of the Meeting when invited to by the Chairman.
17. You may not use any electronic address provided in this Notice, or in any related documents including the Form of Proxy, to communicate with the Company for any purposes other than those expressly stated.
18. 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/agm2021](http://www.coats.com/agm2021).
19. 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).
20. 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.
21. 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.
22. 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

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

Appointed as a Non-Executive Director and Senior Independent Director on 10 April 2015.

Key skills and experience:

- Global financial services and banking experience.
- International business experience and insights, especially in China.
- Advocate for Environmental, Social and Governance and Socially Responsible Investing matters at the Board.

Other current appointments: He is currently Chairman of Fidelity China Special Situations plc, Chairman of Conran Holdings Ltd and 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 holds a Bachelor of Science degree in Chemistry from the University of Exeter and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Nicholas will join the Remuneration Committee as a member on 1 May 2021.

#### **Jacqueline ('Jackie') Callaway, Chief Financial Officer (as of 1 April 2021)**

Appointed as an Executive Director on 1 December 2020.

Key skills and experience:

- Strong finance track record.
- Experience across multinational manufacturing and supply chain businesses.

Previous relevant experience: Jackie was previously Chief Financial Officer of Devro plc, one of the world's leading manufacturers of collagen products for the food industry. Prior to that Jackie was Group Financial Controller of Brambles Limited, the ASX top 20 supply chain logistics company.

Qualifications: Jackie is a Fellow of the Chartered Accountants Australia and New Zealand and has a Bachelor of Business Management Studies from University of Waikato, New Zealand. She is also a member of the Australian Institute of Company Directors since 2017.

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

Appointed as a Non-Executive Director on 1 March 2018.

Key skills and experience:

- Highly 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 plc and Non-Executive Director of Nyrstar NV. 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 executive 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 holds a Bachelor of Commerce degree in Economics, Accounting and Business from University College Galway, Ireland.

Anne's extensive business experience and her deep knowledge and understanding of internal controls, combined with her experience from service on other audit committees, provides the Company with a highly qualified Audit and Risk Committee Chair with unique perspectives in the Boardroom.

## APPENDIX 1

### CONTINUED

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

Appointed as a Non-Executive Director on 2 March 2015.

Key skills and experience:

- Strong and deep supply and procurement background in global multinational 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).

David will become Chairman of the Board following the conclusion of the AGM subject to his re-election as a Director. Accordingly, David will step down as Chair of the Remuneration Committee and as a member of the Audit and Risk Committee on 1 May 2021.

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

Appointed as a Non-Executive Director on 1 December 2017.

Key skills and experience:

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

Other current appointments: Chief Executive Officer of Haulfry Group Ltd, a UK leisure business, and a member of the Advisory Board for Women in Hospitality, Travel and Leisure.

Previous relevant experience: Echo previously served as Managing Director, International of Holland & Barrett International, Managing Director of 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.

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

Echo will become Chair of the Remuneration Committee with effect from 1 May 2021. Echo has served on the Remuneration Committee since her appointment to the Board in December 2017. Her background and qualifications in Industrial Relations and Human Resources provides the Company with an ideal successor to the role of Chair of the Remuneration Committee.

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

Appointed as a non-Executive Director on 1 October 2016.

Key skills and experience:

- Extensive speciality retailing business experience.
- Deep background in product innovation, design and development.
- Workforce dynamics experience.

Other current appointments: Fran is currently a Non-Executive Director of Vera Bradley Inc., Totes Isotoner and Vista Outdoor Inc.

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. Fran was previously a Non-Executive Director of Regent Holdings and an industry executive for Freeman Spogli.

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

## APPENDIX 1

### CONTINUED

#### Rajiv Sharma, Group Chief Executive N

Appointed as an Executive Director on 2 March 2015.

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.

#### Jakob Sigurdsson, Independent Non-Executive Director N A

Appointed as a Non-Executive Director on 1 October 2020.

Key skills and experience:

- International business experience across a diverse range of sectors with particular emphasis on growth in new or developing markets.
- Strong background in general management and track record of delivering positive change.

Other current appointments: He is currently Chief Executive Officer of Victrex plc, an innovative world leader in high-performance polymer solutions.

Previous relevant experience: Jakob has more than 20 years' experience in large multinational companies, both listed and private, including nine years with Rohm & Haas (now part of Dow Chemical) in the USA, as well as Chief Executive of food manufacturer Alfesca in Europe and Chief Executive of Promens. Between September 2016 and June 2017, Jakob was Chief Executive Officer of VÍS, the largest Icelandic insurance and reinsurance company. He has held various Non-Executive roles and was a Member of the University of Iceland Council and a Non-Executive Director of the Icelandic Technology and Development Board.

Qualifications: Jakob holds a Bachelor of Science degree in Chemistry from the University of Iceland and an MBA from Northwestern University, USA.

#### Key to Committee membership:

C Committee chair

C Committee member

R Remuneration

A Audit and Risk

N Nomination

## APPENDIX 2

### EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

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#### **Untraced shareholders**

The New Articles amend the position in relation to untraced shareholders. The New Articles provide that money from the sale of the shares of an untraced shareholder will be forfeited if not claimed after two years. The Company intends to put forfeited sums towards charitable causes.

This change reflects best practice and provides the Company with appropriate flexibility in connection with locating untraced shareholders.

#### **Sub-division of shares**

The New Articles clarify that any shares resulting from a sub-division of the Company's existing shares may, in addition to having any preference or advantage as compared with the Company's other shares, also have deferred or other rights. This change makes administering any sub-division of shares more straightforward.

#### **Filling of vacancy**

Article 81 of the Current Articles reflects the market standard of articles at the time the Current Articles were last refreshed and is now out of line with the intention underlying the corporate governance principle that directors should be required to submit themselves for re-election annually. Accordingly, this article is not included in the New Articles.

#### **Operation of general meetings**

The New Articles contain specific provisions to clarify that the Company can hold 'hybrid' general meetings (including annual general meetings) and to set out how such meetings are to be conducted. Under the New Articles, the Company may hold 'hybrid' general meetings in such a way that enables members to attend and participate in the business of the meeting by attending a physical location or by attending by means of an electronic facility. Voting at hybrid meetings will, by default, be decided on a poll. Hybrid meetings may be adjourned in the event of a technological failure.

The New Articles allow the Company, where appropriate, to make changes to the arrangements for general meetings (including the introduction, change or cancellation of electronic facilities) after notice of the meeting has been issued. The Company may give notice of any such changes in any manner considered appropriate (rather than via an advertisement in two national newspapers). The New Articles also explicitly allow the Company to introduce health and safety arrangements at its meetings.

These changes have been introduced to provide the Board greater flexibility to align with technological advances, changes in investor sentiment, and evolving best practice, particularly in light of the Covid-19 outbreak and the uncertain duration of social distancing measures and restrictions on gatherings. The Board believes that hybrid meetings will allow for greater shareholder and stakeholder engagement over the coming years in a way that is more convenient for all parties. Absent exceptional circumstances, members of the Board intend to continue the practice of attending general meetings of the Company in person. In line with the views expressed by the Investment Association and Institutional Shareholder Services, the changes will not permit meetings to be held exclusively on an electronic basis, so a physical meeting will still be required.

The New Articles also specifically refer to the possibility of satellite/multi-venue meetings, such as the use of overflow rooms. Satellite meetings are legally valid even without such a provision but it has been added for clarity.

These changes are primarily contained in Articles 42, 48, 51, 52, and 54 in the New Articles. A number of other consequential amendments have been made to the New Articles.

#### **Directors below minimum through vacancies**

The Current Articles provide that where the number of continuing directors falls below the minimum number or the number required for quorum of the Board, they may only act either to appoint further directors themselves or summon general meetings. The New Articles provide greater flexibility as they allow continuing directors or a sole continuing director to act notwithstanding any vacancy (including to fill vacancies and summon general meetings for the purpose of appointing further directors). The Board considers it prudent to provide the directors with increased flexibility to ensure that the Company has a functioning board at all times.

#### **Forfeiture of unclaimed dividends**

The Current Articles provide that if a dividend or other payment due to members has not been claimed for twelve years after being declared or becoming due, it will be forfeited to the Company. Article 115 of the New Articles reduces this period from twelve to six years. The Company intends to put forfeited sums towards charitable causes.

#### **General**

Other changes which are of a minor, technical or clarifying nature or which have been made to remove provisions in the Current Articles which duplicate English company law are not noted.

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