

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

If you have sold or otherwise transferred all of your Coats Group plc shares, please send this document, together with the accompanying documents (but not the personalised Form of Proxy), as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.



**COATS GROUP PLC**

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

## **NOTICE OF ANNUAL GENERAL MEETING**

TO BE HELD ON WEDNESDAY 18 MAY 2022 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 6ZY as soon as possible but in any event so as to arrive not later than 2:30 p.m. on Monday 16 May 2022.

# LETTER FROM THE CHAIR OF COATS GROUP PLC

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

4 Longwalk Road,  
Stockley Park,  
Uxbridge  
UB11 1FE

25 March 2022

**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 18 May 2022 at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD, UK. The formal notice of AGM is set out on pages 6 to 8 of this document.

### 2022 AGM arrangements

As you will recall, last year due to the constraints caused by the Covid pandemic, attendance in person at our 2021 AGM was limited to the minimum number of shareholders required to constitute a quorum. In accordance with the public health guidance and as permitted under legislation in force at the time, shareholders were able to listen to and participate in the business of the Meeting remotely. The health and safety of our shareholders, employees and others involved in the AGM remains of utmost importance to us. However, it is also very important to us to be able to engage effectively with our shareholders, and accordingly, I am delighted to be able to welcome shareholders in person to our 2022 AGM as well as offering the opportunity for anyone that wishes to listen to the business of the Meeting and/or ask questions but not attend the Meeting in person, to participate remotely by a telephone facility as set out below. While it is currently anticipated that there will be no restrictions on social contact or meeting format at the time of the AGM, shareholders should carefully consider whether or not it is appropriate to attend the AGM. The Board remains intent on ensuring the wellbeing of all shareholders, directors and other stakeholders is protected and minimising any public health risks from public gatherings. Shareholders are asked not to attend the AGM if they are displaying any symptoms of Covid, or have recently been in contact with anyone who has tested positive. We understand the recent changes to government guidance around self-isolation may permit you to do so, however we would ask that in such circumstances you join and participate remotely instead.

We will continue to review our AGM arrangements in light of the latest government Covid guidance, and therefore shareholders are encouraged to monitor the AGM page of the Company's website [www.coats.com/agm2022](http://www.coats.com/agm2022) for any updates.

### How to participate in the AGM remotely

We understand the continued concerns around Covid and, to continue to support engagement with our shareholders should they wish to participate remotely, 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 640 6441 (if dialling in from the UK) and +44 20 3936 2999 (if dialling in from outside the UK) and shareholders will then need to provide the telephone facility access code 841329, 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 that 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 but in any event, before 2:30 p.m. on Monday 16 May 2022.

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 one of the ways described in this document. Those who are attending the Meeting in person will be able to vote via the poll as set out in the 'How to vote' section on page 3.

# LETTER FROM THE CHAIR OF COATS GROUP PLC CONTINUED

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## 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. We will take questions from both those attending in person and also from those participating via the telephone facility. Shareholders can submit their questions in advance of the Meeting to the Board by email to [AGM@coats.com](mailto:AGM@coats.com) by no later than 2:30 p.m. on Monday 16 May 2022. 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/agm2022](http://www.coats.com/agm2022)).

## How to vote

Your vote is important to us and there are a number of ways that you can vote at or before the Meeting as set out in the notes to the Notice of AGM on pages 9 to 11 of this document. Shareholders attending the Meeting in person will be able to vote via the poll. If you would like to vote on the resolutions but cannot attend the AGM in person, 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 this document. Shareholders can also register their votes and appoint the Chair 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 11 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 14 inclusive will be proposed as Ordinary Resolutions and Resolutions 15 to 18 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. The Directors' Report and the audited Financial Statements have been approved by the Directors, and the independent auditor's report has been approved by the Auditor, copies of which may be found in the Annual Report 2021 which was published on [www.coats.com](http://www.coats.com) on 10 March 2022.

## 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 96 to 113 (inclusive) of the Annual Report 2021. 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 Company paid an interim dividend of 0.61 US cents on each ordinary share of £0.05 each in the Company (Ordinary Share) in November 2021. The Board recommends a final dividend of 1.50 US cents on each Ordinary Share in respect of the year ended 31 December 2021 to be paid to shareholders recorded on the Register of Members on 29 April 2022 and to be paid on 25 May 2022. This brings the total dividend for the year ended 31 December 2021 to 2.11 US cents per Ordinary Share.

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

Resolutions 4 to 11 deal with the re-election of the Directors. In accordance with the provisions of the 2018 UK Corporate Governance Code (Code) and the Company's Articles of Association, all Directors will submit themselves for re-election at the AGM. Further information on the Board, including the roles of the Directors, can be found in the Corporate Governance Report on pages 68 to 82 of the Annual Report 2021. The Chair confirms that following reviews, as outlined on pages 81 and 82, and the Non-Executive Director review process set out on page 90, of the Annual Report 2021, he is satisfied the Directors seeking re-election are performing effectively and demonstrate commitment to the role and that the balance of skill, experience, diversity, independence and knowledge of the Group are sufficient to enable the Directors to discharge their respective duties and responsibilities effectively. The Chair is satisfied that each Non-Executive Director is independent in accordance with the criteria set out in the Code and that there are no relationships or circumstances likely to affect their character or judgement. A summary of the skills and experience of each of the Directors seeking re-election can be found in Appendix 1 on pages 12 to 14 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 2021 on page 88, 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.

# LETTER FROM THE CHAIR OF COATS GROUP PLC CONTINUED

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## **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 (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 14 March 2022 (being the latest practicable date before publication of this document (Latest Practicable Date)).

Paragraph (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 967,411,876 Ordinary Shares), as reduced by the nominal amount of any shares issued under paragraph (i) of the resolution.

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, renewal of this authority will ensure that the Directors continue to have flexibility in managing the Company's capital resources and so that the Directors may act in the best interests of shareholders generally. If passed, this Resolution 14 will renew the authority given by the shareholders to the Directors at the 2021 AGM.

The authorities sought under this resolution will expire on 30 June 2023 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 (up to the specified amount) for cash, without first offering them to existing shareholders exactly in proportion to their existing shareholdings. Under s.561(1) of the Act, if the Directors wished to allot shares or other equity securities (other than pursuant to an employee share scheme), they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. This cannot be done under the UK Companies Act unless the shareholders have first waived their pre-emption rights, as is anticipated by this Resolution 15. This resolution, if passed, will renew the Directors' authority (given by shareholders at the 2021 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 72,628,519 Ordinary Shares, as at the Latest Practicable Date.

The Directors have continued to seek annual renewal of the authority to disapply pre-emption rights in accordance with best practice and in order to react quickly and efficiently should the needs of the business require. 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. The Directors have no present intention of exercising these authorities. The renewal of the existing authority under Resolution 15 and the additional authority sought under Resolution 16 will ensure that the Directors have flexibility in managing the Company's capital resources, so that the Board can act in the best interests of shareholders generally.

If passed, this authority will expire on 30 June 2023 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, and as outlined at Resolution 15 above) 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 72,628,519 Ordinary Shares, as at the Latest Practicable Date.

If passed, this authority will expire on 30 June 2023 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.

# LETTER FROM THE CHAIR OF COATS GROUP PLC

## CONTINUED

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### **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. This renews the authority granted at last year's AGM which expires on the date of this AGM. The authority limits the number of shares that could be purchased to a maximum of 145,257,039 (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 2023 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 have no present intention of exercising the authority to purchase the Company's shares but will keep the matter under review, considering the cash reserves of the Company, the Company's share price and other investment opportunities. The Directors would only authorise such purchases after careful consideration, taking account of other investment opportunities, appropriate gearing levels, the overall financial position of the Company and whether the effect would be in the best interests of shareholders generally.

The total number of warrants and options to subscribe for shares that are outstanding under the Coats Group plc share option schemes is 53,440,172 as at the close of business on the Latest Practicable Date. These options equate to 3.68% 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 4.60% 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.

### **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.

**David Gosnell**

*Chair*  
Coats Group plc  
25 March 2022

# NOTICE OF ANNUAL GENERAL MEETING

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**Notice is hereby given** that the 2022 Annual General Meeting of Coats Group plc (Company) will be held on 18 May 2022 at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD 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 18 inclusive will be proposed as Special Resolutions:

**Resolution 1**

To receive the Accounts and Reports of the Directors and the Auditor for the year ended 31 December 2021.

**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 2021.

**Resolution 3**

To declare a final dividend for the year ended 31 December 2021 of 1.50 US cents per ordinary share of £0.05 each in the Company (Ordinary Share), to be paid on 25 May 2022 to shareholders whose names appear on the Register of Members at the close of business on 29 April 2022.

**Resolution 4**

To re-elect Nicholas Bull as a Director.

**Resolution 5**

To re-elect Jacqueline Callaway as a Director.

**Resolution 6**

To re-elect Anne Fahy as a Director.

**Resolution 7**

To re-elect David Gosnell as a Director.

**Resolution 8**

To re-elect Hongyan Echo Lu as a Director.

**Resolution 9**

To re-elect Fran Philip as a Director.

**Resolution 10**

To re-elect Rajiv Sharma as a Director.

**Resolution 11**

To re-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

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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 2023 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 145,257,039;
- (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 2023 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.

#### Registered office

4 Longwalk Road,  
Stockley Park,  
Uxbridge  
UB11 1FE

Registered Number 00103548

#### By order of the Board

Stuart Morgan  
*Company Secretary*  
25 March 2022

# NOTES TO NOTICE OF ANNUAL GENERAL MEETING

1. The venue for the 2022 AGM is FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD, UK.
2. As explained on page 2 of this document, shareholders who cannot or do not wish to attend in person are encouraged to participate in the AGM remotely. 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 640 6441 (if dialling in from the UK) and +44 20 3936 2999 (if dialling in from outside the UK). Shareholders will also need to provide the telephone facility access code of 841329 to 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, but in any event no later than 2:30 p.m. on 16 May 2022, 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 Chair at 2:30 p.m.
3. 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, 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.
4. 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. Your proxy could be the Chair, 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 printed 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 6ZY; or (b) a CREST Proxy Instruction (for UK registered members) (as set out in paragraphs 21 to 23 below), in each case so that it is received no later than 2:30 p.m. on 16 May 2022. Alternatively, you may submit your proxy electronically by accessing [www.investorcentre/proxy](http://www.investorcentre/proxy). You will be asked to enter the control number, your SRN and PIN to validate the submission of your proxy online. The control number, and member's individual SRN and PIN numbers are shown on the printed Form of Proxy or email 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. If you do not have a form of proxy and believe that you should, please contact the Company's Registrars, Computershare Investor Services PLC, on 0370 707 1022. Additional forms of proxy may be obtained by contacting the Company's Registrars on the number listed above or you may photocopy this form. Please indicate in the box next to the proxy holders name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of the multiple instructions being given. All forms must be signed and should be returned in the same envelope.
5. The Chair 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.
6. 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.
7. 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.
8. The return of a completed Form of Proxy or any CREST Proxy Instruction (as described in paragraph 22 below) will not prevent a member attending the AGM and voting in person if the member wishes to do so.
9. 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).
10. 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.
11. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 3, 4 and 6 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
12. Subject to such premises remaining accessible in light of any restrictions or guidance introduced in connection with Covid, copies of (i) the Non-Executive Directors' engagement letters; and (ii) indemnities in favour of each of the Directors of the Company 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, you should email [group.legal@coats.com](mailto:group.legal@coats.com) during normal business hours on any weekday (excluding public holidays).

# NOTES TO NOTICE OF ANNUAL GENERAL MEETING

## CONTINUED

13. 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 16 May 2022 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 16 May 2022, 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.
14. As at 9:00 a.m. on 14 March 2022 being the latest practicable date prior to the publication of this Notice (Latest Practicable Date), the Company had 1,452,570,385 Ordinary Shares in issue, carrying one vote each. Therefore the total voting rights in the Company are 1,452,570,385. The Company does not hold any Ordinary Shares as treasury shares.
15. 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.
16. 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.
17. 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. Shareholder engagement remains important to us and, as such, registered shareholders may also 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 16 May 2022 by email to AGM@coats.com. The Board will endeavour, where appropriate, to answer such questions at the end of the AGM. Shareholders that attend in person or 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 Chair.
18. 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.
19. 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/agm2022](http://www.coats.com/agm2022).
20. 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).
21. 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.
22. 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.

## **NOTES TO NOTICE OF ANNUAL GENERAL MEETING CONTINUED**

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23. 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

### David Gosnell OBE

(N) (S)

Chair of the Board since 19 May 2021

British

Appointed 2 March 2015 (David stepped down as a member of the Audit and Risk Committee and as the Chair and a member of the Remuneration Committee on 1 May 2021, ahead of his appointment as Chair of the Board)

#### Key skills and experience

- Strong and deep supply and procurement background in global multinational companies
- International and strategic mindset

#### External appointments

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

### Rajiv Sharma

(S)

Group Chief Executive

Singaporean

Appointed as an Executive Director in March 2015, Group Chief Executive since 1 January 2017

#### Key skills and experience

- 30 years' global multi-industry leadership experience
- Growth, digital, sustainability and acquisitions track record

#### External appointments

Rajiv joined Coats in November 2010 as Global CEO Industrial and was responsible for developing and executing a growth strategy. He has lived and worked in the US, Europe and Asia.

Non-Executive Director of Senior plc. 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.

### Jackie Callaway

Chief Financial Officer since 1 April 2021

New Zealander

Appointed 1 December 2020

#### Key skills and experience

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

#### External appointments

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 Ltd, the ASX top 20 supply chain logistics company.

Member of Australian Institute of Company Directors since 2017.

#### Qualifications

Jackie is a Fellow of the Chartered Accountants Australia and New Zealand, and of the Institute of Chartered Accountants in England and Wales. She has a Bachelor of Business Management Studies from the University of Waikato, New Zealand.

# APPENDIX 1

## CONTINUED

<b>Nicholas Bull</b>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px; margin-right: 5px;"></span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px; margin-right: 5px;"></span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px; margin-right: 5px;"></span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px; margin-right: 5px;"></span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;"></span>	<b>Anne Fahy</b>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px; margin-right: 5px;"></span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px; margin-right: 5px;"></span>	<b>Hongyan Echo (Echo) Lu</b>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px; margin-right: 5px;"></span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;"></span>
Senior Independent Non-Executive Director		Independent Non-Executive Director		Independent Non-Executive Director	
British		Irish		British/Chinese	
Appointed as a Non-Executive Director and Senior Independent Director on 10 April 2015 (Nicholas was appointed as a member of the Remuneration Committee on 1 May 2021)		Appointed 1 March 2018		Appointed 1 December 2017	
<b>Key skills and experience</b>		<b>Key skills and experience</b>		<b>Key skills and experience</b>	
<ul style="list-style-type: none"> <li>• Global financial services and banking experience</li> <li>• International business experience and insights, especially in China</li> <li>• Advocate for ESG and SRI matters at the Board</li> </ul>		<ul style="list-style-type: none"> <li>• Experienced audit committee chair with extensive financial and internal controls experience</li> <li>• Global business and developing markets experience</li> </ul>		<ul style="list-style-type: none"> <li>• Global business experience gained in different sectors in Europe, Asia and the US</li> <li>• Strong background in general management and track record of delivering positive change</li> </ul>	
<b>External appointments</b>		<b>External appointments</b>		<b>External appointments</b>	
Chair of Fidelity China Special Situations plc, Deputy Chair of Conran Holdings Ltd, Trustee of the Design Museum, Camborne School of Mines Trust, The Creative Education Trust and the Conran Foundation and a member of the Advisory Panel of INTO University. Previously served as Chair of De Vere, Chair of the Advisory Board of Westhouse Securities and of Smith's Corporate Advisory Limited and a member of Council of the University of Exeter. Nicholas had a global career in banking with Morgan Grenfell (subsequently Deutsche Bank), Société Générale and ABN AMRO.		Non-Executive Director and Chair of the Audit Committee of SThree plc and Non-Executive Director of Nyrstar NV. Trustee of Save the Children; formerly a Non-Executive Director of Interserve. Previously at BP, Anne gained extensive experience of global business, developing markets, risk management, internal control, compliance and strategy development in the aviation, petrochemicals, trading and retail sectors.		A member of the Advisory Board for Diversity in Hospitality, Travel and Leisure. Previously Chief Executive Officer of Haulfry Group Ltd, a UK leisure business, and 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.	
<b>Qualifications</b>		<b>Qualifications</b>		<b>Qualifications</b>	
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.		Anne is a Fellow of the Institute of Chartered Accountants in Ireland and has a Bachelor of Commerce in Economics, Accounting and Business from University College Galway, Ireland.		Echo has a Bachelor of Arts in International Economy and Finance from Fudan University, Shanghai and a Master of Science in Industrial Relations and Human Resources from West Virginia University.	
		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.		Echo became Chair of the Remuneration Committee with effect from 1 May 2021, having served on the Remuneration Committee since her appointment to the Board in December 2017. Her background and qualifications in Industrial Relations and Human Resources provide the Company with an ideally experienced Chair of the Remuneration Committee.	

# APPENDIX 1

## CONTINUED

### Fran Philip

N R S

Independent Non-Executive Director,  
Designated Non-Executive Director for  
Workforce Engagement

American

Appointed 1 October 2016

#### Key skills and experience

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

#### External appointments

Non-Executive Director of Vera Bradley Inc., Sea Bags, Totes Isotoner and Vista Outdoor Inc. Previously 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 the Harvard Business School.

### Jakob Sigurdsson

A N

Independent Non-Executive Director

Icelandic

Appointed 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

#### External appointments

Chief Executive Officer of Victrex plc, an innovative world leader in high-performance polymer solutions. 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 US, 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 has a BSc in Chemistry from the University of Iceland and an MBA from the Northwestern University.

#### Key to Committee memberships

- Committee chair
- Committee member
- Audit and Risk
- Nomination
- Remuneration
- Sustainability

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