

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action to be taken you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000 if you are in the United Kingdom, or, if you are not in the United Kingdom, another appropriately authorised independent professional adviser.**

**If you have sold or otherwise transferred all your shares in Scapa Group plc please send this document and the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred some only of your shares in Scapa Group plc, you should retain these documents.**



**Scapa Group plc**

997 Manchester Road  
Ashton-under-Lyne  
Greater Manchester  
OL7 0ED

**Directors:**

L C Pentz (*Chairman*)  
H R Chae  
G S Hardcastle  
R J Perry  
M T Sawkins  
D C Blackwood  
P R M Guyot  
B P McAtamney

To the holders of ordinary shares in Scapa Group plc

11 June 2018

Dear Shareholder

## **2018 ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company will be held on Tuesday, 17 July 2018 at 10.30am at the Village Hotel, Pamir Drive, Ashton-under-Lyne, Greater Manchester OL7 0PG. The Notice of the Meeting is set out on pages 4 and 5 of this document.

I provide below further information regarding the resolutions which shareholders will be asked to approve at the Annual General Meeting.

### **Resolution 1 – Report and Accounts**

The Directors will present the Annual Report and Accounts of the Company for the financial year ended 31 March 2018.

### **Resolution 2 – Directors’ Remuneration Report**

Shareholders are asked to approve the Directors’ Remuneration Report as set out on pages 52 to 65 of the Annual Report of the Company for the financial year ended 31 March 2018. In accordance with the Companies Act 2006, this resolution is advisory only and is a means of providing shareholder feedback to the Board.

### **Resolution 3 – Dividend**

The Directors have recommended payment of a final dividend of 2.4p per ordinary share for the financial year ended 31 March 2018. Shareholders are asked to declare the dividend. If declared, the dividend will be paid on 17 August 2018 to the holders of ordinary shares on the register at close of business on 20 July 2018.

### **Resolutions 4 to 10 – Election and Re-election of Directors**

The Board has previously resolved that, as a matter of best practice in corporate governance, all Directors should be proposed for re-election at each Annual General Meeting and accordingly Larry Pentz, Heejae Chae, Graham Hardcastle, Martin Sawkins and David Blackwood each offer themselves for re-election. Pierre Guyot and Brendan McAtamney, having been appointed by the Board since the last Annual General Meeting, are required to offer themselves for election as Directors. Having previously announced his retirement immediately following the forthcoming Annual General Meeting, Richard Perry will not be offering himself for re-election.

The Board, having considered the mix of skills, knowledge and experience of the Directors who have indicated their willingness to offer themselves for election and re-election, confirms that each Director continues to perform his duties effectively, demonstrating integrity and high ethical standards whilst maintaining sound, independent judgement in respect of all decisions taken at both Board and, where applicable, Committee level. A profile of each current Director is set out on pages 38 and 39 of the Annual Report of the Company for the financial year ended 31 March 2018.

### **Resolution 11 – Re-appointment of auditor**

At each general meeting at which the accounts are laid before the members, the Company is required to appoint an auditor to serve until the next such meeting. Deloitte LLP has agreed to continue as auditor of the Company in respect of the financial year ending on 31 March 2019.

## **Resolution 12 – Remuneration of auditor**

This resolution authorises the Directors to fix the remuneration of the Company's auditor which is normal practice.

## **Resolution 13 – Allotment of shares**

Under Section 551 of the Companies Act 2006, the Directors may only allot shares or grant rights to subscribe for or convert any securities into shares if authorised by shareholders to do so.

Resolution 13, which complies with guidance issued by the Investment Association, will, if passed, authorise the Directors to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares, up to an aggregate nominal value of £2,535,443 (corresponding to approximately 33% of the issued share capital as at 4 June 2018, the last practical date before the publication of this document) and up to an additional aggregate nominal value of £2,535,443 (corresponding to a further 33% (approximately) of the issued share capital as at 4 June 2018) in the case of allotments made only in connection with a fully pre-emptive rights issue. The Directors have no present intention to exercise the authority sought under this resolution. However, the Directors may consider doing so if they believe it would be appropriate in respect of business opportunities that may arise consistent with the Company's strategic objectives or that it would otherwise be in the best interests of the Company. The authority will expire at the conclusion of the next Annual General Meeting (or, if sooner, at the close of business on 30 September 2019).

As at 4 June 2018, the Company does not hold any ordinary shares in treasury.

## **Resolutions 14 and 15 – Disapplication of pre-emption rights**

These are special resolutions to renew the Directors' powers to allot shares for cash (or sell shares out of treasury) without first offering them to existing shareholders pro-rata to their existing holdings. Although there is currently no intention to make use of these powers, the Directors consider that it is in the interests of the Company, in certain circumstances, for the Directors to have a limited ability to allot shares and/or sell treasury shares for cash without having first to offer them to existing shareholders.

The powers sought comply with the Pre-Emption Group's revised Statement of Principles on Disapplying Pre-Emption Rights. The Statement of Principles was revised in March 2015 to allow the authority for an issue of shares for cash otherwise than in connection with an offer to all existing shareholders on a pro-rata basis to be increased from 5% to 10% of a company's issued share capital, provided that the company confirms that it intends to use the additional 5% authority only in connection with an acquisition or a specified capital investment (within the meaning of the Statement of Principles). Pursuant to Pre-Emption Group guidance, separate resolutions (resolutions 14 and 15) are being proposed for each 5% authority.

The power sought pursuant to resolution 14 is limited, other than in relation to any rights issue, open offer or other pre-emptive issue, to shares having an aggregate nominal value of £384,158, corresponding to approximately 5% of the issued share capital as at 4 June 2018 (being the last practical date before the publication of this document). This power will expire at the conclusion of the next Annual General Meeting (or, if sooner, at the close of business on 30 September 2019).

In line with the revised Statement of Principles, the Company is seeking a separate power, pursuant to resolution 15, to issue up to an additional 5% of its issued share capital for cash without pre-emption rights applying. The Company will only allot shares with an aggregate nominal value of up to £384,158 (representing approximately 5% of its issued share capital) pursuant to resolution 15 where the allotment is in connection with an acquisition or specified capital investment (within the meaning of the Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place within the preceding six-month period and is disclosed in the announcement of the allotment.

The power sought in resolution 15 will expire at the conclusion of the next Annual General Meeting (or, if sooner, at the close of business at the close of business on 30 September 2019).

The Board confirms that it would also have regard to the guidance in the Statement of Principles concerning cumulative usage of powers within a three-year period.

## **Resolution 16 – Authority for purchase of own shares by the Company**

At the last Annual General Meeting held on 18 July 2017, shareholders passed a special resolution authorising the Directors to make market purchases of the Company's own shares. Although no such purchases have been made, the Directors consider it appropriate for the authority (which expires at the forthcoming Annual General Meeting) to be renewed and undertake that the authority will only be exercised when they consider that such a purchase would result in an increase in expected earnings per share and would be in the best interests of shareholders. The Directors have no present intention of using such authority, but this position will be kept under review. The authority sought by this special resolution will expire at the conclusion of the next Annual General Meeting (or, if sooner, at the close of business on 30 September 2019) and will limit total purchases to 15,366,323 ordinary shares, corresponding to approximately 10% of the Company's issued share capital as at 4 June 2018 (being the last practical date before the publication of this document).

Any shares purchased under this authority may be held in treasury as an alternative to cancelling them. The Directors will decide at the time of any such purchase whether, in the best interests of shareholders as a whole, the shares so purchased should be cancelled or held in treasury. Shares held in treasury may subsequently be sold for cash, transferred for the purposes of employees share schemes, or cancelled.

As at 4 June 2018, the number of ordinary shares which would be issued upon full exercise of all outstanding options to subscribe for shares in the Company is 2,091,183. This would represent approximately 1.36% of the existing issued share capital and approximately 1.49% of the issued share capital as it would be if the proposed authority to purchase ordinary shares were to be granted and subsequently utilised in full. This does not include any shares which may be issued or transferred under the Scapa Group plc 2015 Value Creation Plan.

### **Resolution 17 – Political donations**

Shareholders will recall that, as a result of the wide definitions originally introduced by the Political Parties, Elections and Referendums Act 2000, an appropriate precautionary resolution has been passed at each of the Annual General Meetings held since 2002 in order to avoid inadvertent infringement of the relevant legislative provisions, which are now contained in the Companies Act 2006 ('the Act'). While the Board does not believe that the Company has made any 'political donations' or incurred any 'political expenditure' pursuant to any of those resolutions, the authority granted by the resolution passed in 2017 expires at the forthcoming Annual General Meeting and the Board is therefore now seeking shareholders' authority by an ordinary resolution for the Company and its subsidiaries to make 'political donations' (to political parties or independent electoral candidates and, separately, to political organisations other than political parties) and incur 'political expenditure' (within the meaning of the Act) in each of these three cases up to an aggregate amount of £50,000 during the period up to the next Annual General Meeting (or, if sooner, at the close of business on 30 September 2019). Shareholders should be aware that it is not the policy of the Company to make political donations or incur political expenditure (in each case as commonly understood) anywhere in the world and that the Directors intend that this policy will continue whether or not resolution 17 is passed.

### **Annual Report and Accounts**

Copies of the Annual Report and Accounts of the Company for the financial year ended 31 March 2018 may be obtained from the Company Secretary, by application to the registered office of the Company or online from the Company's website at [www.scapa.com](http://www.scapa.com).

### **Action required**

You will find with this document a Form of Proxy for use in respect of your shares at the Annual General Meeting. A proxy may also be appointed, if you are a member of CREST, by using the CREST electronic proxy appointment service, further details of which are set out in note 3 to the Notice of Meeting, which can be found on page 6 of this document.

Whether or not you are able to attend the meeting, you are requested to appoint a proxy either by completing and returning the enclosed Form of Proxy, or through the CREST electronic proxy appointment service, in either case prior to the relevant deadline specified in note 2 or note 3, as applicable, to the Notice of Meeting. The appointment of a proxy will not prevent you from attending, speaking and voting in person at the meeting should you subsequently decide that you wish to do so.

### **Recommendations**

The Board considers the resolutions which are set out in the Notice of Meeting on pages 4 and 5 of this document, and which are to be proposed at the forthcoming Annual General Meeting, to be in the best interests of the Company and of shareholders as a whole and unanimously recommend shareholders to vote in favour of all such resolutions, as each of the Directors intends to do in respect of his own beneficial holding (except in relation to the resolution in respect of his own election/re-election).

Yours faithfully



**L C Pentz**  
Chairman

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2018 Annual General Meeting of Scapa Group plc will be held at the Village Hotel, Pamir Drive, Ashton-under-Lyne, Greater Manchester OL7 0PG, on Tuesday, 17 July 2018 commencing at 10.30am to consider and, if thought fit (and subject, in the case of resolutions 14 and 15, to the passing of resolution 13), pass the following resolutions which will be proposed, in the case of resolutions 1 to 13 and 17, as ordinary resolutions and, in the case of resolutions 14, 15 and 16, as special resolutions:

- 1 To receive the Annual Report and Accounts of the Company for the financial year ended 31 March 2018.
- 2 To approve the Directors' Remuneration Report contained within the Annual Report of the Company for the financial year ended 31 March 2018.
- 3 To declare a final dividend of 2.4p per ordinary share in respect of the financial year ended 31 March 2018.
- 4 To re-elect as a Director Mr L C Pentz, who retires in accordance with the Company's Articles of Association.
- 5 To re-elect as a Director Mr H R Chae, who retires in accordance with the Company's Articles of Association.
- 6 To re-elect as a Director Mr G S Hardcastle, who retires in accordance with the Company's Articles of Association.
- 7 To re-elect as a Director Mr M T Sawkins, who retires in accordance with the Company's Articles of Association.
- 8 To re-elect as a Director Mr D C Blackwood, who retires in accordance with the Company's Articles of Association.
- 9 To elect as a Director Mr P R M Guyot, who was appointed to the Board since the last Annual General Meeting.
- 10 To elect as a Director Mr B P McAtamney, who was appointed to the Board since the last Annual General Meeting.
- 11 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.
- 12 To authorise the Directors to fix the remuneration of the auditor.
- 13 That the Directors are generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 to exercise all the authorities of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares ('Allotment Rights'), but so that:
  - (a) the maximum amount of shares that may be allotted or made the subject of Allotment Rights under this authority are shares with an aggregate nominal value of £5,070,886, of which:
    - i. £2,535,443 may be allotted or made the subject of Allotment Rights in any circumstances; and
    - ii. £2,535,443 may be allotted or made the subject of Allotment Rights only pursuant to any rights issue or pursuant to any arrangements made for the placing or underwriting or other allocation of any shares or other securities included in, but not taken up under, any such rights issue;
  - (b) this authority shall expire at the conclusion of the Company's next Annual General Meeting or at the close of business on 30 September 2019, whichever is the earlier;
  - (c) the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or Allotment Rights to be granted after such expiry; and
  - (d) all authorities vested in the Directors on the date of the Notice of this Meeting to allot shares or to grant Allotment Rights that remain unexercised at the commencement of this Meeting are revoked.
- 14 That the Directors are empowered pursuant to Sections 570 and 573 of the Companies Act 2006 to allot equity securities, as defined in Section 560 of that Act, for cash pursuant to the authority conferred on them by resolution 13 in the Notice of this Meeting or by way of a sale of treasury shares as if Section 561 of that Act did not apply to any such allotment, provided that this power is limited to:
  - (a) the allotment of equity securities in connection with any rights issue or open offer or any other pre-emptive offer that is open for acceptance for a period determined by the Directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange; and
  - (b) the allotment of equity securities (other than pursuant to paragraph (a) above) with an aggregate nominal value of up to £384,158,and shall expire when the authority conferred on the Directors by resolution 13 in the Notice of this Meeting expires save that, before such expiry, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry.

15 That the Directors are empowered pursuant to Sections 570 and 573 of the Companies Act 2006, in addition to any authority granted under resolution 14, to allot equity securities, as defined in Section 560 of that Act, for cash pursuant to the authority conferred on them by resolution 13 in the Notice of this Meeting or by way of a sale of treasury shares as if Section 561 of that Act did not apply to any such allotment, provided that this power is:

- (a) limited to the allotment of equity securities with an aggregate nominal value of up to £384,158; and
- (b) used only for the purposes of financing (or refinancing, if the authority is used within six months after the date of 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 the Notice of this Meeting,

and shall expire when the authority conferred on the Directors by resolution 13 in the Notice of this Meeting expires save that, before such expiry, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry.

16 That the Company is generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of Section 693(4) of that Act) of ordinary shares in the capital of the Company, provided that:

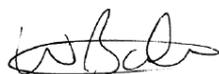
- (a) the maximum number of ordinary shares hereby authorised to be purchased is 15,366,323;
- (b) the minimum price which may be paid for any share (excluding expenses) is its nominal value;
- (c) the maximum price per share at which any share may be purchased (excluding expenses) shall not be more than 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange's Daily Official List for the five business days immediately preceding the date on which the share is contracted to be purchased or, in the case of a tender offer, the terms of the tender offer are announced;
- (d) the authority to purchase hereby conferred shall, unless previously renewed, varied or revoked, expire at the conclusion of the Company's next Annual General Meeting or at the close of business on 30 September 2019, whichever is the earlier; and
- (e) the Company may prior to the expiry of such authority make a contract or contracts to purchase ordinary shares under the authority hereby conferred which will or may be executed wholly or partly after the expiry of such authority.

17 That in accordance with Sections 366 and 367 of the Companies Act 2006 the Company and any company which is or becomes a subsidiary of the Company during the period to which this resolution relates are authorised:

- (a) to make political donations to political parties or independent electoral candidates, as defined in Sections 363 and 364 of that Act, not exceeding £50,000 in total; and
- (b) to make political donations to political organisations other than political parties, as defined in Sections 363 and 364 of that Act, not exceeding £50,000 in total; and
- (c) to incur political expenditure, as defined in Section 365 of that Act, not exceeding £50,000 in total,

during the period beginning with the date of the passing of this resolution and ending at the conclusion of the Company's next Annual General Meeting or at the close of business on 30 September 2019, whichever is the earlier (and for the purposes of this resolution any sum which is paid or incurred in a currency other than Sterling shall be converted into Sterling at such rate as the Directors consider appropriate).

By order of the Board



**Wendy Baker**  
Company Secretary

11 June 2018

Registered Office:  
997 Manchester Road  
Ashton-under-Lyne  
Greater Manchester  
OL7 0ED

Registered in England  
No: 826179

## Notes

- 1 To have the right to attend, speak and vote at the meeting or any adjournment thereof (and also for the purposes of calculating how many votes a person may cast), a person must have his/her name entered on the Company's register of members by no later than close of business on Friday, 13 July 2018 or, in the case of an adjournment, by no later than close of business on the day being two working days before the date of the meeting held after any such adjournment.
- 2 A member who is entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy need not also be a member. A Form of Proxy is enclosed. To be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed (or a notarially certified copy of such power or authority) must be received by the Company's Registrars, Link Asset Services at FREEPOST PXS, 34 Beckenham Road, Beckenham, BR3 9ZA by no later than 10.30am on Friday, 13 July 2018. A postage stamp will not be required when mailing from the UK. Please note that the Freepost address must be completed in block capitals and that delivery using this service can take up to five business days. Alternatively, the Form of Proxy can be posted to the following address but a stamp will be required: Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such member. To appoint more than one proxy, you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in respect of which each proxy is appointed (which, in aggregate, should not exceed the number of shares held by you) and indicating how you wish each proxy to vote or withhold his/her vote. To withhold your vote on a resolution, choose the 'Vote withheld' box. A vote withheld is not a vote in law, which means the vote will not be counted in the calculation of votes for or against the resolution. You may not appoint more than one proxy to exercise the rights attached to any one share. The appointment of one or more proxies does not preclude a member from attending, speaking and voting in person at the meeting.
- 3 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting 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.

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 the specifications of Euroclear UK & Ireland Limited ('Euroclear') and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 RA10) by no later than 10.30am on Friday, 13 July 2018. 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 (a) 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.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- 4 In the absence of any indication as to how he is to vote on any resolution, the proxy will (whether he is appointed by the lodging of a Form of Proxy or through the CREST electronic proxy appointment service) vote for or against such resolution, or will withhold his vote, at his discretion, as in each case he is entitled to do in respect of any procedural or other matters properly arising at the meeting (and not specifically referred to in the Notice of the meeting).



### Scapa Group plc

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OL7 0ED