



**Scapa Group plc**  
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[www.scapa.com](http://www.scapa.com)

10 June 2019

Dear Shareholder

### **Annual Report 2019 and Notice of the 2019 Annual General Meeting**

As announced to the London Stock Market on 10 June 2019, Heejae Chae has agreed to retract his intention to step down as Group Chief Executive of the Company and will remain in place to execute the current strategy. Accordingly, the statement made in the explanatory note on page 2 of the accompanying Notice of Annual General Meeting (AGM) relating to Heejae Chae's intention to step down from the Board of Directors after a transition to a new Group Chief Executive Officer no longer applies.

The Resolutions as set out in the Notice of AGM are unaffected. Heejae Chae will seek re-election as a Director of the Company as proposed in Resolution 6 of the Notice of AGM.

Yours faithfully

**Wendy Baker**  
Company Secretary

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 any accompanying documents 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**  
Manchester Road  
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**Directors:**

L C Pentz (Chairman)  
H R Chae  
O Zahn  
S Demirdogen  
J Doherty  
D C Blackwood  
P R M Guyot  
B P McAtamney  
J Thompson

To the holders of ordinary shares in Scapa Group plc

10 June 2019

Dear Shareholder

## 2019 Annual General Meeting

I am pleased to provide you with details of the Annual General Meeting (AGM) of the Company, which will be held on Tuesday, 23 July 2019 at 10.30 am at the Village Hotel, Pami Drive, Ashton-under-Lyne, Greater Manchester OL7 0PG. The formal Notice of the AGM is set out on pages 5 and 6 of this document.

Whether or not you propose to attend the AGM, please complete and submit a proxy appointment in accordance with the instructions set out in this document. All proxies should be received by no later than 10.30 am on 19 July 2019.

A description of each resolution that shareholders will be invited to vote on at the AGM is provided below.

### Resolution 1 – Report and accounts

The Directors will present the Annual Report and Accounts of the Company for the financial year ended 31 March 2019. A copy of the Annual Report and Accounts is available on the Company's website at [www.scapa.com/investors](http://www.scapa.com/investors).

### Resolution 2 – Approval of Directors' Remuneration Report

Shareholders are asked to approve the Directors' Remuneration Report as set out on pages 58 to 71 of the Annual Report and Accounts of the Company for the financial year ended 31 March 2019. This resolution is advisory only and is a means of providing shareholder feedback to the Board.

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

Although as an AIM listed company Scapa is not required to have a directors' remuneration policy, the Company introduced a policy in 2014 and the last Remuneration Policy was approved by shareholders at the 2017 AGM. The Board having given initial consideration to the 2018 UK Corporate Governance Code (the '2018 Code') has taken the decision to propose an amended Remuneration Policy (the 'Policy') to shareholders for approval. The amendments to the Policy predominantly take into account the requirements of the 2018 Code, which the Board considers at this time to be appropriate given the Company's AIM listing. In addition, the Board is seeking approval of the new Scapa Group plc 2019 Long Term Incentive Plan (see resolution 16 below), which will replace the Scapa Group Performance Share Plan 2011 and the 2015 Value Creation Plan. The Board believes that the new Plan will be aligned to the proposed Remuneration Policy.

The Company is therefore seeking shareholder approval for the new Directors' Remuneration Policy at this AGM. This vote will be binding on the Company as described below.

The key proposed changes to the Directors' Remuneration Policy are:

- a reduction in the maximum level of pension for new Executive Directors to 10% of salary;
- the maximum annual bonus opportunity be increased from 150% to 185% of salary with an overall maximum of 200% of salary for exceptional performance of targets. A newly appointed Chief Executive Officer's bonus will normally comprise 2/3 cash settlement and 1/3 deferred into shares; and bonus awards for other Executive Directors, which exceed 100% of salary, will be satisfied in deferred shares. Deferred shares will be retained for up to three years;
- the maximum award under the LTIP has been maintained at 200% of salary but the annual award thresholds have been increased from 100% to 150%;
- recovery by malus and clawback provisions will apply to deferred share bonuses and LTIPs; and
- the scope of operating discretion in the bonus plan and LTIPs has been increased.

Further details of proposed changes are set out in the Directors' Remuneration Policy on pages 60 to 64 of the Annual Report of the Company for the financial year to 31 March 2019.

### Resolution 3 – Approval of Directors’ Remuneration Policy continued

The amended Directors’ Remuneration Policy, if approved, will take effect from the date of approval by shareholders and will apply for up to three years, until replaced or amended by a new policy. Once the policy is effective the Company will not be able to make any remuneration payment to a Director or prospective director, or loss of office payments to a current or past director unless the payment is consistent with the new Directors’ Remuneration Policy or has otherwise been approved by shareholders.

It is intended that the new Directors’ Remuneration Policy (if so approved) will thereafter be put to shareholders for approval every three years unless, during that time, there is a need for it to be changed.

### Resolution 4 – Dividend

The Directors have recommended payment of a final dividend of 2.9p per ordinary share for the financial year ended 31 March 2019. Shareholders are asked to declare the dividend. If declared, the dividend will be paid on 23 August 2019, to the holders of ordinary shares on the register at close of business on 26 July 2019.

### Resolutions 5 to 13 – Election and re-election of Directors

Resolutions 5 to 13 relate to the retirement and election or re-election of the Company’s Directors. The Company’s Articles of Association provide that each person who is a Director on the selection date (being, for this purpose, the date of this Notice of Meeting) and who was appointed to the Board since the Company’s last Annual General Meeting is to be proposed for election by the shareholders. Oskar Zahn, Sevan Demirdogen, Joe Doherty and Juliet Thompson have each been appointed by the Board since the 2018 Annual General Meeting. Accordingly, each of them will retire from office at the AGM and each intends to stand for election by the shareholders for the first time.

The Board has previously resolved that, in line with best practice and good corporate governance, all Directors should be proposed for re-election at each Annual General Meeting. Accordingly, and as permitted by the Company’s Articles of Association, each of the remaining Directors, Larry Pentz, Heejae Chae, David Blackwood, Pierre Guyot and Brendan McAtamney, will also retire at the AGM and each offer themselves for re-election.

As referred to in the Company’s announcement on 21 May 2019, Heejae Chae has notified the Board of his intention to step down as Group Chief Executive but he will remain with the Company to ensure a smooth transition to a new Group Chief Executive and is therefore seeking re-election at this AGM.

Each Director has indicated their willingness to offer themselves for election and re-election. The Board, having considered the mix of skills, knowledge and experience of the Directors, confirms that each Director continues to perform their 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 Director is set out on pages 44 and 45 of the Annual Report and Accounts of the Company for the financial year ended 31 March 2019.

### Resolutions 14 and 15 – Reappointment and remuneration 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 2020.

Accordingly, resolution 14 proposes Deloitte’s reappointment. Resolution 15 authorises the Directors to fix the auditor’s remuneration which is normal practice.

### Resolution 16 – Adoption of new Scapa Group plc 2019 Long Term Incentive Plan

The Scapa Group plc 2011 Share Plan (the ‘PSP Plan’) which was adopted by shareholders at the 2011 Annual General Meeting has been operative for eight years. The Scapa Group plc 2015 Value Creation Plan (the ‘VCP’) was approved by shareholders in 2015. Having reviewed the PSP Plan and the VCP the Board felt that it was appropriate to operate under one long term incentive scheme which would replace the PSP Plan and the VCP. Accordingly, a new Scapa Group plc 2019 Long Term Incentive Plan (2019 LTIP) will be put to shareholders for approval.

A summary of the main terms of the 2019 LTIP is set out in the Appendix on pages 10 and 11 of this document.

A full copy of the rules of the 2019 LTIP is available for inspection at the Company Registered Office and also the offices of Deloitte LLP, Company Secretarial Department, 2 New Street Square, London EC4A 3BZ.

### 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 2018 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 2020). 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 this resolution is passed.

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## **Resolution 18 – 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 18, 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 in any circumstances, up to an aggregate nominal value of £2,559,644 (corresponding to approximately 33% of the issued share capital as at 3 June 2019, the last practical date before the publication of this document) and up to an additional aggregate nominal value of £2,559,644 (corresponding to a further 33% (approximately)) of the issued share capital as at 3 June 2019 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 that 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 2020).

As at 3 June 2019, the Company did not hold any ordinary shares in treasury.

## **Resolutions 19 and 20 – 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 19 and 20) are being proposed for each 5% authority.

The power sought pursuant to resolution 19 is limited, other than in relation to any rights issue, open offer or other pre-emptive issue, to the allotment of shares for cash having an aggregate nominal value of £387,825, corresponding to approximately 5% of the issued share capital as at 3 June 2019 (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 2020).

In line with the revised Statement of Principles, the Company is seeking a separate power, pursuant to resolution 20, 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 £387,825 (representing approximately 5% of its issued share capital) pursuant to resolution 20 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 20 will expire at the conclusion of the next Annual General Meeting (or, if sooner, at the close of business on 30 September 2020).

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

## **Resolution 21 – Authority for purchase of own shares by the Company**

At the last Annual General Meeting held on 17 July 2018, 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 2020) and will limit total purchases to 15,512,995 ordinary shares, corresponding to approximately 10% of the Company's issued share capital as at 3 June 2019 (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 employee share schemes, or cancelled.

As at 3 June 2019, the number of ordinary shares which would be issued upon full exercise of all outstanding options to subscribe for shares in the Company is 1,431,586. This would represent approximately 0.92% of the existing issued share capital and approximately 1.01% 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.

### Appointing a proxy

If you would like to vote on the resolutions to be proposed at the Annual General Meeting but cannot attend the Annual General Meeting, you should appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting. You can appoint a proxy by:

- logging onto [www.signalshares.com](http://www.signalshares.com) and submitting a proxy appointment online by following the instructions. If you have not previously done so, you will need to register. To do this, you will need your Investor Code detailed on your share certificate (or otherwise available from the Company's Registrar, Link Asset Services); or
- submitting (if you are a CREST member) a proxy appointment electronically by using the CREST voting service.

Unlike previous years, and in order to reduce the Company's environmental impact, you will not receive a hard copy form of proxy for the 2019 Annual General Meeting in the post automatically. If you would prefer to use a hard copy form of proxy to appoint your proxy, you may request one from the Company's Registrar by calling the shareholder helpline. Details of the helpline and further information on how to appoint a proxy to vote on your behalf are set out in the notes to the Notice of Meeting on pages 7 and 8 of this document. Voting by proxy prior to the AGM does not affect your right to attend the Annual General Meeting and vote in person should you so wish. All proxy instructions must be received by the Registrar by no later than 10.30 am on 19 July 2019.

### Voting at the AGM

Voting on all of the proposed resolutions set out in the Notice of Meeting will, once again, be conducted on a poll rather than a show of hands. The Company believes that a poll is more representative of the shareholders' voting intentions than a show of hands because the shareholder votes are counted according to the number of shares held and all votes tendered are taken into account. For each of the resolutions proposed as ordinary resolutions to be passed, more than half of the total voting rights of members who vote must be in favour of the resolution. For each of the resolutions proposed as special resolutions to be passed, at least three-quarters of the total voting rights of members who vote must be in favour of the resolution.

### Recommendations

The Board considers the resolutions which are set out in the Notice of Meeting on pages 5 and 6 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 their own beneficial holding (except in relation to those resolutions in which the Director is interested).

Yours faithfully



**L C Pentz**  
Chairman

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## Notice of Annual General Meeting

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Notice is hereby given that the 2019 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, 23 July 2019 commencing at 10.30 am to consider and, if thought fit (and subject, in the case of resolutions 19 and 20, to the passing of resolution 18), pass the following resolutions which will be proposed, in the case of resolutions 1 to 18, as ordinary resolutions and, in the case of resolutions 19 to 21, as special resolutions:

- 1 To receive the Annual Report and Accounts of the Company for the financial year ended 31 March 2019.
- 2 To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) contained within the Annual Report of the Company for the financial year ended 31 March 2019.
- 3 To approve the Directors' Remuneration Policy contained within the Annual Report of the Company for the financial year ended 31 March 2019.
- 4 To declare a final dividend of 2.9p per ordinary share in respect of the financial year ended 31 March 2019.
- 5 To re-elect as a Director Mr L C Pentz.
- 6 To re-elect as a Director Mr H R Chae.
- 7 To re-elect as a Director Mr D C Blackwood.
- 8 To re-elect as a Director Mr P R M Guyot.
- 9 To re-elect as a Director Mr B P McAtamney.
- 10 To elect as a Director Mr O Zahn.
- 11 To elect as a Director Mr S Demirdogen.
- 12 To elect as a Director Mr J Doherty.
- 13 To elect as a Director Mrs J Thompson.
- 14 To reappoint 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.
- 15 To authorise the Directors to fix the remuneration of the auditor.
- 16 That the rules of the Scapa Group plc 2019 Long Term Incentive Plan in the form produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification (the '2019 LTIP'), the principal terms of which are summarised in the Appendix to this Notice of Meeting, are approved, and the Directors of the Company are authorised to:
  - (a) adopt the 2019 LTIP and do all acts and things which they may, in their absolute discretion, consider necessary or expedient to establish and give effect to the 2019 LTIP; and
  - (b) adopt further plans based on the 2019 LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the 2019 LTIP.
- 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;
  - (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 2020, 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).
- 18 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 £5,119,288, of which:
    - i. £2,559,644 may be allotted or made the subject of Allotment Rights in any circumstances; and
    - ii. £2,559,644 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 Annual General Meeting in 2020 or at the close of business on 30 September 2020, 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.

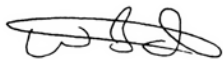
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## Notice of Annual General Meeting continued

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- 19 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 18 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 £387,825, and shall expire when the authority conferred on the Directors by resolution 18 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.
- 20 That the Directors are empowered pursuant to Sections 570 and 573 of the Companies Act 2006, in addition to any power granted under resolution 19, to allot equity securities, as defined in Section 560 of that Act, for cash pursuant to the authority conferred on them by resolution 18 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 £387,825; and
  - (b) used only for the purposes of financing (or refinancing, if the power 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 18 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.
- 21 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 15,512,995;
  - (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 Annual General Meeting in 2020 or at the close of business on 30 September 2020, 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.

By order of the Board



**Wendy Baker**  
Company Secretary  
10 June 2019

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

Registered in England  
No: 826179

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## Notice of Meeting Notes

### 1. Attending the Annual General Meeting in person

If you wish to attend the Annual General Meeting in person, you should arrive at the venue in good time to allow your attendance to be registered. Only those shareholders entered in the register of members of the Company as at 6.00 pm on 19 July 2019 or, in the event that the Annual General Meeting is adjourned, in the register of members of the Company at 6.00 pm two business days prior to the adjourned Annual General Meeting will be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Subsequent changes to entries on the register of members will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

### 2. Appointment of proxies

A member of the Company entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to exercise all or any of his or her rights to attend and to speak and vote at the Annual General Meeting. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent a member. To be validly appointed, a proxy must be appointed using the procedures set out in these notes and in accordance with any specific proxy appointment instructions. If members wish their proxy to speak on their behalf at the Annual General Meeting, members will need to appoint their own choice of proxy (not the Chairman) and give their instructions directly to them.

A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by that member. A member may not appoint more than one proxy to exercise rights attached to any one share.

A member may instruct their proxy to withhold their vote on any resolution to be considered at the Annual General Meeting by marking the 'Vote Withheld' option when appointing their proxy. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or withhold their vote at his or her discretion.

The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person if they wish. If you have appointed a proxy and vote at the Annual General Meeting in person in respect of shares for which you have appointed a proxy, your proxy appointment in respect of those shares will automatically be terminated.

In order for a proxy appointment to be valid, your appointment must be received no later than 10.30 am on 19 July 2019 or, in the event that the Annual General Meeting is adjourned, by no later than 48 hours (excluding non-business days) before the time of any adjourned Annual General Meeting or, in the case of a poll taken otherwise than at or on the same day as the Annual General Meeting or adjourned Annual General Meeting, for the taking of the poll at which it is to be used.

### 3. Appointment of a proxy online

Members may appoint a proxy online at [www.signalshares.com](http://www.signalshares.com) (the 'Website') by following the on-screen instructions, in particular at the 'Proxy Voting' link, by no later than the deadline set out in note 2 above. In order to appoint a proxy using the Website, members will need to log into their Signal Shares account, or register if they have not previously done so. To register members will need to identify themselves with their Investor Code which is detailed on their share certificate or available from our Registrar, Link Asset Services, on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 am and 5.30 pm, Monday to Friday excluding public holidays in England and Wales.

### 4. Appointment of a proxy using a form of proxy

As an alternative to appointing a proxy online, you may request a hard copy form of proxy directly from our Registrar, Link Asset Services, by emailing [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or by calling the Registrar's helpline number, the details of which are set out in note 3 above.

To be valid, the completed and signed form of proxy must be lodged at the office of Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) by no later than the deadline set out in note 2 above. To appoint more than one proxy using a hard copy form of proxy you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. If possible, all forms should be returned together in the same envelope.



### Notice of Meeting Notes continued

#### 5. Appointment of a proxy through CREST

CREST members who wish to appoint and/or give instructions to a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual and by logging on to the following website: [www.euroclear.com](http://www.euroclear.com). 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 (the 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('Euroclear') specifications 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 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 Link Asset Services (ID RA10) by no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting. 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 Link Asset Services 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 or her CREST sponsor or voting service provider(s) take(s) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, 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.

#### 6. Appointment of a proxy by joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy (in hard copy, online or through CREST), only the appointment submitted by the more 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 more senior). For proxy appointments submitted by hard copy, the signature of only one of the joint holders is required on the form of proxy.

#### 7. Changing a proxy appointment

To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions: any amended proxy appointment received after the relevant cut-off time will be disregarded.

If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### 8. Revocation of a proxy appointment

In order to revoke a proxy instruction, you will need to inform the Company by sending a signed notice clearly stating your intention to revoke your proxy appointment to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a member that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or a duly appointed attorney for the Company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Link Asset Services no later than 10.30 am on 19 July 2019. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then your proxy appointment will remain valid.

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## **Notice of Meeting Notes** continued

### **9. Corporate representatives**

Any corporation which is a member may appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

### **10. Voting rights**

At 3 June 2019 (being the last practical date before the publication of this document), the Company's issued share capital consisted of 155,129,951 ordinary shares, each carrying the right to one vote at a general meeting of the Company. As at the date of this document, the Company does not hold any ordinary shares in treasury. Therefore, the total number of voting rights in the Company as at 3 June 2019 was 155,129,951.

### **11. Documents available for inspection**

The following documents are available for inspection during normal business hours at the Registered Office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from 10.15 am on the day of the Meeting until the conclusion of the Meeting:

- copies of the Directors' letters of appointment or service contracts; and
- the rules of the Scapa Group plc 2019 Long Term Incentive Plan.

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## Appendix

Summary of the principal terms of the Scapa Group plc 2019 Long Term Incentive Plan

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The Scapa Group plc 2019 Long Term Incentive Plan (the '2019 LTIP') is a discretionary share plan which will be administered by the Board of Directors or a Committee of the Board, and references, in this summary, to the Board should be read accordingly. Decisions in relation to the participation in the 2019 LTIP by Executive Directors of the Company will be taken by the Remuneration Committee of the Board of Directors.

The Company has previously operated the Scapa Group plc 2011 Performance Share Plan (the '2011 PSP') and the Scapa Group plc 2015 Value Creation Plan (the '2015 VCP') for Executive Directors of the Company and other senior executives. Subject to approval of the 2019 LTIP at the Company's 2019 Annual General Meeting, it is proposed that discretionary share Awards granted with effect from that meeting will be granted under the 2019 LTIP and no further Awards will be granted under the 2011 PSP or the 2015 VCP.

### Eligibility

Any employee (including an Executive Director) of the Company or any of its subsidiaries will be eligible to participate in the 2019 LTIP at the discretion of the Board.

### Form of Award

An Award under the 2019 LTIP may be in the form of:

- (a) a conditional right to acquire ordinary shares in the Company ('Shares') at no cost (a 'Conditional Award'); or
- (b) an option to acquire Shares at no cost or for an exercise price per Share equal to the nominal value of a Share (a 'Nil-Cost Option').

### Grant of Awards

Awards may be granted within the six-week period following the Company's 2019 Annual General Meeting (and approval of the 2019 LTIP by shareholders). Thereafter, ordinarily Awards may only be granted within the six-week period following announcement of the Company's results for any period or the approval by shareholders of a new Directors' Remuneration Policy. However, the Board may grant Awards at other times in exceptional circumstances. If Awards cannot be granted in any of these periods due to dealing restrictions, they may be granted within the six-week period following the lifting of the restriction.

### Individual Limit

Ordinarily, a participant shall not be granted an Award (other than an Award granted to facilitate the recruitment of the participant) in respect of any financial year of the Company over Shares with a market value (as determined by the Board) in excess of 150% of their annual base salary; or 200% of their annual base salary if the Board determines that exceptional circumstances exist.

### Overall Limits

Awards may be granted over newly issued Shares, treasury Shares or Shares purchased in the market.

In any ten-year period, the number of Shares which may be issued under the 2019 LTIP and under any other employee share plans adopted by the Company may not exceed 10% of the issued ordinary share capital of the Company from time to time.

Treasury Shares will be treated as newly issued for the purpose of this limit until such time as guidelines published by institutional investor representative bodies determine otherwise, following which the Board may determine that treasury Shares cease to count.

### Performance Conditions

Awards will ordinarily be subject to the satisfaction of a performance condition which will determine the proportion (if any) of the Award which will vest at the end of a performance period. The Board will have discretion to grant Awards which are not subject to performance conditions, although Awards granted to Executive Directors (other than Awards granted to facilitate the recruitment of an Executive Director) must be subject to performance conditions. A performance period will usually be three years long.

Under the Directors' Remuneration Policy (and as permitted by the rules of the 2019 LTIP), the Remuneration Committee retains the discretion to adjust any formulaic outcome to reflect overall business or individual performance or any other reason considered appropriate. Any amended or substituted performance condition would not be materially less difficult to satisfy.

### Vesting and Exercise

Awards subject to a performance condition will normally vest (and generally be released) as soon as practicable following the end of the performance period to the extent that the Board determines that the performance condition has been satisfied (and subject to any adjustment the Board considers necessary if the vesting level does not reflect the underlying financial performance or is not appropriate in the circumstances). Awards not subject to a performance condition will usually vest (and be released) on the third anniversary of the grant date (or on such other date or dates as the Board determines).

Options will normally be exercisable from the date of vesting until the tenth anniversary of the grant date, or such earlier date as the Board determines.

### Settlement of Awards

Before Shares have been delivered, the Board may decide to pay a cash amount equal to the market value (as determined by the Board) of some or all of the Shares the participant would otherwise have received, such payment to be made net of any tax liability arising in respect of the Award.

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## Malus and Clawback

At any time prior to the vesting of an Award, the Board may reduce (including to nil) the number of Shares under the Award and/or impose further conditions on it.

Where Shares and/or cash have been delivered in satisfaction of an Award, for a period ending on the fifth anniversary of the date of grant of an Award, the Board may require the participant to make a payment to the Company in respect of some or all of the Shares acquired and/or transfer for nil consideration some or all of the Shares delivered under the Award.

These malus and clawback provisions may be applied in the event of a material misstatement of any Group company's financial statements, an error in assessing a relevant performance condition, a material failure of risk management in any Group company or business unit, serious reputational damage to any Group company or business unit, serious misconduct or material error on the part of the participant, a material corporate failure of any Group company or business unit or in any other relevant circumstances.

## Cessation of Employment – Unvested Awards

Ordinarily, unvested Awards will lapse on cessation of employment. However, if a participant ceases to hold office or employment by reason of death, ill health, injury or on a transfer of the participant's employer company or business out of the Group, or for any other reason at the Board's discretion (a 'Good Leaver'), any unvested Award he or she holds will usually continue and be released at the originally anticipated release date. The Board will retain the discretion to vest and release the Award as soon as reasonably practicable after the cessation of employment or at some other time (such as following the end of the performance period in the case of an award which would otherwise be subject to a holding period).

The extent to which an Award held by a Good Leaver is released will be determined by reference to the extent to which any performance condition has been satisfied (as determined by the Board in the event of release before the end of the performance period).

The extent to which an Award is released may be reduced to take account of the proportion of the performance period that has elapsed at the date of cessation (in the case of an Award subject to a performance condition) or the proportion of the period from grant to the originally anticipated vesting date that has elapsed at the date of cessation (in the case of an Award not subject to a performance condition).

## Cessation of Employment – Exercise Period for Options

If a participant ceases employment while holding a vested Award in the form of an Option, that Option (unless cessation is due to gross misconduct, in which case it will lapse on cessation of employment) may be exercised for a period of six months (twelve months in the event of death) beginning with the date of cessation of employment (if it had already been released) or the date of release (if it had not already been released). The Board may permit the exercise of an Option during a longer period.

## Corporate Events

In the event of a takeover of the Company, unvested Awards will vest and be released as soon as reasonably practicable taking into account the extent to which the performance condition has been satisfied at the date of change of control (as determined by the Board) and, unless the Board determines otherwise, taking into account the proportion of the performance period (or vesting period in the case of an Award that is not subject to a performance condition) that has elapsed.

If other events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the opinion of the Board, may affect the current or future value of Shares, the Board may determine that Awards will vest and be released on the same basis as in the event of a change of control. To the extent that an Option vests and is released, the Board will determine the length of time during which that Option may be exercised.

## Adjustment of Awards

In the event of a variation of the Company's share capital, the number of Shares subject to an Award and/or any performance condition attaching to an Award, may be adjusted.

The number of Shares subject to an Award and/or any performance condition may also be adjusted in the event of a demerger, delisting, special dividend or other event which may, in the Board's opinion, affect the current or future value of Shares.

## Amendment, Termination and Further Terms of the 2019 LTIP

The Board may amend the 2019 LTIP at any time, provided that the approval of the Company's shareholders in a general meeting will be required for any amendments to the advantage of eligible employees or participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash comprised in an Award and the impact of any variation of capital to become effective.

However, any minor amendment to benefit administration, to take into account legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Board without shareholder approval. The Board may also establish further schedules for overseas territories.

The 2019 LTIP will usually terminate on the tenth anniversary of its approval by shareholders but the rights of existing participants will not be affected by any termination.

Awards are not transferable (other than on death). No payment will be required for the grant of an Award. Awards will not form part of pensionable earnings.



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