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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

To the holders of ordinary shares in Scapa Group plc

Dear Shareholder

NOTICE OF GENERAL MEETING

This document contains the notice of a General Meeting of the Company, which will be held on Monday, 16 November 2015 at 11.30am at 997 Manchester Road, Ashton-under-Lyne, Greater Manchester OL7 0ED to approve and adopt a new Long Term Incentive Plan and the consequent amendments to the Directors' Remuneration Policy.

The resolution to be voted on at the General Meeting is an ordinary resolution and will be passed if members representing more than 50% of the total voting rights of entitled members vote in favour.

Background

In May 2010, the Company implemented a Share Price Incentive Plan designed to reward participants if the mid-market price of the Company's shares exceeded £1.00 and £1.50 over a 30-day period during the five years ending on 30 June 2015. The Share Price Incentive Plan targets were achieved and pay outs were made in accordance with its terms. During the five-year life of the 2010 Share Price Incentive Plan, the Company's senior management were extremely successful in creating value for all stakeholders:

- Adjusted earnings per share increased from -2.6 pence in the financial year 2010 to 9.1 pence in the financial year 2015
- Basic earnings per share increased from -1.9 pence in the financial year 2010 to 6.4 pence in the financial year 2015
- The share price increased from 16 pence on 1 July 2010 to 198.75 pence on 30 June 2015, creating £268.6 million of value for Shareholders
- The Company recommenced paying a dividend in 2013, since which time £4.4 million has been distributed to Shareholders
- Total Shareholder Return over the period was 1161% against a return of 70% for the FTSE AllShare.

As Scapa pursues its strategy to continue to move up the Healthcare value chain, to develop and leverage strategic partnerships in our chosen Industrial markets, and to add further capabilities, product offerings and services through Acquisitions, the Board and the Remuneration Committee believe it is appropriate to effect a new Long Term Incentive Plan for key management in the form of a Value Creation Plan.

Value Creation Plan

It is proposed that Scapa introduces a Value Creation Plan (the "Plan") pursuant to which the Executive Directors and Senior Executives will share in a proportion of value created through the increase in the Company's share price over a five-year period. The Plan is designed to create a clear link between strategic objectives and Shareholder value creation and to reward significant and sustained performance over the longer term, thereby aligning the interests of participants with those of Shareholders. The Plan has been designed to ensure that participants are fairly rewarded for the value created, whilst ensuring that the rewards are not excessive. Therefore, the Plan includes an overall cap on the value of Company shares that can be delivered as well as an 'off-set' mechanism whereby any shares that may be delivered under the Plan are reduced by the value of any shares that vest pursuant to awards made in financial years ending 31 March 2016, 2017 and 2018 under the Company's 2011 Performance Share Plan over the five year period.

A summary of the key terms of the Plan is set out in Appendix 1 to the Notice of Meeting on pages 4 to 6.

Directors:

J A S Wallace
(Chairman)
H R Chae
P Edwards
R J Perry
M C Buzzacott
M T Sawkins

29 October 2015

Directors' Remuneration Policy

The Directors' Remuneration Policy ("Policy") (as detailed in the 2014 Annual Report and Accounts, pages 54 to 59) was approved by Shareholders at the Company's AGM in July 2014. It is the Board's intention to seek Shareholder approval for any material changes to the Policy, notwithstanding that as an AIM-listed company, Scapa is not required to put its Policy to a binding vote. A summary of the key changes to the Directors' Remuneration Policy is set out in Appendix 2 to the Notice of Meeting on page 6.

Action required

You will find with this document a Form of Proxy for use in respect of your shares at the 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 3 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 believes these proposals are a balanced and meaningful improvement to Scapa's remuneration arrangements and that they are in the best interests of the Company and Shareholders as a whole. The Board unanimously recommends Shareholders to vote in favour of the resolution to approve and adopt the Plan and to approve the consequent changes to the Directors' Remuneration Policy, as they intend to do in respect of their own beneficial holdings.

Yours faithfully



J A S Wallace
Chairman

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Scapa Group plc will be held at 997 Manchester Road, Ashton-under-Lyne, Greater Manchester OL7 0PG, on Monday, 16 November 2015 commencing at 11.30am to consider and if thought fit pass the following resolution which will be proposed as an ordinary resolution:

(1) That:

- (a) the rules of the Scapa Group 2015 Value Creation Plan (the "Plan"), the principal terms of which are described in Appendix 1 to the circular of which the Notice containing this resolution forms a part and in a form produced in draft to the meeting, and for the purposes of identification initialled by the Chairman of the meeting, be and are hereby approved and adopted;
- (b) the Directors of the Company be and are hereby authorised to do all such things necessary or desirable to carry the Plan into effect; and
- (c) the Directors' Remuneration Policy set out on pages 54 to 59 of the Company's 2014 Annual Report and Accounts be amended as described in Appendix 2 to the circular of which the Notice containing this resolution forms a part.

By order of the Board



Rebecca Smith
Company Secretary

29 October 2015

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 6.00pm on Thursday, 12 November 2015 or, in the case of an adjournment, by no later than 6.00pm on the day being two working days before the date of the adjourned meeting.
- 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 notorially certified copy of such power or authority) must be received by the Company's Registrars, Capita Asset Services at FREEPOST CAPITA PXS by no later than 11.30am on Thursday, 12 November 2015. 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: Capita 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 abstain from voting. To abstain from voting 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 11.30am on Thursday, 12 November 2015. 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 abstain, at his discretion, as in each case he is entitled to do in respect of any procedural matters arising at the meeting.

APPENDIX 1

Summary of the main terms of the Scapa Group 2015 Value Creation Plan (the “Plan”)

Definitions

In this circular, the following capitalised words have the following meanings:

Award	an award granted under the Plan
Company	Scapa Group plc
Measurement Date	31 March 2018 and 31 March 2020
Participant	a person who is granted an Award
Share	an ordinary share of 5 pence in the capital of Scapa Group plc

General

The Plan will reward Participants for creating value through growth in the Company's Share price in excess of £1.95 and up to £5.00 per Share, measured on 31 March 2018 and 31 March 2020 (each a “Measurement Date”) and subject to gateway Share price targets of £3.00 on the first Measurement Date and £4.00 on the second Measurement Date. If the Share price is less than £3.00 on the first Measurement Date, none of the Awards will vest unless and until the gateway Share price target of £4.00 is achieved on the second Measurement Date. For the purposes of the Plan, the Share price on each Measurement Date will be the average closing price of the Company's shares over the 30-day period commencing on the Measurement Date.

Maximum pool available to Participants

The maximum value available for division between Participants under the Plan is 5% of the value created above a Share price of £1.95 up to a Share price of £5.00. Assuming there are no changes to the number of Shares in issue during the life of the Plan (currently 147,605,793 shares), if the Share price increases to £5.00 or above, the Plan would pay out a maximum of approximately £22.5M ($147,605,793 \times (\text{£}5.00 - \text{£}1.95) \times 5\%$) between Participants.

Form of Awards

On the date of grant of the Awards, each Participant will be allocated a percentage of the Plan value at which he will participate. The number of Shares which may be acquired under an Award will be calculated by reference to this percentage and fixed by reference to the Share price on each Measurement Date.

For example, if the Share price on the first Measurement Date is £3.50 (calculated as the average price over the 30 days commencing on the first Measurement Date) and assuming that the issued share capital of the Company is 147,605,793, the aggregate value vesting to Participants on the first Measurement Date would be £11,439,448.96 ($147,605,793 \times (\text{£}3.50 - \text{£}1.95) \times 5\%$). The aggregate number of Shares in respect of which Awards would crystallise at that time would therefore be 3,268,413. A Participant with a 10% participation would hold an option to acquire 326,841 Shares.

Eligibility

Only employees of the Company or its subsidiaries (including executive directors) will be eligible to participate in the Plan (“Participants”), at the discretion of the Remuneration Committee.

Grant of Awards

Awards may be granted in the period of 42 days commencing on the date on which the Plan is adopted by the Company and thereafter in the 42 days following the announcement by the Company of its results or where there are circumstances which the Remuneration Committee considers to be exceptional. However, if the Company is restricted from granting awards during any such period, Awards may be granted in the period of 42 days following the relevant restriction being lifted. The grant of Awards will at all times be subject to restrictions imposed by the Company's share dealing code, the AIM Rules and any applicable laws or regulations that impose restrictions on share dealings.

Awards are not transferable (other than on death) except with the consent of the Remuneration Committee.

Vesting of Awards

An Award will normally vest as soon as reasonably practicable following the Measurement Dates, provided that the share price gateways have been met. Awards vesting following the first Measurement Date are subject to a holding period of 24 months from the first Measurement Date and cannot be exercised until the end of that holding period. Awards vesting following the second Measurement Date are subject to a holding period of 12 months from the second Measurement Date and cannot be exercised until the end of that holding period.

Dividends

The Remuneration Committee may decide at any time prior to the delivery of Shares in respect of an Award that the Participant will receive additional Shares (or the cash equivalent) based on the value of dividends paid on vested Shares over the holding period and on such terms as the Remuneration Committee may determine, which may assume the reinvestment of relevant dividends into Shares.

Malus and Clawback

If there has been a material misstatement in the audited results of the Company or any subsidiary, or the Participant is dismissed for gross misconduct or is found to have been in breach of his duties as a Director, an Award which has not yet vested will lapse.

During the holding periods, a Participant's Award will be subject to malus and claw back provisions, such that if there is a material misstatement in the audited results of the Company or any subsidiary, or the Participant is dismissed for gross misconduct or is found to have been in breach of his duties as a Director, the Remuneration Committee will have discretion to claw back the Award to the fullest extent practicable.

Leavers

Death

If a Participant dies before a Measurement Date relating to a part of his Award, that part will vest and be capable of exercise at that time, subject to the satisfaction of the Share price gateways. The number of Shares in respect of which that part vests will be calculated by reference to the average Share price at the date of vesting and, unless the Remuneration Committee determines otherwise, will be pro-rated to reflect the period of time elapsed at the date of cessation. If a Participant dies after a Measurement Date relating to a part of his Award, that part will be capable of exercise from the date of death.

Leavers before the Measurement Date

If a Participant ceases to be employed before a Measurement Date relating to a part of his Award as a result of ill-health, injury, disability, the sale of his employer out of the group or any other reason at the discretion of the Remuneration Committee (a "Good Leaver"), unless the Remuneration Committee determines that the vesting of the Award will be accelerated, the relevant part of the Good Leaver's Award will vest and be capable of exercise at the end of the holding period. If the vesting is accelerated, the number of Shares in respect of which the part vests will be calculated by reference to the average Share price at the date of vesting. Unless the Remuneration Committee determines otherwise, the number of Shares in respect of which that part vests will be reduced to reflect the period of time elapsed at the date of cessation.

If a Participant ceases employment before the Measurement Date relating to a part of his Award other than as a Good Leaver, that part will lapse at that time.

Leavers after the Measurement Date

If a Participant ceases employment after the Measurement Date relating to a part of his Award but before that part is released at the end of the holding period, his Award will lapse if he ceases due to gross misconduct or as a result of being found to have been in breach of his duties as a director. If he ceases for any other reason, his Award will be capable of exercise at the end of the holding period, although the Remuneration Committee has discretion to permit the Award to be exercised earlier (for example if the Participant ceases employment due to ill health).

Dilution

Shareholders have approved overall dilution limits on the Company's share plans of 10% of issued share capital over a 10-year period. Awards under the Plan will form part of those dilution calculations.

Interaction with Performance Share Plan Awards

To avoid rewarding the same performance twice, the number of Shares in respect of which a part of a Participant's Award granted under the Plan vests will be reduced by the value of Performance Share Plan awards granted in financial years ending 31 March 2016, 2017 and 2018 that vest during the term of the Value Creation Plan.

Rights attaching to shares

Shares allotted or transferred under the Plan will rank equally with all other shares of the Company for the time being in issue.

Change of Control and other relevant events

In the event of a takeover or merger of the Company, any part of an Award that has not vested will vest and become exercisable to the extent the Share price at the date of the relevant event exceeds £1.95. However, if the relevant event occurs on or after the first Measurement Date, the Awards will vest only if the gateway Share price on the first Measurement Date has been met. If other relevant events occur (such as a winding-up, demerger, delisting or other event which in the opinion of the Remuneration Committee would affect the value of Shares to a material extent), the Remuneration Committee may permit Awards to vest on the basis described above.

Variation of share capital

In the event of any variation of the Company's share capital, demerger or other corporate event, the Remuneration Committee may make such adjustments to the Awards as they consider appropriate.

Amendments to the Plan

The Remuneration Committee may amend the rules of the Plan or any Award but no amendment to the advantage of Eligible Employees or Participants may be made without Shareholder approval (other than minor amendments to benefit the administration of the Plan or to take account of changes in legislation or to maintain favourable exchange control, taxation or regulatory treatment). No amendment to the material disadvantage of existing rights of Participants may be made unless all Participants affected have been invited to indicate whether he approves of the amendment and the amendment is approved by the majority of the Participants who have so indicated.

Termination of the Plan

The Plan will terminate on 30 April 2020, or such earlier date as the Board may determine.

Benefits non-pensionable

Benefits under the Plan are non-pensionable.

APPENDIX 2

Summary of key changes to the Directors' Remuneration Policy

The following will be added to the Policy from the date on which Shareholders approve the changes:

Purpose	Operation	Maximum opportunity	Performance measures
Value Creation Plan (VCP)			
Reward the Executive Directors and other Senior Executives to create exceptional and sustainable increases in shareholder value during the five-year period to 31 March 2020.	<p>Awards are made by the Committee to the Executive Director and Senior Executives only.</p> <p>Awards may vest before March 2020 in certain circumstances in accordance with the rules of the VCP in the event of a change of control, other relevant corporate event or in certain "good leaver" circumstances.</p> <p>The Committee has discretion to operate the VCP in accordance with its rules as approved by shareholders.</p>	<p>Participants will share 5% of the increase in value created for shareholders above a share price £1.95 up to a share price of £5.00.</p> <p>The Committee has discretion to award additional shares (or an equivalent cash amount) to reflect the value of dividends paid on some or all of the vested shares up until the release date.</p>	Share price growth, measured on 31 March 2018 and 31 March 2020 using the average closing price on the 30 days commencing on the Measurement Date. Where an award vests early as a result of a change of control, other relevant corporate event or in "good leaver" circumstances, the growth in share price will be measured in accordance with the VCP rules.



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