

**THIS DOCUMENT AND THE ACCOMPANYING CIRCULAR AND FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial advisor.**

If you have sold or otherwise transferred all of your shares in ScS Group plc (**the Company**), please send this document, together with the accompanying Circular and Form of Proxy, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred any part of your holding, you should retain these documents.



Sofas, flooring and furniture

**ScS GROUP PLC**

**(incorporated in England and Wales with registered no. 03263435)**

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## **Notice of Annual General Meeting**

**Notice of the Annual General Meeting of the Company to be held at the offices of Ward Hadaway LLP at Sandgate House, 102 Quayside, Newcastle upon Tyne, NE1 3DX on Friday 1 December 2023 at 2:00 p.m.**

**Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received by no later than 2:00 p.m. on Wednesday 29 November 2023 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).**

# NOTICE OF ANNUAL GENERAL MEETING



Sofas, flooring and furniture

## ScS GROUP PLC

(incorporated in England and Wales with registered no. 03263435)

### NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of ScS Group plc (the Company) will be held at 2:00 p.m. on 1 December 2023 at the offices of Ward Hadaway LLP at Sandgate House, 102 Quayside, Newcastle upon Tyne, NE1 3DX to consider and, if thought fit, pass the following resolutions of which 1 to 17 will be passed as ordinary resolutions and resolutions 18 to 20 will be passed as special resolutions.

#### Ordinary Resolutions

##### Annual Report and Accounts

1. To receive the Company's annual accounts, strategic report and Directors' and auditors' reports for the financial year ended 29 July 2023.

Resolution 2 is advisory only, therefore it does not affect the historical remuneration paid to any individual Director.

##### Directors' remuneration report (excluding the Directors' remuneration policy)

2. To approve the Directors' remuneration report (other than the part containing the Directors' remuneration policy) for the financial year ended 29 July 2023.

##### Final Dividend

3. To declare a final dividend for the financial year ended 29 July 2023 of 10.0 pence per ordinary share in the capital of the Company, to be paid on 15 December 2023 to shareholders whose names appear on the register at the close of business on 17 November 2023.

##### Auditors

4. To appoint PricewaterhouseCoopers LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which annual accounts and reports are laid before the shareholders in accordance with the provisions of the Companies Act 2006 (the Act).
5. That the Audit Committee be authorised to determine the remuneration of PricewaterhouseCoopers LLP as auditor of the Company.

##### Directors

##### Non-Independent Directors

6. To re-elect Steve Carson as a Director of the Company.
7. To elect Mark Fleetwood as a Director of the Company.

Conditional on the proposed acquisition of the Company by Cerezola Limited (a company wholly owned by Poltronosofà S.p.A.), as announced on 24 October 2023, not terminating prior to the Annual General Meeting:

8. To re-elect Alan Smith as a Director of the Company;
9. To re-elect Ron McMillan as a Director of the Company; and
10. To re-elect Chris Muir as a Director of the Company.

##### Independent Non-Executive Directors

11. To re-elect Carol Kavanagh as a Director of the Company.
12. To re-elect Angela Luger as a Director of the Company.
13. To elect John Walden as a Director of the Company.
14. To elect Andy Kemp as a Director of the Company.
15. To elect Swarupa Pathakji as a Director of the Company.

## **Directors' Authority to Allot Shares**

16. That, pursuant to section 551 of the Act, the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot:

16.1 Relevant Securities up to an aggregate nominal amount of £11,318.22, being approximately one-third of the aggregate value of the issued ordinary share capital of the Company (excluding treasury shares) as at 25 October 2023, being the latest practicable date prior to the publication of this document; and

16.2 Relevant Securities comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount of £11,318.22, being approximately one-third of the aggregate value of the issued ordinary share capital of the Company (excluding treasury shares) as at 25 October 2023, being the latest practicable date prior to the publication of this document, in connection with an offer by way of a rights issue:

16.2.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

16.2.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange, provided that (unless previously revoked, varied or renewed) these authorities shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or at the close of business on the date which is fifteen months after the date of this Annual General Meeting (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the Directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this resolution, '**Relevant Securities**' means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right. These authorities are in addition to all existing authorities under section 551 of the Act.

## **Political Donations/Expenditure**

17. That, pursuant to sections 366 and 377 of the Act, the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution is effective be and are authorised to make political donations (as defined in section 364 of the Act) and political expenditure (as defined in section 365 of the Act) not exceeding £50,000 in total during the period beginning with the date on which this resolution is passed and ending at the conclusion of the next Annual General Meeting of the Company held after such date. The amount referred to in this resolution may comprise one or more sums in different currencies which, for the purposes of calculating any such amount, shall be converted at such rate as the Directors may, in their absolute discretion, determine to be appropriate.

## **Special Resolutions**

### **General disapplication of pre-emption rights**

18. That, if resolution 16 is passed, the Board be authorised to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act not apply to any such allotment or sale, such authority to be limited:

18.1. to the allotment of equity securities and sale of treasury shares in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by paragraph 16.2 of resolution 16, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue):

18.1.1. to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

18.1.2. to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

## NOTICE OF ANNUAL GENERAL MEETING (continued)

18.2. in the case of the authority granted by paragraph 16.2 of resolution 16 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 18.1 above) up to a nominal amount of £3,395.47; and

18.3. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 18.1 or paragraph 18.2 above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph 18.2 above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on the date which is fifteen months after the date of this Annual General Meeting) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

All previous unutilised authorities under Sections 570 and 573 of the Act shall cease to have effect (save to the extent that they are exercisable by reason of any offer or agreement made prior to the date of this new resolution which would or might require shares to be allotted on or after that date).

### Special disapplication of pre-emption rights

19. That if resolution 16 is passed, the Board be authorised in addition to any authority granted under resolution 18 to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:

19.1. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £3,395.47, such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Board of the Company determines to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and

19.2. limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 19.1 above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph 19.1 above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on the date which is fifteen months after the date of this Annual General Meeting) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Other than in respect of authorities granted pursuant to resolution 18, all previous unutilised authorities under Sections 570 and 573 of the Act shall cease to have effect (save to the extent that they are exercisable by reason of any offer or agreement made prior to the date of this new resolution which would or might require shares to be allotted on or after that date).

### Market purchases

20. That the Company be and is generally and unconditionally authorised, pursuant to section 701 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares, subject to the following conditions:

20.1. the maximum aggregate number of ordinary shares authorised to be purchased is 3,395,467 representing approximately 10 per cent of the Company's issued ordinary share capital as at 25 October 2023, being the latest practicable date prior to the publication of this document;

20.2. the minimum price (excluding expenses) which may be paid for each ordinary share is 0.1 pence (being the nominal value of an ordinary share);

20.3. the maximum price (excluding expenses) which may be paid for each ordinary share is the higher of:

20.3.1. 105 per cent of the average of the middle market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and

20.3.2. an amount equal to the higher of the price of the last independent trade of a share and the highest current independent bid for a share as derived from the London Stock Exchange Trading System, and

this authority shall (unless previously revoked, varied or renewed) expire at the end of the next Annual General Meeting of the Company or at the close of business on the date which is fifteen months after the date of this Annual General Meeting (whichever is the earlier), so that the Company may, before the expiry of the authority, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority (save that in relation to the purchase of ordinary shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry, where the Company may make a purchase of ordinary shares in pursuance of any such contract or contracts).

**BY ORDER OF THE BOARD**



**Richard Butts**  
Company Secretary  
25 October 2023

**Registered office**  
ScS Group plc  
45-49 Villiers Street  
Sunderland  
SR1 1HA

Registered in England and Wales No. 03263435

# NOTES

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company, but must vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chair or another person as your proxy using the Form of Proxy are set out on the Form of Proxy and in its notes. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company's Registrar Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or by telephone on +44 (0) 371 384 2468. Lines are open 8:30 a.m. to 5:30 p.m. Monday to Friday. If calling from outside of the UK, please ensure the country code is used. 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 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. All forms must be signed and should be returned to Equiniti at the above address together in the same envelope.
2. To be valid, the form of proxy must be completed and lodged with Equiniti not later than 2:00 p.m. on 29 November 2023 (or 48 hours (excluding any part of the day that is not a working day) before any adjourned meeting). If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. A proxy should either be submitted by post on the enclosed form of proxy which is pre-paid or via the internet at [www.sharevote.co.uk](http://www.sharevote.co.uk) where full instructions are given. This address is given only for the filing of proxies for the Annual General Meeting and not for any other purpose. If you choose to appoint a proxy electronically, you will require your unique Voting ID, Task ID and Shareholder Reference Number as printed on the proxy card. Return of a completed proxy form, internet proxy or any CREST proxy instruction (as described below) would not normally prevent a member attending the Annual General Meeting and voting in person if he/she wishes to do so. The use by members of the electronic proxy appointment service will be governed by the terms and conditions of use which appear on the website. Electronic proxies must be completed and lodged in accordance with the instructions on the website by no later than 48 hours (excluding any part of the day that is not a working day) before the Annual General Meeting. Further details relating to proxies are set out in the notes on the enclosed form of proxy.
3. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members and those CREST members who have appointed a 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.
4. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (CREST proxy instruction) must be properly authenticated in accordance with Euroclear UK and Ireland Limited's 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 an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of Annual General Meeting. For this purpose, the time of receipt shall be taken as the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer'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.
5. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to procure that his/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 a particular time. In this connection, CREST members and, where applicable, 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.
6. 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.
7. The Company specifies that in order to have the right to attend and vote at the Annual General Meeting (and in accordance with the Company's articles of association and pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001) and also for the purpose of determining how many votes a person entitled to attend and vote may cast, a person must be entered on the register of members of the Company at 6:30 p.m. on 29 November 2023 or, in the event of any adjournment, at 6:30 p.m. on the date which is two business days before the day of the adjourned Annual General Meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

8. All of the Ordinary Shares carry one vote each. On a vote by a show of hands every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote. On a poll vote every member who is present in person or by proxy has one vote for every Ordinary Share they hold.
9. Any Shareholder attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share. It is no longer necessary to nominate a designated corporate representative.
11. The right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006. Persons nominated to receive information rights under that section who have been sent a copy of this Notice are informed that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for the purposes of this Annual General Meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member on the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
12. The total issued share capital of the Company as at 25 October 2023 (being the last practicable day before the publication of this Notice) was 33,954,674 Ordinary Shares carrying one vote each. At 25 October 2023 none of the Company's shares are held in treasury.
13. A shareholder or shareholders having a right to vote at the meeting and holding at least five per cent of the total voting rights of the Company (see note 12 above), or at least 100 shareholders having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital, may require the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the meeting relating to the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting in accordance with section 527 of the Act.

Any such request must:

- 13.1 identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another shareholder, clearly identifying the statement which is being supported;
- 13.2 comply with the requirements set out in note 14 below; and
- 13.3 be received by the Company at least one week before the meeting.

Where the Company is required to publish such a statement on its website:

- 13.4 it may not require the shareholders making the request to pay any expenses incurred by the Company in complying with the request;
  - 13.5 it must forward the statement to the Company's auditors no later than the time when it makes the statement available on the website; and
  - 13.6 the statement may be dealt with as part of the business of the meeting.
14. Any request by a shareholder or shareholders to require the Company to publish audit concerns as set out in note 13:
    - 14.1 may be made either:
      - 14.1.1 in hard copy, by sending it to ScS Group plc, 45-49 Villiers Street, Sunderland SR1 1HA; or
      - 14.1.2 in electronic form, to [agm@scs.co.uk](mailto:agm@scs.co.uk);
    - 14.2 must state the full name(s) and address(es) of the shareholder(s); and
    - 14.3 (where the request is made in hard copy form or by fax) must be signed by the shareholder(s); and
    - 14.4 must include the shareholders full name and address.

## NOTES (continued)

15. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends.
  - 15.1 Copies of the service contracts of the executive Directors; and
  - 15.2 Copies of the letters of appointment of the non-executive Directors.
16. Biographical details of all those Directors who are offering themselves for election or re-election at the meeting are set out on pages 68-71 of the Annual Report and accounts.
17. The voting on all resolutions at the Annual General Meeting will be conducted on a show of hands.
18. The contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Annual General Meeting, the total voting rights that members are entitled to exercise at the Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website <http://www.scsplc.co.uk/investors/reports-and-presentations/>.
19. Shareholders are advised that unless otherwise specified, the telephone numbers, website and email addresses set out in this Notice or proxy forms are not to be used for the purpose of serving information or documents on the Company, including the service of documents or information relating to proceedings at the Company's Annual General Meeting.
20. The results of the Annual General Meeting will be posted on the Company's website (<http://www.scsplc.co.uk/investors/reports-and-presentations/>) after the Annual General Meeting.
21. Except as provided above, shareholders who wish to communicate with the Company in relation to the meeting should do so by calling our shareholder helpline on +44 (0) 371 384 2468. If calling from outside of the UK, please ensure the country code is used (lines are open from 8:30 a.m. to 5:30 p.m. Monday to Friday excluding Bank Holidays in England and Wales). No other methods of communication will be accepted.