

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are advised to consult your own stockbroker, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or transferred all of your shares in the Topps Tiles plc, please send this document and all accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through or to whom the transfer was effected so that they can be passed on to the person who now owns the shares.

TOPPS TILES PLC

NOTICE OF ANNUAL GENERAL MEETING

to be held

at 09.30 a.m. on Wednesday 18 January 2023 at the Marriott
Hotel, Smith Way, Grove Park, Leicester, LE19 1SW

Notice of the annual general meeting of Topps Tiles plc is set out on pages 04 to 09 of this document.

CHAIRMAN'S LETTER

To the shareholders of Topps Tiles Plc ("Topps Tiles" or the "Company")

09 December 2022

DEAR SHAREHOLDER

NOTICE OF ANNUAL GENERAL MEETING 2023

I am pleased to inform you that the Annual General Meeting ("**Annual General Meeting**", "**AGM**" or the "**Meeting**") of Topps Tiles will be held at 09.30 a.m. on Wednesday 18 January 2023 at the Marriott Hotel, Smith Way, Grove Park, Leicester LE19 1SW.

Notice of the Annual General Meeting, including the proposed resolutions and explanatory notes is set out below.

MEETING ARRANGEMENTS, VOTING AND ENGAGEMENT WITH SHAREHOLDERS

We are pleased to be able to welcome Shareholders in person to our 2023 Annual General Meeting following the constraints we faced both in 2021 and 2022 due to the COVID-19 pandemic and ask that Shareholders who wish to attend register their intention to do so as soon as practicable and, in any case, by no later than 09.30 a.m. on 11 January 2023 via email to AGM@toppstiles.co.uk. Please include your name as shown on the Company's Register of Members.

Could you please monitor the Company's website (<http://www.toppstilesplc.com/>) (the "**Website**") and regulatory news announcements for any updates on the format of and arrangements for the Meeting.

The Annual General Meeting is typically a good opportunity for Shareholders to meet with the Directors, where they can provide an update on the Company's business and answer Shareholders' questions. To ensure that Shareholders have an opportunity to engage with the Board, this year the Board will be pleased to answer questions proposed in advance of the Meeting. Please see the notes on the following pages for details of when and how to ask questions in advance.

SHARE CAPITAL MANAGEMENT RESOLUTIONS

In accordance with the provisions of the UK Corporate Governance Code the Board consulted with Shareholders to understand their views on five resolutions at the 2022 Annual General Meeting that passed with less than 80% of the votes. Following this consultation it has concluded that, notwithstanding them being considered standard for UK listed companies and in line with the Investment Association's Share Capital Management Guidelines, certain special resolutions concerning share capital management, relating to disapplication of pre-emption rights and authority to make market purchases of shares, will not command sufficient Shareholder support to be approved. Whilst the Board continues to consider the flexibility afforded by these authorities to be in the best interests of the Company and shareholders, it will not be seeking their renewal at the 2023 Annual General Meeting.

REMUNERATION POLICY AND TOPPS TILES PLC 2023 SHARE PLAN

We are seeking Shareholder approval for a new Directors' Remuneration Policy, which was last approved by Shareholders at the 2020 AGM and is set out in the Annual Report and Accounts, and, for a new employee share plan, Topps Tiles Plc 2023 Share Plan, details of which are set out in the explanatory notes and in Appendix 1.

The Board strongly recommends Shareholders to vote online by proxy, appointing me, as the Chair of the meeting, as your proxy regardless of whether you plan to attend in person.

Voting on all of the resolutions to be proposed at the Meeting will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as Shareholders' votes are counted according to the number of shares registered in their names, rather than according to the votes of Shareholders who attend the Annual General Meeting. Shareholders will be asked to consider and vote on the resolutions set out in the Notice of Annual General Meeting below. The results will be published on our Website and also released to the London Stock Exchange via a Regulatory Information Service. Please see the notes below for detail of when and how to vote by proxy.

COMMUNICATIONS

We encourage Shareholders to receive their copy of the Annual Report and Accounts online. Therefore, in accordance with the articles of association and unless a Shareholder requests otherwise, the Company communicates with its Shareholders by publishing information (including statutory documents, such as the Annual Report and Accounts) ("**Shareholder Communications**") on its Website.

In accordance with this policy, Topps Tiles has published the Annual Report and Accounts 2022 on its Website. For those Shareholders who are opted in to receive paper copies of any Shareholder Communications, a copy of the Annual Report and Accounts 2022 has been sent by post.

Any Shareholders wishing to receive paper copies of Shareholder Communications should advise our Registrars, Link Group, on 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. The helpline is open between 9.00 a.m.–5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

WEBSITE

Our corporate Website provides more information about Topps Tiles including:

- a copy of our full Annual Report and Accounts; and
- all our latest news and regulatory announcements.

VOTING RECOMMENDATIONS

RESOLUTIONS THE DIRECTORS SUPPORT (1-15)

The Directors of the Company consider that Resolutions numbered 1 to 15 (inclusive) to be proposed at the Meeting (the "Recommended Resolutions") are in the best interests of the Company and its Shareholders as a whole and are most likely to promote the success of the Company for the benefit of the Shareholders as a whole.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of all of the Recommended Resolutions as they intend to do in respect of their own beneficial holdings currently amounting to 0.48% of the issued share capital of Topps Tiles.

RESOLUTIONS THE DIRECTORS DO NOT SUPPORT (16-18)

On 6 December 2022 the Company received requisitioned shareholder resolutions pursuant to section 338 of the Companies Act 2006 from Lynchwood Nominees Limited on behalf of MS Galleon GmbH ("**MSG**") – these requisitioned resolutions are set out in Resolutions 16 to 18 (inclusive) (the "**Requisitioned Resolutions**").

The Board strongly rejects the proposals set out in the Requisitioned Resolutions which it believes expose a clear conflict of interest between MSG's objectives and the interests of Shareholders as a whole. The Board welcomes the support received from the Company's other largest Shareholders, which have confirmed their intention to vote against the Requisitioned Resolutions at the AGM in respect of the ordinary shares in which they are interested or have discretionary management control over and which represent approximately 39.1 per cent. of the Company's voting share capital.

The Directors recommend that you vote AGAINST Resolutions 16 to 18 (inclusive) for the reasons more fully set out in Appendix 4 of this Notice.

Darren Shapland

Chairman, Topps Tiles Plc

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Annual General Meeting**”, the “**AGM**” or the “**Meeting**”) of Topps Tiles Plc (the “**Company**”) will be held on Wednesday 18 January 2023 at 09.30 a.m. at the Marriott Hotel, Smith Way, Grove Park, Leicester LE19 1SW for the following purposes:

ORDINARY BUSINESS

To consider and vote on the following resolutions, 1– 12 (inclusive), which will be proposed as Ordinary Resolutions:

1. To receive, consider and adopt the Company’s audited financial statements for the financial period ended 1 October 2022, together with the Directors’ Report and the Auditors’ Report on those accounts (collectively the “**Annual Report and Accounts**”).
2. To declare a final dividend of 2.6 pence per ordinary share for the financial period ended 1 October 2022 payable on 3 February 2023 as recommended by the directors.
3. To approve the Directors’ Remuneration Report for the financial period ended 1 October 2022 which is set out on pages 90 to 113 of the Annual Report and Accounts (excluding the Directors’ Remuneration Policy which is set out on pages 94 to 105).
4. To approve the Directors’ Remuneration Policy which is set out on pages 94 to 105 within the Annual Report and Accounts.
5. To re-elect Darren Shapland as a Director of the Company.
6. To re-elect Robert Parker as a Director of the Company.
7. To re-elect Stephen Hopson as a Director of the Company.
8. To re-elect Keith Down as a Director of the Company.
9. To re-elect Diana Breeze as a Director of the Company.
10. To re-elect Kari Daniels as a Director of the Company.
11. To appoint Mazars LLP as the auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next general meeting at which the Annual Report and Financial Statements are laid before the Company.
12. To authorise the Directors to determine the remuneration of the auditors.

SPECIAL BUSINESS

To consider and vote on the following resolutions, which in the case of resolutions 13 and 14 will be proposed as Ordinary Resolutions and in the case of resolution 15, will be proposed as a Special Resolution:

13. THAT, the rules of the Topps Tiles Plc 2023 Share Plan (the “2023 Plan”), the principal terms of which are summarised in Appendix 1 to this Notice of Annual General Meeting, and produced in draft to this meeting and, for the purposes of identification, are initialled by the Chairman of the meeting, be and are hereby approved and the Directors be authorised to:
 - a. make such modifications to the 2023 Plan as they may consider appropriate to take account of the requirements of best practice and for the implementation of the 2023 Plan and to adopt the 2023 Plan as so modified and to do all such other acts and things as they may consider appropriate to implement the 2023 Plan; and

- b. establish further plans based on the 2023 Plan 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 2023 Plan.

14. THAT, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, the Directors be and they are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “Act”):

- a. to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “relevant securities”) up to an aggregate nominal amount of £2,183,168 (such amount to be reduced by the nominal amount of any allotments or grants made under paragraph (b) below in excess of £2,183,168); and further:
 - b. to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £4,366,336 (such amount to be reduced by the nominal amount of any allotments or grants made under paragraph (a) above) in connection with an offer by way of rights issue:
 - i. in favour of holders of ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them; and
 - ii. to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever, provided that, unless previously revoked, varied or extended, this authority shall expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

15. THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

SHAREHOLDER REQUISITIONED RESOLUTIONS 16-18

The Company has received notice pursuant to section 338 of the Companies Act 2006 of the intention to move the following resolutions as Ordinary Resolutions.

Resolutions 16-18 have been requisitioned by a shareholder and should be read together with its statements in support of their proposed resolutions set forth in Appendix 3.

Your Directors consider that Resolutions 16-18 are not in the best interests of the Company and its shareholders as a whole and unanimously recommend that you vote AGAINST Resolutions 16 to 18 (inclusive) for the reasons set out in Appendix 4.

16. THAT Darren Shapland be removed from office as a director of the Company, and from the position of Non-Executive Chairman of the Company, with immediate effect.

17. THAT Lidia Wolfinger, having consented to act, be appointed as a non-executive director of the Company with immediate effect.

18. THAT Michal Bartusiak, having consented to act, be appointed as a non-executive director of the Company with immediate effect.

Dated 09 December 2022

By order of the Board

Helen Evans

Company Secretary

Registered Office:

Topps Tiles
Thorpe Way
Grove Park
Enderby
Leicestershire
LE19 1SU

Registered Number: 3213782

NOTICE OF ANNUAL GENERAL MEETING

NOTES

ENTITLEMENT TO ATTEND AND VOTE

1. Pursuant to Part 13 of the Companies Act 2006 and to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company at 09.30 a.m. on 16 January 2023 (or if the Annual General Meeting is adjourned, 48 hours before the time fixed for the adjourned Annual General Meeting) shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. In each case, changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
2. Shareholders wishing to attend the meeting are asked to register their attendance as soon as practicable and in any case, no later than 09.30 a.m. on 11 January 2023, via email to AGM@toppstiles.co.uk. Please include your name as shown on the Company's Register of Members. Rules around capacity at the venue and changes in health and safety requirements may mean Shareholders cannot ultimately attend the meeting.
3. We recommend that all Shareholders vote online by proxy, appointing the Chair of the meeting as your proxy regardless of whether you plan to attend in person. This will ensure that your vote is counted even if you or any other proxy you might appoint are unable to attend in person. See below for details of when and how to vote by proxy.
4. Voting by proxy will not prevent a member attending the Annual General Meeting and voting in person if the member wishes to do so, whether electronically or in person at the physical meeting.
5. Unless otherwise indicated on the Form of Proxy, CREST voting or any other electronic voting channel instruction, the proxy will vote as (s)he thinks fit or, at his/her discretion, withhold from voting.
6. All Shareholders are strongly encouraged to submit their voting instructions online by proxy appointing the Chair of the Meeting as their proxy. Only persons entered on the register of Shareholders at 09.30 a.m. on 16 January 2023 (or, if the Meeting is adjourned, at close of business on the day two days (excluding non-working days) prior to the adjourned Meeting) ("**Shareholders**") shall be entitled to attend and vote at the Meeting. Changes to the register of members after this date shall be disregarded in determining the rights of any person to vote at the Meeting.

WEBSITE GIVING INFORMATION REGARDING THE MEETING

7. Information regarding the Meeting, including the information required by section 311A of the Act, can be found on our website at www.toppstilesplc.com.

APPOINTMENT OF PROXIES, GENERALLY

8. A Shareholder is entitled to appoint one or more persons as proxies to exercise their rights to attend, speak and vote at the Meeting. A proxy need not be a member of the Company. 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 them.

9. Shareholders can register their proxy appointment and give proxy instructions to vote:
 - online through www.Signalshares.com;
 - if a CREST member, by utilising the CREST online proxy appointment service;
 - by returning a Proxy Form by post.

See below for notes on when and how to do this and please refer to the terms and conditions of the online services on their websites.

10. We recommend that all Shareholders vote online by proxy, appointing the Chair of the meeting as your proxy regardless of whether they plan to attend in person.

11. **If you submit your proxy form online or by post, you must ensure that it reaches Link Group by 09.30 a.m. on 16 January 2023 in order for your vote to be counted.** Should you complete your proxy form online and then post a hard copy, the form that arrives last will be counted to the exclusion of instructions received earlier, whether online or posted.

12. A proxy does not need to be a Shareholder but must be duly appointed to represent a Shareholder. Shareholders can only appoint a proxy using the procedures set out in these notes, the notes to the Proxy Form and on the signalshares and Crest websites.

13. The appointment of a proxy will not prevent a Shareholder from attending and voting in person at the Meeting. Should a Shareholder do this, the votes at the Meeting will be counted to the exclusion of instructions received earlier, whether online or posted. **However, as noted above the Board strongly recommends Shareholders to vote online by proxy, appointing the Chair of the meeting, as their proxy regardless of whether they plan to attend in person.** This will ensure that your vote will be counted even if attendance at the meeting is restricted or you are unable to attend. Unless otherwise indicated on the Form of Proxy, CREST or any other electronic voting instruction, the proxy will vote as they think fit or at their discretion, withhold from voting.

14. If you are not a Shareholder of the Company but you have been nominated by a Shareholder of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.

APPOINTMENT OF PROXIES, SIGNALSHARES

15. Unless you are a CREST member, you are strongly encouraged to use the Electronic Proxy Appointment ("EPA") for the Annual General Meeting (even if you receive a paper proxy form). EPA enables Shareholders to lodge their proxy appointment by online means via a website provided by our Registrar, at www.signalshares.com. Full details of the procedures are given on that website.

16. For an online proxy appointment to be valid, the appointment must be received by Link Group no later than 09.30 a.m. on 16 January 2023 (or, if the Meeting is adjourned, no later than 48 hours before the time of any adjourned Meeting). Any online communication sent by a Shareholder to the Company or Link Group which is found to contain a virus will not be accepted by the Company but every effort will be made by the Company to inform the Shareholder of the rejected communication.

APPOINTMENT OF PROXIES, THROUGH CREST

17. CREST members who wish to appoint a proxy or proxies through the CREST online proxy appointment service may do so 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 Euroclear UK & International Limited (“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 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 issuers’ agent (ID RA10) by the latest time for receipt of proxy appointments specified in this notice (09.30 a.m. on 16 January 2023). 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 registrars are 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 provider(s) 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 their 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 (as amended).

APPOINTMENT OF PROXIES, BY POST

18. A Proxy Form is only available on request from our Registrars, Link Group, who will issue a Proxy Form free of charge to Shareholder who requests one. You can call them on 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. The helpline is open between 9.00 a.m. – 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. Notes for completion can be found on the form and should be read carefully before it is completed. To be valid, the form of proxy must be completed, signed and sent to the offices of the Company’s registrars, Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, so as to arrive no later than 09.30 a.m. on 16 January 2023 (or, in the event that the Meeting is adjourned, no later than two working days before the time of any adjourned meeting). Please allow enough time to receive your Proxy Form by post, complete it and return it to Link Group.

APPOINTMENT OF PROXIES, BY JOINT HOLDERS

19. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).

CHANGING PROXY INSTRUCTIONS

20. Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments 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, the appointment received last before the latest time for the receipt of proxies will take precedence.

NOTICE OF ANNUAL GENERAL MEETING

TERMINATION OF PROXY APPOINTMENT

21. A Shareholder may revoke a proxy instruction but to do so you will need to inform the Company in writing by sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to the Registrar at Link Group, Central Square, 10th Floor, 29 Wellington Street, Leeds, LS1 4DL. In the case of a Shareholder which 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 an 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. In either case, the revocation notice must be received by the Registrar no later than 09.30 a.m. on 16 January 2023. If you attempt to revoke your proxy appointment but the revocation is received after this time your original proxy appointment will remain valid unless you attend the Meeting and vote in person.

However, as noted above, the Board strongly recommends Shareholders to vote online by proxy, appointing the Chair of the meeting, as their proxy regardless of whether they plan to attend in person.

VOTES WITHHELD

22. 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 abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

COMPANIES AND OTHER SHAREHOLDERS (NOT BEING INDIVIDUALS)

23. A Shareholder that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (as described above); or by a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association (the "**Articles**") and the relevant provision of the Act.

ISSUED SHARES AND TOTAL VOTING RIGHTS

24. As at the close of business on 08 December 2022, the Company's issued share capital comprised 196,681,818 ordinary shares of 3.33p each. Each Ordinary Share carries the right to one vote at a general meeting of the Company. No Ordinary Shares were held in treasury, but the Company's employee benefit trust holds 789,428 Ordinary Shares to which it has waived its voting rights. Accordingly, the total number of voting rights in the Company as at the close of business on 08 December 2022, is 195,892,390.

QUESTIONS AT THE MEETING

25. Shareholders have the right to ask questions at the Meeting in accordance with section 319A of the Act.

26. Shareholders are encouraged to submit questions via email to AGM@toppstiles.co.uk, by 09.30 a.m. on Monday 16 January 2023. Please include your name as shown on the Company's Register of Members. The Company must answer any question you ask relating to the business being dealt with at the Meeting unless:

- answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; or
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

WEBSITE PUBLICATION OF AUDIT CONCERNS

27. It is possible that, pursuant to requests made by one or more Shareholders under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) 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; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website. Where a Shareholder or Shareholders wish to request the Company to publish audit concerns, such request must be made by either sending:

- a request which states your full name and address to AGM@toppstiles.co.uk. Please state "AGM" in the subject line of the email; or
- a hard-copy request which is signed by you and states your full name and address to the Company Secretary at Topps Tiles Plc, Topps Tiles, Thorpe Way, Grove Park, Enderby, Leicestershire, LE19 1SU.

NOMINATED PERSONS

28. Where a copy of this notice is being received by a person who has been nominated to enjoy information rights under section 146 of the Act ("**nominee**"):

- the nominee may have a right under an agreement between the nominee and the member by whom he was appointed, to be appointed, or to have someone else appointed, as a proxy for the Meeting; or
- if the nominee does not have any such right or does not wish to exercise such right, the nominee may have a right under any such agreement to give instructions to the member as to the exercise of voting rights.

The right of a member under section 324 of the Act to appoint a proxy does not apply to a person nominated to enjoy information rights under section 146 of the Act.

VOTING

29. Voting on all resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as Shareholders' votes are counted according to the number of shares registered in their names, rather than according to the votes of Shareholders who attend the Annual General Meeting.

MEMBERS RIGHTS

30. In accordance with section 338 of the Act, a member or members of the Company may (provided that the criteria set out in section 338(3) of the Act are met) require the Company to give to members notice of a resolution which may properly be moved and is intended to be moved at the Annual General Meeting, provided that: (a) the resolution must not be, if passed, ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise); and (b) the resolution must not be defamatory of any person, frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must be authenticated by the person or persons making it, must identify the resolution of which notice is to be given and must be received by the Company not later than 6 weeks before the Annual General Meeting, or, if later, the time at which notice is given of the Annual General Meeting. (In the foregoing sentence, the terms "hard copy form", "electronic form" and "authenticated" bear their respective meanings set out in the Act in relation to a communication, or a document or information sent or supplied, to a company.)

31. In accordance with section 338A of the Act, a member or members of the Company may (provided that the criteria set out in section 338A(3) of the Act are met) require the Company to include in the business to be dealt with at the Annual General Meeting a matter (other than a proposed resolution) which may properly be included in the business of the Annual General Meeting, provided that the matter is not

defamatory of any person, frivolous or vexatious. A request may be in hard copy form or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person or persons making it and must be received by the Company not later than 6 weeks before the Annual General Meeting, or, if later, the time at which notice is given of the Annual General Meeting. (In the foregoing sentence, the terms "hard copy form", "electronic form" and "authenticated" bear the respective meanings set out in the Act in relation to a communication, or a document or information sent or supplied, to a company.)

FURTHER INFORMATION

32. Link Group maintain the Company's share register. They also provide a telephone helpline service on 0371 664 0300. If you have any queries about voting or about your shareholding, please contact Link Group. 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. The helpline is open between 9.00 a.m.–5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

DOCUMENTS ON DISPLAY

33. The following documents are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this notice until the conclusion of the Annual General Meeting and will also be available for inspection at the place of the Annual General Meeting not less than 15 minutes prior to and during the meeting:

- the draft rules of the 2023 Plan;
- copies of the executive directors' service contracts with the Company and any of its subsidiary undertakings; and
- letters of appointment of the non-executive directors.

34. Information regarding the Meeting, including the information required by section 311A of the Act, can be found at www.toppstilesplc.com. In addition, this information is available for inspection at the Company's registered office during normal business hours by prior appointment with the Company Secretary. Requests should be sent to AGM@toppstiles.co.uk.

COMMUNICATION

35. You may not use any online address provided either in this Notice of Annual General Meeting or in any related documents (including the proxy form and the signalshares and Crest websites) to communicate with the Company for any purposes other than those expressly stated.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

THE ANNUAL GENERAL MEETING of the Company will be held at the Marriott Hotel, Smith Way, Grove Park, Leicester LE19 1SWU on 18 January 2023 at 09.30 a.m.

By way of explanation of the proposed resolutions:

ORDINARY BUSINESS

RESOLUTION 1 (RECEIVING THE ANNUAL REPORT AND ACCOUNTS)

The Directors are required to present to the Meeting the audited accounts and the reports of the Directors and the auditors for the financial period ended 1 October 2022; and Shareholders are invited to receive, consider and adopt them.

RESOLUTION 2 DECLARATION OF FINAL DIVIDEND

A final dividend of 2.6 pence per Ordinary Share is recommended by the Directors for payment to shareholders on the register of members of the Company at 6.00 p.m. on 23 December 2022. Subject to approval by the Shareholders at the Annual General Meeting, the dividend will be paid on 3 February 2023. An interim dividend of 1 pence per share was paid on 15 July 2022 which means the total dividend level will be 3.6 pence per Ordinary Share for the 52 weeks prior to 1 October 2022.

RESOLUTION 3 (DIRECTORS' REMUNERATION REPORT)

The Remuneration Committee of the Board is seeking Shareholder approval for the Directors' Remuneration Report. The Company is required to seek Shareholder approval in respect of the contents of this report on an annual basis. The vote is an advisory one and the entitlement of a Director to receive remuneration is not conditional on it.

RESOLUTION 4 (DIRECTORS' REMUNERATION POLICY)

The Directors' Remuneration Policy, which is subject to shareholder approval no less than every three years, was last approved by Shareholders at the 2020 AGM. The Remuneration Committee of the Board is therefore seeking Shareholder approval for a new Directors' Remuneration Policy, details of which are set out on pages 94 to 99 of the Annual Report and Accounts.

RESOLUTIONS 5 TO 10

RE-ELECTION OF DIRECTORS

Although not required by the Company's Articles, in line with good corporate governance (2018 UK Corporate Governance Code) all of the Directors will retire voluntarily and offer themselves for re-election.

The Chair confirms that, following formal performance evaluation, each of the directors standing for re-election continues to be an effective member of the board, to make a positive contribution and to demonstrate commitment to the role. The board believes that the considerable and wide-ranging experience of the directors will continue to be invaluable to the Company. It is the board's view that each of the Non-Executive Directors standing for re-election brings considerable management experience and independent perspective to the board's discussions and is considered to be independent of management and free from relationships or other circumstances that could affect, or appear to affect, the exercise of their independent judgment.

Biographical notes for each of the directors standing for re-election are included at Appendix 2 of this Notice.

RESOLUTION 11

APPOINTMENT OF AUDITORS

This resolution concerns the appointment of Mazars LLP as auditors until the conclusion of the next general meeting at which accounts are laid, that is, the next Annual General Meeting. Full details of the tender process undertaken in reaching a decision to propose the appointment of Mazars LLP are found on pages 80 and 81 of the Annual Report and Accounts.

RESOLUTION 12

AUDITORS' REMUNERATION

This resolution authorises the Directors to fix the auditors' remuneration.

SPECIAL BUSINESS

RESOLUTION 13

TOPPS TILES PLC 2023 SHARE PLAN

The Company's existing long-term incentive arrangement for the Company's executive directors and other selected senior management is the Topps Tiles 2013 Long Term Incentive Plan (the "**LTIP**").

Since its approval by shareholders in 2013, the LTIP Plan has provided for annual share-based awards with objective performance criteria measured over 3 years. The 2013 Plan reaches the end of its 10 year life on 23 January 2023.

The Remuneration Committee of the Board (the "Committee") has recently undertaken a review of the 2013 Plan and concluded that shareholder authority should be sought for a replacement arrangement, the Topps Tiles Plc 2023 Share Plan (the "**2023 Plan**").

The terms of the 2023 Plan have been designed to materially continue with the main features of the LTIP but with appropriate changes to bring it in line with prevailing best practice including extending the circumstances when malus and clawback may apply. In addition, it provides for the grant of awards to defer the receipt of part of the annual bonuses, awards without performance conditions for participants not on the board where it is felt that the inclusion of performance conditions is not appropriate and awards to replace awards forfeited by recruits on joining the group. All awards granted to executive directors will be in accordance with the Company's then prevailing directors' remuneration policy approved by shareholders.

A summary of the principal terms of the 2023 Plan is set out in Appendix 1 to this Notice of Annual General Meeting.

RESOLUTION 14 DIRECTORS' POWER TO ALLOT SHARES

This resolution complies with guidance issued by the Investment Association and will, if passed, authorise the Directors to allot:

- relevant securities up to a maximum nominal amount of £2,183,168 which represents approximately one-third of the Company's issued ordinary shares (excluding treasury shares) as at the date of this notice. This maximum is reduced by the nominal amount of any equity securities allotted under the authority set out in paragraph (b) of resolution 14 in excess of £2,183,168; and
- in relation to a pre-emptive right issue only, equity securities (as defined by section 560 of the Act) up to a maximum nominal amount of £4,366,336 which represents approximately two-thirds of the Company's issued ordinary shares (excluding treasury shares) as at the date of this notice. This maximum is reduced by the nominal amount of any relevant securities allotted under the authority set out in paragraph (a) of resolution 14.

Therefore, the maximum nominal amount of relevant securities (including equity securities) which may be allotted under this resolution is £4,366,336.

As at the date of this notice, the Company does not have any treasury shares.

The Directors do not have any present intention of exercising the authorities conferred by this resolution but they consider it desirable that the specified amount of authorised but unissued share capital is available for issue so that they can more readily take advantage of possible opportunities.

RESOLUTION 15 NOTICE PERIOD FOR GENERAL MEETINGS

The Companies (Shareholders' Rights) Regulations 2009 require the Company to call general meetings (other than annual general meetings) on at least 21 clear days' notice unless Shareholders approve a shorter notice period of not less than 14 clear days. Such approval was granted at last year's Annual General Meeting and this resolution therefore seeks to renew this approval. The approval will be effective until the Company's next Annual General Meeting, at which it is intended a similar resolution will be proposed. The Directors' intention is to only call general meetings on less than 21 days' notice where such shorter notice period would be in the interests of Shareholders as a whole.

SOLUTIONS 16 TO 18 SHAREHOLDER RESOLUTIONS

Resolutions 16 to 18 are ordinary resolutions and have been requisitioned by a shareholder. The Requisitioned Resolutions should be read together with their statement in support of the Requisitioned Resolutions. The Shareholder's supporting statement is given at Appendix 3 and the Directors' response is given at Appendix 4.

Your Directors consider that Resolutions 16 to 18 are not in the best interests of the Company and its shareholders as a whole and unanimously recommend that you vote AGAINST Resolutions 16 to 18 (inclusive) for the reasons set out in Appendix 4.

APPENDIX 1

SUMMARY OF THE PRINCIPAL TERMS OF THE TOPPS TILES PLC 2023 SHARE PLAN OPERATION

The remuneration committee will supervise operation of the Topps Tiles Plc 2023 Share Plan (the “**Plan**”).

ELIGIBILITY

Any employee (including an executive director) of the Company and its subsidiaries will be eligible to be granted awards under the Plan, at the discretion of the remuneration committee.

It is currently anticipated that participation will be limited to the Company’s executive directors and selected senior management.

GRANT OF AWARDS

The remuneration committee may grant awards within six weeks after the Plan is approved by the Company’s shareholders or within six weeks of announcement of its results for any period. It may also grant awards at other times in exceptional circumstances.

Awards may be:

- a. performance awards (vesting subject to continued employment and performance conditions),
- b. deferred bonus awards (that defer receipt of part or all of an annual bonus reflecting performance before grant),
- c. restricted share awards (vesting subject to continued employment but without performance conditions), or
- d. buy-out awards (granted to compensate for forfeited awards granted by a previous employer).

Awards granted to executive directors must be in accordance with the directors’ prevailing remuneration policy approved by the Company’s shareholders. Accordingly, restricted share awards may not currently be granted to executive directors.

The remuneration committee will normally grant awards as nil (or nominal) cost options but may also grant conditional awards that deliver free shares on vesting.

The remuneration committee may also (i) grant cash-based awards of an equivalent value to share-based awards; or (ii) fully or partially satisfy share-based awards in cash (expected only to be in exceptional circumstances or to fund tax withholding).

Awards may not be granted more than 10 years after shareholder approval of the Plan.

No payment will be required for an award. Awards will not be transferable, except on death and will not be pensionable.

INDIVIDUAL LIMIT

An employee may not receive performance awards over shares with a value exceeding 200% of base salary or, if greater, the maximum percentage of salary permitted by the Company’s prevailing directors’ remuneration policy approved by shareholders.

An employee may not receive a deferred bonus award over shares with a market value greater than the amount of annual bonus to be deferred.

Market value for these purposes shall normally be based on the market value of shares averaged over three dealing days following the publication of the Company’s quarter four trading statement (or such other short period determined by the remuneration committee).

PERFORMANCE CONDITIONS

The extent of vesting of performance awards will be subject to performance conditions set by the remuneration committee (in line with the Company’s prevailing directors’ remuneration policy approved by shareholders for awards granted to executive directors). Performance will be measured over a period of at least three years (normally three financial years commencing with the year of grant).

The remuneration committee may vary any performance condition to take account of an event, provided it considers the varied condition is fair and reasonable and not materially less challenging than the original condition would have been but for the event.

VESTING OF AWARDS

Performance awards will normally vest only once performance conditions have been evaluated.

Restricted share awards will normally vest three years after grant, provided that the Committee may specify an earlier normal vesting date.

Deferred bonus awards will normally vest two years after grant.

Buy-out awards will normally vest in line with vesting of the forfeited awards they replace.

Awards granted as options will normally be exercisable from when they vest until the tenth anniversary of their grant (or during any shorter period specified by the remuneration committee at grant). Shorter exercise periods will apply to “good leavers” and following corporate events.

HOLDING PERIOD

Shares acquired pursuant to awards (other than shares sold to fund tax withholding and shares delivered to satisfy dividend equivalents) may be subject to a holding period specified by the remuneration committee during which their disposal is normally prohibited.

Awards granted to executive directors are subject to any holding period requirements under the Company’s directors’ remuneration policy. The policy proposed to be adopted at the 2022 annual general meeting requires a holding period of five years from grant to apply to performance awards, but not to deferred bonus awards and buy-out awards (although the remuneration committee has discretion to apply a holding period). The policy does not permit restricted share awards to be granted to executive directors.

The remuneration committee may also, exceptionally, allow participants to sell, transfer, assign or dispose of shares before the end of the holding period, subject to any specified terms and conditions.

DIVIDEND EQUIVALENTS

The remuneration committee may decide that participants will receive a payment (in cash or shares) equivalent to the dividends that would have been payable on vested shares between the grant and vesting of an award (or, if later in the case of an unexercised option, the expiry of any applicable holding period) and this may assume the reinvestment of dividends. Payment shall be at the same time as delivery of the related vested shares (or cash payment).

LEAVING EMPLOYMENT

Awards will normally lapse on termination of employment. However, where termination is because of death, injury, ill-health, disability, redundancy, retirement with the agreement of the remuneration committee, an employing company or the business being sold out of the group or in other circumstances at the discretion of the remuneration committee, awards will vest as follows:

- a. performance awards will generally vest subject to (i) performance and (ii) time prorating by reference to the elapsed proportion of the performance period, and
- b. other awards will generally vest subject to time prorating by reference to the elapsed proportion of the period from grant to the normal vesting date.

provided that, in either case, the remuneration committee may reduce or disapply the pro-rating reduction.

For all awards, vesting will be at the normal time except:

- a. on death, or
- b. where the remuneration committee determines otherwise in which cases vesting will be on termination (and, if appropriate, the remuneration committee will determine the extent to which performance conditions are deemed to be satisfied).

CORPORATE EVENTS

On a takeover or winding up of the Company (other than an internal corporate reorganisation), awards will vest subject to: (i) the extent that any performance conditions are satisfied at that time; and (ii) pro-rating to reflect the elapsed proportion of the normal performance period or the normal vesting period (if there is no performance condition). The remuneration committee can decide to apply a lower or no pro-rata reduction if it regards this as appropriate.

On an internal corporate reorganisation, awards may, alternatively, be replaced by equivalent awards over shares in a new holding company.

In the event of a demerger, special dividend or other material corporate event which the remuneration committee considers would affect the market price of shares to a material extent or the operation of the Plan, the remuneration committee may decide that awards shall vest early on such basis as it considers appropriate.

OVERRIDE

Notwithstanding any other provision of the Plan, and irrespective of whether any performance condition attached to an award has been satisfied, the remuneration committee may adjust the level of vesting that would otherwise result by reference to formulaic outcomes alone.

Such discretion would only be used in exceptional circumstances and may have regard to corporate and personal performance.

PARTICIPANTS' RIGHTS

Awards settled in shares will not confer any shareholder rights until participants have received their shares.

RIGHTS ATTACHING TO SHARES

Any shares allotted when an award vests or is exercised will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their allotment).

ADJUSTMENT OF AWARDS

In the event of any variation of the Company's share capital or a demerger, payment of a special dividend or similar event which materially affects the market price of the shares, the remuneration committee may adjust the number of shares subject to an award and any exercise price payable.

OVERALL PLAN LIMITS

Awards may be satisfied using new issue shares, treasury shares or shares purchased in the market.

In any ten-calendar years, the Company may not issue (or grant rights to issue) shares representing more than:

- a. ten per cent of the issued ordinary share capital of the Company for awards under the Plan and any other employee share plan adopted by the Company; and
- b. five per cent of the issued ordinary share capital of the Company for awards under the Plan and any other executive or discretionary share plan adopted by the Company.

Treasury shares will count as new issue shares for these purposes unless institutional investor guidelines provide that they need not count.

MALUS AND CLAWBACK

The remuneration committee may, until the second anniversary of the vesting of an award, and in exceptional circumstances, apply the Plan's malus and clawback provisions. These circumstances are (i) a material misstatement in the financial results of the Company; (ii) an act of negligence or gross misconduct resulting in cessation of employment or that could have resulted in the individual having been summarily terminated in relation to an act or acts preceding the vesting of the award; (iii) an act of fraud effected by or with the knowledge of a participant prior to an award vesting; (iv) an error of calculation in connection with the award (including in respect of performance conditions); (v) corporate failure; (vi) material damage to the reputation of the Company or employing business as a result of material failure of risk management or regulatory non-compliance; (vii) a material downturn in the financial or operational performance of the Company or employing business due at least in part to a material failure in management; and (viii) an unreasonable failure of management to protect the interests of employees or customers.

In those circumstances, any future bonus, or subsisting award or future share awards may be reduced or the participant may be required to make a cash payment.

OVERSEAS PLANS

The shareholder resolution to approve the Plan will allow the Company to establish similar plans for overseas territories. These would take account of local tax, exchange control or securities laws and any shares made available under them will count against the Plan's limits on individual and overall participation.

ALTERATIONS TO THE PLAN

The remuneration committee may alter the Plan, provided that prior shareholder approval is required for alterations to the advantage of participants to provisions governing eligibility, limits on individual participation, overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares or cash to be acquired under the Plan and the adjustment of awards.

Shareholder approval is not, however, required for any minor alteration to benefit administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group (or for variations to performance condition in accordance with an award's terms).

APPENDIX 2

DIRECTORS BIOGRAPHICAL DETAILS

DARREN SHAPLAND (NON-EXECUTIVE CHAIRMAN)

Darren joined the Board in March 2015. He has over 35 years of retail and consumer experience, having held senior financial and operational positions within the Burton Group, Arcadia and Kingfisher. Darren was Chief Financial Officer at J Sainsbury Plc between 2005 and 2010. He was also Non-Executive Chairman of Sainsbury's Bank from 2006 to 2013 and Chief Executive of Carpetright Plc for two years to 2013.

CONTRIBUTION

An experienced Board Chair, with over 35 years of retail and consumer experience. He sets the agenda for meetings in consultation with Rob Parker our Chief Executive, Stephen Hopson our Chief Financial Officer and our Company Secretary, chairs the meetings and promotes a culture of openness and debate, including inviting the Executive and Non-Executive Directors to debate and challenge the Group's Strategy.

COMMITTEE MEMBERSHIPS

Chair of Nomination and Governance Committee

ROB PARKER (CHIEF EXECUTIVE)

Rob joined the Board in 2007, serving as Chief Financial Officer until 2019 when he was appointed to the role of Chief Executive. Rob's accountable for Group Strategy, leadership of the Executive team, and Chairs the Group Health and Safety and Environmental Committees.

CONTRIBUTION

A qualified accountant with over 15 years of Board experience who has led the Group since 2019, including through the challenges of Covid-19. Rob formulates and proposes the strategic direction of the Group and incorporate this into business plans for regular discussion and agreement by the Board.

He has overall responsibility for the operational and financial performance of the Group.

COMMITTEE MEMBERSHIPS

None

STEPHEN HOPSON (CHIEF FINANCIAL OFFICER)

Stephen joined the Board in November 2020 from Molson Coors Beverage Company, where he was Director of Central Finance for Western Europe. Before this, Stephen spent five years at Travis Perkins Plc, including three years as Finance Director for BSS, and has also held senior finance roles at Mitchells & Butlers Plc where he was responsible for Investor Relations among other functions. Stephen is a CIMA-qualified management accountant and holds an MBA. He is accountable for all areas of finance, IT and Group legal matters.

CONTRIBUTION

A qualified accountant and experienced Finance Director. Stephen is responsible for the management of the Group's financial affairs and supporting Rob in the delivery of our strategic plan.

COMMITTEE MEMBERSHIPS

None

KEITH DOWN (SENIOR INDEPENDENT DIRECTOR)

Keith joined the Board in February 2015. A chartered accountant, Keith is currently the group finance director of Selfridges Group, having held this post since July 2018. He was previously the Chief Financial Officer of Dunelm Group Plc, Go-Ahead Group Plc and JD Wetherspoons Plc.

CONTRIBUTION

A qualified accountant and experienced Chief Financial Officer, with substantial retail and consumer experience. Keith chairs the Audit Committee and, as Senior Independent Director, provides a sounding board for the Chairman, serving as an intermediary for the other Directors when necessary and is available to Shareholders.

COMMITTEE MEMBERSHIP

Chair of Audit Committee

Nomination and Governance Committee

Remuneration Committee

DIANA BREEZE (NON-EXECUTIVE DIRECTOR)

Diana joined the Board in February 2021. An experienced HR Director, Diana has broad experience across the retail and consumer, logistics and property sectors. Since 2019, Diana has been Group HR Director at Bunzl plc and has previously held senior management positions with Land Securities, J Sainsbury and Accenture.

CONTRIBUTION

An experienced HR Director, with substantial retail and consumer experience to contribute to the Board, as well as chairing the Remuneration Committee.

COMMITTEE MEMBERSHIPS

Chair of Remuneration Committee

Audit Committee

Nomination and Governance Committee

KARI DANIELS (NON-EXECUTIVE DIRECTOR)

Kari joined the Board in April 2021. An experienced retail and consumer sector Chief Executive, latterly Chief Executive Officer of Tesco Ireland. Prior to Ireland Kari held senior directorship positions across the Tesco Group in Europe and the UK. Prior to Tesco she was a senior executive at Superdrug, Wella and S C Johnson.

CONTRIBUTION

An experienced Chief Executive, with substantial retail and consumer experience to contribute to the Board. Kari acts as Employee Engagement Director.

COMMITTEE MEMBERSHIPS

Audit Committee

Nomination and Governance Committee

Remuneration Committee

APPENDIX 3

SHAREHOLDER RESOLUTIONS 16-18 SUPPORTING STATEMENTS

SUPPORTING STATEMENT TO RESOLUTION 16

MS Galleon, as the beneficial owner of the shares to which this Resolution relates, indirectly holds 29.9% of the entire issued share capital in Topps Tiles PLC. MS Galleon operates a number of successful and profitable businesses in the home improvement sector. MS Galleon is an expert in the manufacturing and retail sectors of tiles, bathroom and flooring. One of MS Galleon's portfolio companies (Cersanit) is highly regarded and known as the third biggest European manufacturer of tiles, sanitaryware and bathroom furniture. In addition, MS Galleon owns (via its subsidiaries) over 250 retail stores selling tiles, bathrooms, and furniture.

MS Galleon's expertise and specific market knowledge gives it a unique position to assess the performance as non-executive Chairman and director of Darren Shapland and to requisition this resolution for the removal of the Darren Shapland as non-executive Chairman and director of Topps Tiles PLC.

Darren Shapland became a director and non-executive Chairman of the board of Topps Tiles PLC on 19 March 2015. MS Galleon believes that Darren Shapland should be removed as a director and as non-executive Chairman for the following reasons relating to failings of a leadership and corporate governance nature (supporting information relating to the numbers in bold brackets can be found at the bottom of the document):

1. Topps Tiles' PLC market share (in tiles and adhesives) has stagnated at around 17% in 2020 and 2021, (1) while its competitors have increased their own market share significantly. An example of this is Tile Mountain Limited. Tile Mountain Limited was incorporated in 2012 and achieved a turnover of £72m within 8 years, corresponding to an estimate of 5.2% in the tiles and adhesives market. (2)
2. Since 2016 to 2021, Topps Tiles PLC's revenues have increased by 1.2% CAGR (from £215m to £228m), whereas the benchmark set by Victorian Plumbing is 16.7% CAGR in the same period (from £124.4m to £268.8m). (3)
3. The profit before tax of Topps Tiles PLC grew by 8.3% CAGR between 2010 and 2016. Following 2016, and after Darren Shapland's appointment as non-executive Chairman, the profit before tax figure has declined to -6.5% CARG. (4)
4. Topps Tiles' PLC gross margin grew from 58.7% in 2010 to 61.9% in 2016. Following 2016, and after Darren Shapland's appointment as non-executive Chairman Topps Tiles' PLC gross margin has reduced gradually to 57.3% in 2021. (5)
5. Topps Tiles' PLC earnings per share has reduced by 31% in the past 5 years. (6)
6. Topps Tiles PLC has a low-level market capitalisation of £76.8m, with the revenue of £228m (based on the latest figures in 2021). Whereas the benchmark set by Victorian Plumbing is at a level of £195m with a revenue of £268.8m in 2021. (7)

7. Topps Tiles PLC has failed to deliver a substantial e-commerce offering, this is demonstrated by its share of between 6-8% in the total company sales. (8) However, the benchmark set by Kingfisher Plc is 18%. (9) There are several retailers who could in short time build significant market share online (e.g. Tile Mountain LTD), with an estimated 34% e-commerce share. (10)
8. We understand that Darren Shapland has previous experience in similar retail sector roles. During his time with Carpetright Limited (as CEO) between 2012-2013, it recorded a 53% drop in profit. Darren Shapland is currently a Chairman of 1 other company in the retail sector (in addition to Topps Tiles), being Moo Print Limited. Moo Print limited recorded a 40% decline in its turnover in 2020, despite offering only online services, which saw a boom during the recent Covid-19 pandemic. (11)

In MS Galleon's view, Topps Tiles PLC has been performing below expectations during the period of time that Darren Shapland has been non-executive Chairman of Topps Tiles PLC. We believe that the Topps Tiles' PLC poor performance during this time has caused an adverse impact on the return of investment for shareholders. In our view, there is an inadequate growth strategy currently in place for Topps Tiles PLC and MS Galleon believes that the removal of Darren Shapland is required to secure the future growth of Topps Tiles PLC.

In the event that Topps Tiles PLC or any members wish to field any queries in relation to the proposed resolution, we would direct Topps Tiles PLC or any members to the managing director of MS Galleon, Piotr Lipko. His contact information is set out below:

- Email: piotr.lipko@msgalleon.eu
- TelNr: +43 664 167 20 26
- Address: Seitzergasse 2-4/ Top 7, 1010 Vienna, Austria

We would urge the members to vote FOR this Resolution.

LIST OF REFERENCES

(1) 2021, p. 15 (as stated in the document), Topps Tiles Annual Report 2021

<http://www.toppstilesplc.com/sites/default/files/2021-12/topps-tiles-ar2021web.pdf>

2020, p. 16, Topps Tiles Annual Report 2020

<http://www.toppstilesplc.com/sites/default/files/2020-12/topps-tiles-annual-report-2020.pdf>

2016, p. 8, Topps Tiles Annual Report 2016

<http://www.toppstilesplc.com/sites/default/files/2017-07/topps-tiles-ar2016.pdf>

(2) 2021, Companies House, Tile Mountain LTD, p. 13 Consolidated Financial Statement 2021

(3) Companies House, Victorian Plumbing LTD, Victorian Plumbing Group PLC

<https://find-and-update.company-information.service.gov.uk/company/04079213/filing-history>

<https://find-and-update.company-information.service.gov.uk/company/13379554/filing-history>

APPENDIX 3

(4) Topps Tiles Annual Reports, Company's reports

<https://www.toppstilesplc.com/company-reports>

(5) Topps Tiles Annual Reports, Company's reports

<https://www.toppstilesplc.com/company-reports>

(6) Topps Tiles Annual Reports, Company's reports

<https://www.toppstilesplc.com/company-reports>

(7) London Stock Exchange, 22.11.2022

<https://www.londonstockexchange.com/search?searchtype=all&q=victorian%20plumbing>

Companies House

<https://find-and-update.company-information.service.gov.uk/company/13379554/filing-history>

(8) Topps Tiles, 2021 Full Year Result Presentation

http://www.toppstilesplc.com/sites/default/files/2021-11/topps-investor-presentation-fy21-final_0.pdf

(9) Kingfisher, 2021 Full Year Results - Presentation PDF, p. 9-10

(10) E-commerce DB

<https://ecommercedb.com/store/tilemountain.co.uk>

(11) Companies House

<https://find-and-update.company-information.service.gov.uk/search/officers?q=darren%20shapland>

<https://find-and-update.company-information.service.gov.uk/company/05121723/filing-history>

SUPPORTING STATEMENT TO RESOLUTION 17

MS Galleon, as the beneficial owner of the shares to which this Resolution relates, indirectly holds 29.9% of the entire issued share capital in Topps Tiles PLC. MS Galleon operates a number of successful and profitable businesses in the home improvement sector. MS Galleon is an expert in the manufacturing and retail sectors of tiles, bathroom and flooring. One of MS Galleon's portfolio companies (Cersanit) is highly regarded and known as the third biggest European manufacturer of tiles, sanitaryware and bathroom furniture. In addition, MS Galleon owns (via its subsidiaries) over 250 retail stores selling tiles, bathrooms, and furniture.

MS Galleon's expertise and specific market knowledge gives it a unique position to assess the eligibility of Lidia Wolfinger to be appointed as an additional director of Topps Tiles PLC.

MS Galleon believes that a new non-executive director should be appointed to provide leadership and new strategic ideas.

Lidia Wolfinger has a strong track record with experience working in the UK retail industry and dealing with other international businesses. Lidia was employed with Tesco Plc for 14 years. Lidia has inter alia experience of roles including:

- European Buying Director.
- UK Category Director.
- Head of Group Supply Chain Efficiency.

Lidia was employed with Wickes Group Plc. During her employment with Wickes Group Plc, she led the transformation of the omnichannel proposition of tiles, flooring and paint categories, delivering double digit growth and a foundation for a successful Initial Public Offering.

Lidia's interests include supply chain and omnichannel transformation programs.

In the event that Topps Tiles PLC or any members wish to field any queries in relation to the proposed resolution, we would direct Topps Tiles PLC or the members to the managing director of MS Galleon, Piotr Lipko. His contact information is set out below:

- Email: piotr.lipko@msgalleon.eu
- Address: Seitzergasse 2-4/ Top 7, 1010 Vienna, Austria

We would urge the members to vote FOR this Resolution.

SUPPORTING STATEMENT TO RESOLUTION 18

MS Galleon, as the beneficial owner of the shares to which this Resolution relates, indirectly holds 29.9% of the entire issued share capital in Topps Tiles PLC. MS Galleon operates a number of successful and profitable businesses in the home improvement sector. MS Galleon is an expert in the manufacturing and retail sectors of tiles, bathroom and flooring. One of MS Galleon's portfolio companies (Cersanit) is highly regarded and known as the third biggest European manufacturer of tiles, sanitaryware and bathroom furniture, MS Galleon owns (via its subsidiaries) over 250 retail stores selling tiles, bathrooms, and furniture.

MS Galleon's expertise and specific market knowledge gives it a unique position to assess the eligibility of Michal Bartusiak to be appointed as an additional director of Topps Tiles PLC.

MS Galleon believes that a new non-executive director should be appointed to provide leadership and new strategic ideas.

Michal is highly experienced as a director for a number of companies in the retail industry. He has been appointed to the role of chairman and director for a number of retail companies, with a particular focus in the home improvement sector.

Michal has managed and overseen a number of successful launches of omnichannel retail formats, in the following stores (MS Galleon invested into the opening of more than 200 stores within 6 years):

- 157 branches of Komfort stores in Poland. Komfort stores provide a comprehensive range of bathroom, tiles, furniture and installations.
- 39 branches of Nexterio stores in Poland. Nexterio stores offer a wide range of tiles and bathrooms.
- 59 branches of Homla stores in Poland. Homla stores provide home accessories and furniture.

Michal's interests include e-commerce and international development.

In the event that Topps Tiles PLC or any members wish to field any queries in relation to the proposed resolution, we would direct Topps Tiles PLC or any members to the managing director of MS Galleon, Piotr Lipko. His contact information is set out below:

- Email: piotr.lipko@msgalleon.eu
- TelNr: +43 664 167 20 26
- Address: Seitzergasse 2-4/ Top 7, 1010 Vienna, Austria

We would urge the members to vote FOR this Resolution.

APPENDIX 4

DIRECTORS' RESPONSE TO SHAREHOLDER REQUISITIONED RESOLUTIONS 16-18

The Board does not consider the Requisitioned Resolutions to be in the best interests of the Company and its shareholders as a whole and, therefore, recommends that shareholders vote AGAINST the Requisitioned Resolutions at the AGM.

BACKGROUND TO THE REQUISITIONED RESOLUTIONS

MSG owns Cersanit, a major European producer of tiles, in addition to having a range of home improvement and tile retailing interests, primarily in the Polish market.

Topps Tiles first received a notification of shareholding from MSG in May 2020, stating that MSG had a 4.1 per cent. beneficial interest in the voting share capital of Topps Tiles. By November 2020, MSG had built its shareholding to 20 per cent. During this period, the Company engaged in regular dialogue with MSG, in line with its stewardship practice with its other major shareholders. In this initial phase, Cersanit was a minor supplier to Topps Tiles.

During 2021, MSG approached Topps Tiles regarding (i) the potential appointment of an MSG representative to the Board, and (ii) a proposal that Topps Tiles should purchase a greater proportion of its tiles from Cersanit. MSG has consistently set out its belief that the proportion of Topps Tiles' tile supply purchased from Cersanit and its representation on the Topps Tiles Board should directly reflect its shareholding in Topps Tiles, which at that point was approximately 20 per cent.

Topps Tiles did not consider this to be in the interests of shareholders as a whole and sought to engage with MSG to explain that the Company's expertise in ranging, sourcing and procurement of tiles from a wide range of suppliers on a global basis is a core part of its competitive advantage and its iterative programme to develop and produce differentiated products that are innovative, of high quality and exclusive to Topps Tiles Group is a key strength of the Group.

In addition, Topps Tiles' sourcing policy does not allow for greater than 10 per cent. of tile purchases to come from any one supplier in order to avoid concentration risk. Any purchases from Cersanit would also need to comply with Chapter 11 of the UK Financial Conduct Authority's Listing Rules on related party transactions. In the financial year ending 2 October 2021, Topps Tiles sourced 0.5 per cent. of its cost of goods sold (by value) from Cersanit on commercial arm's length terms.

In order to consider the merits of appointing a representative of MSG to the Board, the Board requested that MSG should set out in writing its rationale for a Board seat, including why an MSG appointed non-executive director would be additive to the already well-qualified Board, why the appointment would be in the interests of all Topps Tiles shareholders, and how conflicts of interest would be managed. No proposal was received.

Subsequently, MSG, through its nominee, voted against the re-appointment of Darren Shapland as Chairman of Topps Tiles, as well as a number of other customary resolutions, at the 2022 annual general meeting. Since July 2022, MSG has increased its beneficial shareholding in Topps Tiles to 29.9 per cent. of the Company's voting share capital.

More recently on 25 November 2022, MSG requested, via Lidia Wolfinger (who is one of the proposed MSG non-executive directors as set out above), that Topps Tiles should source 29.9 per cent. of its tile purchases from Cersanit in line with MSG's shareholding in Topps Tiles, with interim stage gates for achieving a 5 per cent. and then 10 per cent. share over the short term.

BOARD'S REJECTION OF THE PROPOSALS

The Board unanimously rejects these proposals, which it believes present a clear conflict of interest between MSG's objective for Cersanit to be a major supplier of Topps Tiles and the interests of all Topps Tiles shareholders. In particular, the Board believes it is incompatible for the proposed non-executive directors to have the target of increasing tile purchases from Cersanit to 29.9 per cent., whilst at the same time acting in the best interests of all shareholders of Topps Tiles.

The Board is currently compliant with the UK Corporate Governance Code's requirements in relation to board composition, is well qualified and experienced, and has helped the executive team steer the business through the COVID-19 pandemic to a position which is stronger than pre-pandemic, as evidenced by the Topps Tiles' recent FY22 results, which announced a second consecutive record year of revenue and significant market share gains¹.

The Board believes that the proposed appointment of MSG's non-executive directors has the primary objective of aligning Topps Tiles' business and its strategy to MSG's commercial objectives as owner of Cersanit and is therefore not in the best interests of the Company and its shareholders as a whole.

In the light of the Requisitioned Resolutions, the Board has consulted certain other major shareholders of Topps Tiles representing 39.1 per cent. of the Company's voting share capital, and has received confirmation of their intention to vote against the Requisitioned Resolutions. These confirmations have been received from the Company's three largest shareholders other than MSG – Aberforth Partners LLP (acting in its capacity as discretionary fund manager for clients), Mr Stuart Williams and Invesco Asset Management Limited – as well as Axa Investment Managers UK Limited and others.

Accordingly, the Board does not consider the Requisitioned Resolutions (set out in Resolutions 16- 18) to be in the best interests of the Company and its shareholders as a whole and, therefore, recommends that shareholders vote AGAINST the Requisitioned Resolutions at the AGM.

Darren Shapland, Non-Executive Chairman of Topps Tiles, said:

“The Board strongly rejects these proposals, which it believes expose a clear conflict of interest between MSG’s objectives for Cersanit and the interests of all Topps Tiles shareholders. The Board welcomes the support received from our other largest shareholders, who have confirmed their intention to vote against the Requisitioned Resolutions at the AGM.”

Keith Down, Senior Independent Director of Topps Tiles, said:

“The Board unanimously rejects these resolutions which it does not consider to be in the best interests of the Company and its shareholders as a whole. In proposing a resolution to remove the Chairman, who has led communications with MSG on behalf of the Board, MSG is seeking simply to strengthen its own position.”

- ¹ The Group announced full year results on 29 November for the 52 week period ended 1 October 2022. Revenues of £247.2 million were up 8.4% year on year, the second consecutive record year of revenue for the Group. Adjusted pre-tax profit was £15.6 million, up 4.0% year on year. Estimated market share increased 1.4 percentage points to 19.0%. The full year dividend of 3.6 pence per share (including a proposed final dividend of 2.6 pence per share) was up 16.1% year on year. Relative to 2019, the last full year before Covid-19, Group sales in 2022 were £28.0 million higher (a 12.8% increase) and adjusted profit before tax was up £1.9 million (a 14.1% increase). Note that adjusted profit before tax in 2019 has been restated in line with the IFRIC agenda decision on cloud computing and includes the trading loss from the Parkside brand which was excluded from adjusted profit at the time.

