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If you have sold or transferred all of your shares in Lok'nStore Group plc (the '**Company**'), please send this document 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 onward transmission to the purchaser or transferee. However, such documents should not be forwarded to, or transmitted in or into, any jurisdiction where to do so might violate the relevant laws and regulations in that jurisdiction.

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## Lok'nStore Group plc

(Incorporated with limited liability in England and Wales  
with registered number 4007169)

# PROPOSED APPROVAL OF WAIVERS OF MANDATORY OFFER PROVISIONS IN THE CITY CODE AND NOTICE OF ANNUAL GENERAL MEETING

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Action to be taken by Shareholders is set out on page 10.

Notice of an Annual General Meeting to be held at 4.30pm on 10 December 2020 is set out at the end of this document.

**Your attention is drawn to the Letter from the Rule 9 Independent Directors on page 5 of this document, which sets out how the meeting will be conducted in light of the current COVID-19 pandemic. In accordance with the provisions of the Corporate Insolvency and Governance Act 2020 the meeting will not be held in a designated place and will be held as a closed meeting and Shareholders will not be permitted to attend in person.**

Please note that a hard copy of the proxy form is not included within this notice. You can vote by logging in to [www.signalshares.com](http://www.signalshares.com) and following the instructions, or via your broker or nominee in the normal way. Further details are available on page 26. All votes must be received by the means set out in the notes of the Notice by the Company's Registrars, Link Asset Services not later than 4.30pm on 8 December 2020.

17 November 2020

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# Definitions

The following definitions apply throughout this document, unless the context requires otherwise:

<b>'Act'</b>	the Companies Act 2006, as amended;
<b>'AIM Rules'</b>	the AIM Rules for Companies published by the London Stock Exchange plc from time to time;
<b>'Annual General Meeting' or 'AGM'</b>	the Annual General Meeting of the Company convened for 4.30pm on 10 December 2020 (or any adjournment thereof), notice of which is set out at the end of this document;
<b>'Annual Report'</b>	the report and financial statements of the Group for the year ended 31 July 2020;
<b>'Approved Share Option Scheme'</b>	the approved share option scheme adopted by Lok'nStore Limited on 23 November 1999 and assumed by Lok'nStore with effect from 20 June 2000;
<b>'Articles'</b>	the articles of association of the Company as at the date of this document;
<b>'Board' or 'Directors'</b>	the Directors of the Company listed on page 12 of this document;
<b>'Company' or 'Lok'nStore'</b>	Lok'nStore Group plc;
<b>'Company Share Option Plan' or 'CSOP'</b>	the approved share option scheme adopted by Lok'nStore Limited on 2 June 2010 and assumed by Lok'nStore with effect from 28 June 2010;
<b>'EMI Plan'</b>	the Company's enterprise management incentive share option plan;
<b>'finnCap'</b>	finnCap Limited;
<b>'Group'</b>	Lok'nStore and its subsidiary undertakings;
<b>'Independent Shareholders'</b>	all Shareholders other than the Major Shareholders;
<b>'Long Term Partnership Performance Plan'</b>	the unapproved share option scheme adopted by Lok'nStore on 2 July 2018 and as described in Note 24b of the Annual Report;
<b>'Major Shareholders'</b>	Andrew Jacobs and his connected parties, being Andrew Jacobs LLP, his wife, his daughter Anna Jacobs, his daughter Evelyn Jacobs, his son Louis Jacobs, his brother Colin Jacobs (including the Aylestone Pension Fund to which Colin Jacobs is a beneficiary), The Jacobs Family Directors Pension Scheme and Simon Thomas and his connected parties, being Simon Thomas LLP, his brother Rhys Warren-Thomas and The Thomas Family Directors Pension Scheme, who all together form a concert party, as set out at paragraphs 5.3 to 5.5 of Part II of this document;
<b>'New Options'</b>	the 240,000 Options granted to the Major Shareholders since the annual general meeting of the Company held in 2017 which remain unexercised and which have not been whitewashed, more particularly described in paragraph 7 part I of this document;
<b>'Notice'</b>	the Notice of Annual General Meeting set out at the end of this document;

## Definitions continued

<b>'Options'</b>	the options to subscribe for Ordinary Shares which have been granted or conditionally granted to the Major Shareholders and which have not been exercised pursuant to the terms of the Share Option Schemes, further details of which are set out in paragraphs 3.2 and 5.5 of Part II of this document;
<b>'Option Agreements'</b>	the option agreements between the Company and certain of the employees;
<b>'Options Waiver'</b>	the waiver which has been granted by the Panel, conditional upon the approval on a poll by the Independent Shareholders of the Waiver Resolution, of any obligation which would otherwise be imposed on the Major Shareholders, either individually or collectively, under Rule 9 as a result of the exercise of the New Options;
<b>'Ordinary Shares'</b>	Ordinary Shares of 1 pence each in the capital of the Company;
<b>'Panel'</b>	The Panel on Takeovers and Mergers;
<b>'Panel Waivers'</b>	the Options Waiver and the Repurchase Waiver;
<b>'Repurchase Resolution'</b>	the special resolution numbered 13 as set out in the Notice;
<b>'Repurchase Waiver'</b>	the waiver which has been granted by the Panel, conditional upon the approval by the Independent Shareholders of the Waiver Resolution on a poll, of any obligation which would otherwise be imposed on the Major Shareholders, either individually or collectively, under Rule 9, as a result of the exercise of the Share Purchase Authority;
<b>'Resolutions'</b>	the resolutions set out in the Notice;
<b>'Rule 9'</b>	Rule 9 of the City Code;
<b>'Rule 9 Independent Directors'</b>	the Directors other than Andrew Jacobs and Simon Thomas;
<b>'Shareholders'</b>	holders of Ordinary Shares;
<b>'Share Option Schemes'</b>	the CSOP, the Approved Share Option Scheme, the EMI Plan, the Long Term Partnership Performance Plan and Option Agreements;
<b>'Share Purchase Authority'</b>	the authority, to be proposed at the AGM, for the Company to make market purchases of Ordinary Shares up to an overall maximum of 11,500,000 Ordinary Shares;
<b>'Waiver Resolution'</b>	the resolution numbered 14 as set out in the Notice; and
<b>'Whitewashed Options'</b>	the 313,971 Options granted to the Major Shareholders prior to 31 July 2017 which remain unexercised which have previously been whitewashed, more particularly described in paragraph 7 of part I of this Document.

# Part I: Letter from the Rule 9 Independent Directors of Lok'nStore Group plc

## Lok'nStore Group plc

(Registered in England No. 4007169)

### Directors

Andrew Jacobs (Executive Chairman)  
Ray Davies (Group Finance Director)  
Neil Newman-Shepherd (Managing Director)  
Edward Luker (Senior Non-Executive Director)  
Simon Thomas (Non-Executive Director)  
Charles Peal (Non-Executive Director)  
Richard Holmes (Non-Executive Director)  
Jeff Woyda (Non-Executive Director) (appointed 1 September 2020)

### Registered Office

One Fleet Place  
London  
EC4M 7WS

### To Shareholders and, for information purposes only, to holders of options under the Share Option Schemes

17 November 2020

Dear Shareholder

#### 1. Introduction

The Annual General Meeting of the Company is to be held at 4.30pm on 10 December 2020 and is convened by the formal notice of meeting set out at the end of this document.

#### Meeting Arrangements

The continuing Coronavirus ('COVID-19') pandemic has led to the imposition of severe restrictions on public gatherings. As a consequence, we are making changes to the way in which we conduct this year's AGM. The Company understands and respects the importance of the AGM to Shareholders and the Board greatly values the opportunity to meet Shareholders in person. However, the health and safety of our Shareholders, employees and the broader community is of paramount importance.

In light of the UK Government's current guidance on public gatherings, and the new regulations set out in Schedule 14 of the Corporate Insolvency and Governance Act, the Board has concluded that Shareholders will not be permitted to attend the AGM in person this year and this year's AGM will be run as a closed meeting. Only a small number of Directors will be permitted to attend the AGM to satisfy the minimum quorum requirements as stated in the Company's Articles of Association. The format of the meeting will be purely functional.

All other Shareholders should not attempt to attend the AGM in person.

Please note that a hard copy of the proxy form is not included within this notice.

You can vote by logging in to [www.signalshares.com](http://www.signalshares.com) and following the instructions, or via your broker or nominee in the normal way. Further details are available on page 26.

Shareholders are strongly encouraged to appoint the Chairman of the meeting as their proxy. Under the Government restrictions, if a Shareholder appoints someone else as their proxy, that proxy will not be able to attend the meeting in order to cast the Shareholder's vote. **Therefore, the appointment of any person other than the Chairman of the meeting would result in your votes not being cast.**

Each of the resolutions to be considered at the AGM will be voted on by way of a poll. This ensures that Shareholders who are unable to attend the AGM but who have appointed proxies have their votes taken into account. The results of the polls will be announced to AIM and published on the Company's website as soon as possible after the conclusion of the AGM.

The Board will continue to monitor the evolving impact of the pandemic and, if it becomes appropriate or necessary to make changes to the proposed format of the 2020 AGM, will inform Shareholders as soon as possible.

# Part I: Letter from the Rule 9 Independent Directors of Lok'nStore Group plc continued

## 1. Introduction continued

Whilst Shareholders will not be permitted to attend the AGM in person, your participation is important to us. If you would like to ask a question regarding any of the proposed Resolutions, please send them to Suzy Wolfe, Assistant Company Secretary to [suzywolfe@lokncstore.co.uk](mailto:suzywolfe@lokncstore.co.uk) by 1 December 2020.

## Business of the Meeting

In addition to the usual resolutions put to Shareholders at the AGM, the Directors are also proposing resolutions to renew the Company's authority to buy back shares and for the Independent Shareholders to approve a waiver of certain obligations arising under the City Code, which may otherwise apply to the Major Shareholders as a result of any future repurchases by the Company of Ordinary Shares in the market pursuant to the Share Purchase Authority (Resolution 13) and as a result of any exercise by the Major Shareholders of the New Options. The authority of the Company to purchase Ordinary Shares is only intended to be utilised in circumstances where the Directors believe this to be in the best interests of Shareholders as a whole.

In addition to highlighting the usual business to be transacted at the AGM, the purpose of this document is to explain to you the background to the Resolutions which will be considered at the AGM.

## 2. Election of Directors

Richard Holmes, Edward Luker and Charles Peal, who each have over nine years' tenure as a Non-Executive Director of the Company, are required to offer themselves for re-election and will therefore be standing for re-election at the AGM.

Simon Thomas, by virtue of his accumulated tenure both as an Executive and a Non-Executive Director, also offers himself for re-election at the AGM.

Jeff Woyda, who was appointed as an additional Non-Executive Director of the Company on 1 September 2020, is required offer himself up for reappointment in accordance with Article 103 of the Company's articles of association. The biographical details of Jeff are set out on page 12 of this Document.

To re-elect Andrew Jacobs, who is retiring by rotation and offering himself up for re-election in accordance with Article 98 of the Company's articles of association.

## 3. Dividends

The Directors are recommending payment of a final dividend of 9.00 pence per Ordinary Share in respect of the year ended 31 July 2020, subject to shareholder approval. The final dividend will be paid on 8 January 2021 to all Shareholders registered in the Company's share register on 27 November 2020. The Ordinary Shares will become ex-dividend on 26 November 2020. The final deadline for Dividend Reinvestment Election (DRIP) is 13 December 2020.

Thus, Resolution 10 will be proposed as an ordinary resolution to declare a final dividend of 9.00 pence per Ordinary Share for the year ended 31 July 2020.

## 4. Share Capital

Under the Act, Directors of companies may not allot new shares (or grant rights over shares) unless authorised to do so by shareholders in a general meeting.

Accordingly, the ordinary resolution set out as Resolution 11 in the Notice of AGM seeks to renew for a further period, expiring at the earlier of the conclusion of the annual general meeting to be held in 2021 and 15 months from the date of the AGM, the authority previously granted to the Directors to allot new Ordinary Shares (or grant rights over Ordinary Shares) up to an aggregate nominal amount of £98,805, representing approximately one third of the existing issued Ordinary Share capital of the Company (inclusive of treasury shares).

Furthermore, a company proposing to allot new equity securities (within the meaning of the Act) for cash may not do so before first offering them to existing shareholders, subject to certain exceptions. As in previous years, the Directors believe that it is in the best interests of the Shareholders that the Directors should have limited authority to allot Ordinary Shares (or grant rights to convert into or subscribe for Ordinary Shares) for cash without first having to offer such shares to existing Shareholders in proportion to their holdings.

Accordingly, the special resolution set out as Resolution 12 in the Notice of AGM proposes that power be granted to allot securities for cash on a non-pre-emptive basis up to a maximum nominal amount equal to £29,642 (representing approximately ten per cent. of the existing issued Ordinary Share capital of the Company (inclusive of treasury shares)). This resolution also disapplies the pre-emption rights to the extent necessary in connection with the allotment of Ordinary Shares to facilitate rights issues, open offers and similar transactions. The authority will expire on the earlier of 15 months from the date of the AGM and the conclusion of the next annual general meeting of the Company to be held in 2021.

## **5. Purchase of Own Shares**

Resolution 13 is a special resolution to grant authority to the Directors to make purchases of its Ordinary Shares through the market. The authority will expire at the conclusion of the next annual general meeting of the Company following the AGM. The maximum aggregate number of Ordinary Shares which may be purchased pursuant to this authority would be 11,500,000, which represents approximately 38.85 per cent. of the Company's existing issued Ordinary Share capital (inclusive of treasury shares).

Any Ordinary Shares purchased under the authority sought by Resolution 13 will either be cancelled and the number of Ordinary Shares in issue reduced accordingly, or will be held in treasury.

The Company utilised the buy back authority granted to them at the AGM held in 2019 and purchased in the market:

- (a) on 25 September 2020, 8,000 Ordinary Shares at a price of 519.0 pence per share which are currently held in treasury; and
- (b) on 2 October 2020, 29,972 Ordinary Shares at a price of 517.50 pence per share which are currently held in treasury.

Save as provided above, the Directors have not, during the period 11 December 2019 to 6 November 2020 (being the last practicable date prior to publication of this document), utilised any of the authority to repurchase shares granted at the annual general meeting in 2019. Going forward, the Board would like maximum flexibility to buy back further shares should the situation arise. However, the Directors will only exercise the authority sought by Resolution 13 after taking account of the overall financial position of the Company and in circumstances where they believed that to do so would result in an increase in value for the remaining Shareholders and be in the best interests of Shareholders as a whole.

## **6. City Code on Takeovers and Mergers**

Under Rule 9 of the City Code, when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, when taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, such person or persons, is or are normally required to make a general offer to all other shareholders in that company to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will be required if he or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested.

An offer under Rule 9 of the City Code must be in cash and at the highest price paid, within the preceding 12 months, for any interest in shares in the company by the person required to make the offer or any person acting in concert with him.

Under Rule 37 of the City Code, when a company purchases its own voting shares, the resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the City Code (although a shareholder who is neither a Director nor acting in concert with a Director will not normally incur an obligation to make an offer under Rule 9 in these circumstances).

# Part I: Letter from the Rule 9 Independent Directors of Lok'nStore Group plc continued

## 7. Current and potential shareholdings of the Major Shareholders

The Company has agreed with the Panel that for the purposes of the City Code, Andrew Jacobs and Simon Thomas (together with their close relatives and related trusts) should be treated as acting in concert (the Major Shareholders).

The Major Shareholders currently hold, in aggregate, 7,442,815 Ordinary Shares representing an aggregate interest of 25.14 per cent. of the Company's issued Ordinary Share capital of 29,603,587 (exclusive of treasury shares) as at 6 November 2020 (being the latest practicable date prior to the publication of this document). In addition, the Major Shareholders hold a total of 553,971 Options.

At the Company's annual general meeting held in December 2017, the Independent Shareholders approved ordinary resolutions to waive the obligation that would otherwise arise on the Major Shareholders under Rule 9 as a result of the exercise of the options held by the Major Shareholders at that time (Whitewashed Options) provided that their interests do not exceed 49.99 per cent. of the issued share capital of the Company as a result thereof. Options granted to Major Shareholders since the annual general meeting held in 2017 (New Options) have not been so Whitewashed.

Any increase in the Major Shareholders' aggregate interest in Ordinary Shares (including, as mentioned above, pursuant to a share buy back or exercise of Options) to 30 per cent. or more of the voting rights of the Company would be subject to the provisions of Rule 9 of the City Code (to the extent not previously approved by the Independent Shareholders).

The details of the effect of the Share Purchase Authority and the exercise of the Options on the aggregate interests of Major Shareholders are set out in paragraph 8 below and paragraph 5.4 part II of this Document.

## 8. Resolution 14 – The Waiver Resolution

As mentioned in paragraph 7 above, any increase in any of the Major Shareholders' percentage interest in Ordinary Shares (which includes any increase caused by way of a share buy back or exercise of Options) such that the Major Shareholders in aggregate hold 30 per cent. or more of the voting rights of the Company would have the effect of triggering Rule 9 of the City Code and result in that Major Shareholder being under an obligation to make a general offer to all Shareholders.

Your Board has consulted with the Panel, which has agreed that, subject to approval of the Waiver Resolution by the Independent Shareholders on a poll at the AGM, it will grant the Repurchase Waiver and the Options Waiver. The effect of the Repurchase Waiver, if approved by the Independent Shareholders, would be that the Major Shareholders would not be required to make a general offer under Rule 9 of the City Code that would otherwise arise due to the increase in the aggregate holding of the Major Shareholders resulting from the purchase by the Company of its own Ordinary Shares pursuant to the Share Purchase Authority to 30 per cent. or more of the share capital of the Company. The effect of the Options Waiver, if approved by the Independent Shareholders, would be that the Major Shareholders would not be required to make a general offer under Rule 9 of the City Code that would otherwise arise due to the increase in the aggregate holding of the Major Shareholders resulting from the exercise of the New Options. The Whitewashed Options have already been Whitewashed.

Resolution 14 is subject to the approval of Independent Shareholders on a poll, where each Independent Shareholder will be entitled to one vote for each Ordinary Share. The Major Shareholders are not entitled to vote on this poll as they are not considered to be independent.

Set out below, and also in paragraph 5.4 of part II of this Document, are details of the maximum percentage of the Company's voting rights which could be held by the Major Shareholders following the approval of the Repurchase Resolution and the Waiver Resolution as it assumes the full utilisation of the Share Purchase Authority (assuming the Major Shareholders do not participate in the buy back) and the full exercise of both the Whitewashed Options and New Options by the Major Shareholders and no one else exercises any Options:

### Scenario

In the event that:

- the Independent Shareholders approve the Waiver Resolution;
- the Repurchase Resolution is passed and the maximum number of Ordinary Shares are repurchased by the Company under the Share Purchase Authority;



- none of the Directors (or any persons connected with them within the meaning of sections 252–255 of the Act) agree to participate in the buy back;
- there are no sales of Ordinary Shares by the Major Shareholders; and
- the Major Shareholders exercise all of their Whitewashed Options and New Options and no one else exercises any Options

the combined shareholding of the Major Shareholders of 7,996,786 Ordinary Shares would represent 42.86 per cent. of the then issued Ordinary Share capital of the Company of 18,657,558 Ordinary Shares (excluding treasury shares) as further detailed in paragraph 5.4 of part II of this document.

	Existing interests of the Major Shareholders			Interests of the Major Shareholders assuming full utilisation of the Share Purchase Authority, the Major Shareholders do not participate in the share buy back nor sell any Ordinary Shares, the full exercise of the Whitewashed Options and the New Options by the Major Shareholders and no one else exercises any Options		
	Number of Ordinary Shares (note 1)	% of current issued share capital (note 1)	Number of Whitewashed Options	Number of New Options	Number of Ordinary Shares	% of current issued share capital
Andrew Jacobs (beneficially)	5,203,600	17.56%	206,087	120,000	5,529,687	29.58%
Andrew Jacobs' wife	92,600	0.31%			92,600	0.50%
Andrew Jacobs' daughters (1,000 each) and son (1,000)	3,000	0.010%			3,000	0.016%
Andrew Jacobs' pension fund	310,350	1.05%			310,350	1.66%
Colin Jacobs	0	0			0	0
Colin Jacobs' pension fund	10,000	0.03%			10,000	0.05%
Andrew Jacobs and connected persons (aggregate)	<b>5,619,550</b>	<b>18.96%</b>			<b>5,945,637</b>	<b>31.87%</b>
Simon Thomas (beneficially and held)	1,530,000	5.16%	3,142		1,533,142	8.20%
Simon Thomas pension fund	261,190	0.88%			261,190	1.40%
Rhys Warren Thomas (held and SIP)	32,075	0.10%	104,742	120,000	256,817	1.37%
Simon Thomas and connected persons (aggregate)	<b>1,823,265</b>	<b>6.14%</b>			<b>2,051,149</b>	<b>10.99%</b>
Total held by Major Shareholders	<b>7,442,815</b>	<b>25.11%</b>	<b>313,971</b>	<b>240,000</b>	<b>7,996,786</b>	<b>42.86%</b>

\* Rounded to two decimal places

Note 1

Being at the latest date practicable prior to publication of this document

# Part I: Letter from the Rule 9 Independent Directors of Lok'nStore Group plc continued

## 8. Resolution 14 – The Waiver Resolution continued

Shareholders should note that any further increase in the interests of the Major Shareholders in the Ordinary Shares of the Company, which increases the percentage of the voting rights in which they are interested, whether collectively or individually, to 30 per cent. or more of the issued share capital of the Company, other than as a result of the purchase of Ordinary Shares pursuant to the Share Purchase Authority or exercise of Options will be subject to the provisions of Rule 9. Whether or not the Waiver Resolution is passed by the Independent Shareholders, the Major Shareholders will not be restricted from making an offer for the Company.

In the event that Andrew Jacobs and Simon Thomas (and their respective connected parties) come to be interested in more than 30% of the voting rights of the Company as a result of the exercise of the Share Purchase Authority or the exercise of the Whitewashed Options and/or the New Options, they could not acquire any further interest in the shares of the Company without triggering an obligation under Rule 9.

## 9. Approval of Transactions involving the Directors

Section 190 of the Act provides that a company may not enter into an arrangement under which (i) a Director of the company or a person connected with a Director (which includes companies connected with that Director) acquires or is to acquire from the company a substantial non-cash asset or (ii) the company acquires or is to acquire a substantial non-cash asset from the Director (or connected person) unless the arrangement has been approved by a resolution of the shareholders of the company.

Resolution 15 seeks approval under section 190 of the Act for the purchase by the Company of any Ordinary Shares held by Directors and persons connected with them which may be purchased by the Company pursuant to the Repurchase Resolution.

## 10. General Meeting

A notice convening the AGM to be held on 10 December 2020 at 4.30pm is set out at the end of this document. This will be a closed meeting and Shareholders will not be permitted to attend in person.

Due to their interest in the Waiver Resolution, the Major Shareholders will not be voting on Resolution 14 (which relates to the Repurchase Waiver and Options Waiver) in respect of their combined interests of 7,442,815 Ordinary Shares representing 25.14 per cent. of the Company's issued Ordinary Share capital (excluding treasury shares) as at the 6 November 2020, being the last practicable date prior to the publication of this document (as detailed in paragraph 5.4 of Part II of this document).

## 11. Action to be Taken

Please note that a hard copy form of proxy is not included with this notice. If you would like to vote on the Resolutions to be proposed at the AGM, you are requested to vote in accordance with the instructions printed below as soon as possible. In the light of the restrictions surrounding COVID-19, Shareholders are being asked this year to appoint the Chairman as your proxy rather than a third party, as a third party proxy will not be able to attend the meeting in order to cast your vote. The appointment of any person other than the Chairman of the meeting would result in your votes not being cast.

You can vote either:

- by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions;

If you wish to vote using the Share Portal Service at [www.signalshares.com](http://www.signalshares.com) and you have not already registered for Signal Shares, you will need your investor code which you can find on your share certificate (or obtain from Link Asset Services if you have difficulties locating your share certificate). Once registered, you will immediately be able to vote.

- you may request a hard copy form of proxy directly from the registrars, Link Asset Services, on Tel: 0371 664 0300 Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00–17:30, Monday to Friday excluding public holidays in England and Wales.
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the Notes on page 24.

The instrument appointing a proxy must reach the Company's registrars, Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 4.30pm on 8 December 2020.

Shareholders should note that, in order to have the right to vote at the meeting, their holding must be entered on the Company's share register by close of business on 8 December 2020.

## **12. Recommendation**

### **Repurchase Resolution**

The Rule 9 Independent Directors who have been so advised by finnCap consider the Repurchase Waiver is fair and reasonable and is in the best interests of the Independent Shareholders and the Company as a whole. In providing advice to the Rule 9 Independent Directors, finnCap has taken into account the Rule 9 Independent Directors' commercial assessments.

Accordingly, the Directors recommend all Shareholders to vote in favour of the Repurchase Resolution to be proposed at the AGM, as they intend to do in respect of their own beneficial holdings of Ordinary Shares which, in aggregate, amount to 8,013,455 Ordinary Shares representing approximately 27.07 per cent. of the existing issued Ordinary Share capital of the Company as the Directors consider the proposals to be in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole.

### **Waiver Resolution**

The Rule 9 Independent Directors who have been so advised by finnCap consider that the Options Waiver is fair and reasonable and is in the best interests of the Independent Shareholders and the Company as a whole. In providing advice to the Rule 9 Independent Directors, finnCap has taken into account the Rule 9 Independent Directors' commercial assessments.

Accordingly, the Rule 9 Independent Directors recommend all Independent Shareholders to vote in favour of the Waiver Resolution as they intend to do in respect of their own beneficial holdings of Ordinary Shares which, in aggregate amount to 1,270,235 Ordinary Shares, representing approximately 4.29 per cent. of the existing issued Ordinary Share capital of the Company (exclusive of treasury shares).

As stated above, the Major Shareholders are considered to be interested in the outcome of the Waiver Resolution. Accordingly, Andrew Jacobs and Simon Thomas have not participated in the Board's recommendation and the Major Shareholders will not vote on Resolution 14.

Yours sincerely

**Ray Davies, Neil Newman-Shepherd, Richard Holmes, Edward Luker, Charles Peal and Jeff Woyda**

The Rule 9 Independent Directors

## Part II: Additional Information

### 1. Responsibility

The Directors, whose names appear in paragraph 2 of this Part II, accept responsibility for the information (including any expression of opinion) contained in this document provided that the non-Independent Directors have no responsibility for the recommendation made in respect of the Waiver Resolution. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. The Directors

The names and functions of the Directors are as follows (including a brief resume of Andrew Jacobs, Ray Davies and Neil Newman-Shepherd):

#### **Andrew Jacobs (61) – Executive Chairman**

Andrew founded the Company in February 1995 after eight years' experience as a stockbroker, most notably as an Executive Director of Nomura International. He has an MPhil in Economics from Cambridge University and BSc in Economics from the London School of Economics.

#### **Ray Davies (63) – Group Finance Director**

Ray, a chartered accountant, has held a number of senior finance positions in the construction and health & fitness sectors. Ray has been an Executive Director of Lok'nStore since January 2004.

#### **Neil Newman-Shepherd (43) – Managing Director**

Neil joined the Lok'nStore Group in October 2006, rising to the position of Group Sales Director in September 2014 and subsequently Managing Director as of 1 August 2020. Prior to joining Lok'nStore, Neil gained a wealth of experience in the retail sector including positions at Wickes and Woolworth plc.

#### **Richard Homes (60) – Non-Executive Director**

#### **Edward Luker (71) – Senior Non-Executive Director**

#### **Charles Peal (65) – Non-Executive Director**

#### **Simon Thomas (60) – Non-Executive Director**

#### **Jeff Woyda (58) – Non-Executive Director (appointed 1 September 2020)**

#### **Jeff Woyda (58)**

#### **Non-Executive Director**

Jeff joined the Board on 1 September 2020 as an independent Non-Executive Director. During his extensive and varied career Jeff, a qualified accountant, has held a number of senior Executive positions and is currently Chief Financial Officer and Chief Operating Officer of Clarkson plc, a FTSE 250 company and the world's leading provider of integrated shipping services and investment banking capabilities to the shipping and offshore markets. His key areas of expertise include finance and technology, strategic development, financial management, investor relations and corporate governance.

The registered office of the Company is One Fleet Place, London, EC4M 7WS and the business address of the Directors is 112 Hawley Lane, Farnborough, Hampshire, GU14 8JE.

### 3. Disclosure of Interests and Dealings

In this document 'disclosure period' means the period commencing 6 November 2019 and ending on 6 November 2020, being the period of 12 months prior to the latest practicable date prior to the publication of this document. As at 6 November 2020, the Company had 29,641,559 Ordinary Shares in issue including 32,972 shares held in treasury.

**3.1** As at 6 November 2020 (being the latest practicable date prior to the publication of this document), the interests of the Directors and their immediate families in the share capital of the Company which (i) have been notified to the Company in accordance with sections 252–255 and Schedule 1 of the Act, or which (ii) are required to be entered in the register, or which (iii) are interests of a person connected (within the meaning of section 252 of the Act) with a Director which would, if the connected person were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known to or could with reasonable diligence be ascertained by that Director, were as follows:

		Number of Ordinary Shares: Beneficial	Number of Ordinary Shares: Non-Beneficial	Percentage held
A Jacobs	Notes 1, 3 and 5	<b>5,203,600</b>	95,600	17.58
S Thomas	Notes 2, 4 and 5	<b>1,530,000</b>		5.16
R Davies	Note 6	<b>64,239</b>		0.22
R Holmes		<b>278,845</b>		0.94
E Luker		<b>28,800</b>		0.10
C Peal	Note 7	<b>644,222</b>	236,965	2.97
N Newman-Shepherd	Note 8	<b>17,164</b>		0.06
<b>Total</b>		<b>7,766,870</b>	332,565	27.03

\* Rounded to two decimal places

Note 1

Andrew Jacobs is a designated member of Andrew Jacobs LLP, which holds 5,203,600 Ordinary Shares included above.

Note 2

Simon Thomas is the beneficial owner of 1,530,000 Ordinary Shares of which 1,430,000 are held by Svenska Nominees.

Note 3

Andrew Jacobs is a beneficiary of 'The Jacobs Family Directors Pension Scheme' that holds 310,350 Ordinary Shares; the figures set out in the table above do not include the Ordinary shares held in this pension fund.

Note 4

Simon Thomas is a beneficiary of 'The Thomas Family Directors Pension Scheme' that holds 261,190 Ordinary Shares; the figures set out in the table above do not include the Ordinary Shares held in this pension fund.

Note 5

Andrew Jacobs and Simon Thomas have each in 2017 granted a fixed charge over an aggregate of 3,800,000 Ordinary Shares in favour of Svenska Handelsbanken A.B. securing personal borrowing facilities. Svenska Handelsbanken released 20,000 Ordinary Shares in March 2019 and 250,000 Ordinary Shares in June 2019 from this fixed charge to Simon Thomas LLP. On 29 January 2020, 2,000,000 Ordinary Shares have been released from security in respect of Andrew Jacobs personal borrowing facilities. There are no Ordinary Shares remaining as security in respect of Mr Andrew Jacobs. There remains in place a charge in favour of Svenska Handelsbanken over 1,430,000 Ordinary Shares in respect of Simon Thomas.

Note 6

Ray Davies is a beneficiary of a SIPP which holds 49,087 Ordinary shares, which are included in the table above.

Note 7

Charles Peal is a beneficiary of a SIPP which holds 322,844 Ordinary Shares. These Ordinary Shares are included in the total of Ordinary Shares: Beneficial held by Charles Peal as detailed in the table above.

Note 8

Neil Newman-Shepherd is a beneficiary of a SIPP which holds 17,164 Ordinary shares, which are included in the table above.

## Part II: Additional Information continued

### 3. Disclosure of Interests and Dealings continued

3.2 In addition to the interests in Ordinary Shares referred to in paragraph 3.1 above, the Directors have the following options to subscribe for Ordinary Shares pursuant to the Share Option Schemes.

#### Unapproved Share Options

Option holder	Date of Grant	Ordinary Shares	Exercise price (pence)	Date exercisable
A Jacobs	31/07/12	50,000 (Whitewashed)	108.5	31/07/15 to 31/07/22
	31/01/14	50,000 (Whitewashed)	136.0	31/07/16 to 31/01/24
	31/07/14	80,000 (Whitewashed)	207.0	31/07/17 to 31/07/24
	06/08/15	26,087 (Whitewashed)	285.5	06/08/18 to 06/08/25
	07/08/18	40,000 (New Options)	600.0	31/07/23 to 31/07/33
	31/07/19	40,000 (New Options)	600.0	31/07/24 to 31/07/34
	31/07/20	40,000 (New Options)	600.0	31/07/25 to 31/07/35
		326,087		
S Thomas	06/08/15	3,142 (Whitewashed)	285.5	06/08/18 to 06/08/25
		3,142		
R Davies	31/07/07	15,000	213.5	31/07/10 to 31/07/22
	31/07/08	50,000	130.5	31/07/11 to 31/07/23
	31/07/09	20,000	56.5	31/07/12 to 31/07/24
	31/07/10	26,470	85.0	31/07/13 to 31/07/25
	31/07/12	50,000	108.5	31/07/15 to 31/07/22
	31/01/14	50,000	136.0	31/07/16 to 31/01/24
	31/07/14	35,507	207.0	31/07/17 to 31/07/24
	07/08/18	40,000	600.0	31/07/23 to 31/07/33
	31/07/19	40,000	600.0	31/07/24 to 31/07/34
	31/07/20	40,000	600.0	31/07/25 to 31/07/35
		366,977		
N Newman-Shepherd	31/01/14	50,000	136.0	31/07/16 to 31/01/24
	31/07/14	44,457	207.0	31/07/17 to 31/07/24
	31/07/15	4,435	287.5	31/07/18 to 31/07/25
	31/07/16	17,028	325.0	31/07/19 to 31/07/26
	31/07/17	19,679	387.5	31/07/20 to 31/07/27
	07/08/18	60,000	600.0	31/07/23 to 31/07/33
	31/07/19	60,000	600.0	31/07/24 to 31/07/34
	31/07/20	60,000	600.0	31/07/25 to 31/07/35
			315,599	

#### CSOP

Option holder	Date of Grant	Ordinary Shares	Exercise price (pence)	Date exercisable
R Davies	31/7/17	7,742	387.5	31/07/20 to 31/07/27
		7,742		
N Newman-Shepherd	31/07/14	4,000	207.0	31/07/17 to 31/07/24
	31/07/15	2,218	287.5	31/07/18 to 31/07/25
	31/07/16	1,434	325.0	31/07/19 to 31/07/26
	31/07/17	966	387.5	31/07/20 to 31/07/27
		8,618		

**3.3** Save as disclosed above, none of the Directors has any interest in the share capital or loan capital of the Company nor does any person connected with the Directors (within the meaning of section 252 of the Act) have any such interests, whether beneficial or non-beneficial.

**3.4** Save as disclosed in paragraph 3.2 above, there were no options granted to Directors in the 12 months preceding 6 November 2020 (the last practicable date prior to the publication of this document).

The following options were exercised by the Directors in the 12 months preceding 6 November 2020 (being the last practicable date prior to the publication of this document):

#### **Neil Newman**

On 27 November 2019 Neil Newman sold 500 Ordinary Shares arising on the exercise of CSOP approved options at a price of 670 pence per share.

On 27 November 2019 Neil Newman sold 1,543 Ordinary Shares arising on the exercise of CSOP approved options at a price of 670 pence per share.

On 5 May 2020 Neil Newman sold 11,822 Ordinary Shares arising on the exercise of unapproved options at a price of 579 pence per share.

On 5 May 2020 Neil Newman sold 25,000 Ordinary Shares arising on the exercise of unapproved options at a price of 579 pence per share.

#### **Simon Thomas**

On 4 September 2020 Simon Thomas sold 2,075 Ordinary Shares arising on the exercise of unapproved options at a price of 600 pence per share.

**3.5** Save as disclosed in this document, Lok'nStore is not aware of any persons who directly or indirectly, jointly or severally exercise or could exercise control over it.

**3.6** The Group operates an employee benefit trust ('**EBT**') under settlement dated 8 July 1999 between Lok'nStore Limited and Lok'nStore Trustees Limited, constituting an employee share scheme. As at the date of this document, the EBT holds 623,212 Ordinary Shares. These shares are held to satisfy awards made under the Group's share incentive plan.

**3.7** Save as disclosed in paragraphs 3.1, 3.2, 3.4, 5.3, 5.4, 5.5 and 5.6 of Part II of this document:

- (a) none of the Major Shareholders has any interest in, right to subscribe in respect of or short position in relation to any relevant securities;
- (b) none of the Major Shareholders has dealt in relevant securities during the disclosure period ending on 6 November 2020 being the latest practicable date prior to the publication of this document;
- (c) none of the Major Shareholders has borrowed or lent any relevant securities; (d) none of:
  - (i) the Directors or any of their close relatives or related trusts;
  - (ii) any associated company of the Company;
  - (iii) any pension fund or employee benefit trust of the Company or any associated company of the Company;
  - (iv) any connected adviser to the Company, or any company which is an associated company of the Company, or to a person acting in concert with the Directors; or
  - (v) any person controlling, controlled by or under the same control as any connected adviser falling within (iv) above (except for an exempt principal trader or exempt fund manager);

has at 6 November 2020 (being the latest practicable date prior to the publication of this document) any interest in, right to subscribe in respect of or short position in relation to any relevant securities;

## Part II: Additional Information continued

### 3. Disclosure of Interests and Dealings continued

- (e) neither the Company nor any person acting in concert with the Directors has borrowed or lent any relevant securities (save for any borrowed relevant securities which have either been on lent or sold);
- (f) none of the Major Shareholders has any indemnity or option arrangement, or any agreement or understanding, formal or informal, of whatever nature, with any other person relating to relevant securities which may be an inducement to deal or refrain from dealing.

In this paragraph 3.7 reference to:

- (1) 'relevant securities' means Ordinary Shares and securities carrying conversion or subscription rights into, options (including traded options) in respect of or derivatives referenced to, Ordinary Shares;
- (2) 'derivatives' include any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery or such underlying security;
- (3) 'short position' means a short position, whether conditional or absolute and whether in money or otherwise, and includes any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- (4) 'connected adviser' means:
  - (i) in relation to the Company, (a) an organisation which is advising the Company in relation to the Panel Waiver; and (b) a corporate broker to the Company;
  - (ii) in relation to a person who is acting in concert with Andrew Jacobs or Simon Thomas or with the Directors, an organisation (if any) which is advising that person either (a) in relation to the Panel Waiver; or (b) in relation to the matter which is the reason for that person being a member of the relevant concert party; and
  - (iii) in relation to a person who is an associated company of Andrew Jacobs or Simon Thomas or with the Directors, an organisation (if any) which is advising that person in relation to the Panel Waiver;
- (5) 'control' means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding, or holdings, gives de facto control; and
- (6) 'dealing' or 'dealt' includes the following:
  - (i) the acquisition or disposal of securities;
  - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;
  - (iii) subscribing or agreeing to subscribe for securities;
  - (iv) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
  - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
  - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
  - (vii) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position.



For the purposes of this paragraph 3.7 a person is treated as 'interested' in securities if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as 'interested' in securities if:

- (i) he owns them;
- (ii) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
- (iii) by virtue of any agreement to purchase, option or derivative, he
  - (a) has the right or option to acquire them or call for their delivery; or
  - (b) is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (iv) he is party to any derivative;
  - (a) whose value is determined by reference to their price; and
  - (b) which results, or may result, in his having a long position in them.

#### **4. Directors' Service Agreements**

The Directors' current service agreements will be available for inspection as set out in paragraph 13 below. There are no other service contracts between the Directors and the Company or any of its subsidiaries and save as disclosed below, no service contracts have been entered into nor have existing service contracts been amended during the period of six months prior to the date of this document. The particulars of the service contracts required to be disclosed herein by the City Code are as follows:

**4.1** Simon Thomas' service agreement dated 25 March 1997 was replaced by a letter of appointment on 1 August 2020 to reflect the change in role of Simon Thomas to Non-Executive Director. The agreement continues until terminated by the Company or Mr Thomas giving 3 months' notice in writing to the other.

**4.2** Andrew Jacobs' service agreement is dated 25 March 1997. With effect from 1 August 2020, Andrew Jacobs is Executive Chairman of the Company. The agreement continues until terminated by the Company giving one year's notice in writing or Mr Jacobs giving 6 months' notice in writing. With effect from 1 August 2020, to reflect the handing over of some of his responsibilities to Neil Newman, Mr Jacobs' salary was reduced by £10,000 and he is now entitled to an annual salary of £215,233 and in addition, he may be entitled to an annual bonus of such amount as the Board may determine (which for the present financial year stands at £24,000). Further, Mr Jacobs holds the Options as set out in paragraph 3.2 of this Part II. Mr Jacobs is entitled to join the Company's pension scheme (although he has not done so). He participates, at the Company's expense, in a private medical insurance scheme established by the Company for himself and for his spouse and dependent children. In addition, he participates in the Company's death in service scheme on a non-contributory basis.

**4.3** Ray Davies' service agreement is dated 6 July 2005. The agreement continues until terminated by the Company giving one year's notice in writing or Mr Davies giving 6 months' notice in writing. Mr Davies is entitled to an annual salary of £165,797 and in addition, he may be entitled to an annual bonus of such amount as the Board may determine (which for the present financial year stands at £11,500). Further, Mr Davies holds the Options as set out in paragraph 3.2 of this Part II. In the year ended 31 July 2020, Mr Davies is entitled to a contribution in an amount equal to 3 per cent. of his annual salary, payable by the Company (contributions in the year to 31 July 2020 amounted to £6,631.88). He participates, at the Company's expense, in a private medical insurance scheme for himself and for his spouse and dependent children. In addition, he participates in the Company's death in service scheme on a non-contributory basis.

## Part II: Additional Information continued

### 4. Directors' Service Agreements continued

**4.4** Neil Newman-Shepherd's service agreement is dated 27 November 2015. The agreement continues until terminated by the Company giving one year's notice in writing or Mr Newman-Shepherd giving 6 months' notice in writing. Mr Newman-Shepherd, in his capacity as managing Director, is entitled to an annual salary of £92,877 and in addition he may be entitled to an annual bonus of such amount as the Board may determine (which for the year ended 31 July 2020 was £40,345). Further, Mr Newman-Shepherd holds the Options as set out in paragraph 3.2 of this Part II. Mr Newman-Shepherd is entitled to a contribution in an amount equal to 4 per cent. of his annual salary, payable by the Company to the Company pension scheme (contributions in the year to 31 July 2020 amounted to £3,315). He participates at the Company's expense in a private medical insurance scheme established by the Company for himself and for his spouse and dependent children. In addition, he participates in the Company's death in service scheme on a non-contributory basis.

### 5. Major Shareholders

**5.1** The Major Shareholders are defined on page 3 of this document.

**5.2** Simon Thomas' and Andrew Jacobs' business address is 112 Hawley Lane, Farnborough, Hampshire, GU14 8JE.

**5.3** Full details as at 6 November 2020, being the latest practicable date prior to the publication of this document, of the Major Shareholders' shareholding is set out below:

	Number of Ordinary Shares	Percentage Held*
<b>Andrew Jacobs (Note 4):</b>		
Shares held by Andrew Jacobs LLP	5,203,600	17.58
Shares held by Andrew Jacobs' wife, daughters and son	95,600	0.32
Shares held by his pension fund (Note 1)	310,350	1.05
<b>Colin Jacobs – Andrew Jacobs' brother:</b>		
Shares held in his own name	10,000	0.03
Shares held by his pension fund (Note 3)		
<b>Andrew Jacobs and connected persons</b>	<b>5,619,550</b>	<b>18.98</b>
<b>Simon Thomas (Note 4)</b>		
Shares held by Simon Thomas LLP	1,530,000	5.16
Shares held by his pension fund (Note 2)	261,190	0.88
<b>Rhys Warren-Thomas – Simon Thomas' brother (Note 5)</b>	<b>32,075</b>	<b>0.11</b>
<b>Simon Thomas and connected persons</b>	<b>1,823,265</b>	<b>6.15</b>
<b>Total Ordinary Shares held by Major Shareholders</b>	<b>7,442,815</b>	<b>25.13</b>

\* Rounded to two decimal places

Note 1

Andrew Jacobs is a beneficiary of 'The Jacobs Family Directors Pension Scheme' that holds 310,350 Ordinary Shares.

Note 2

Simon Thomas is beneficiary of 'The Thomas Family Directors Pension Scheme' that holds 261,190 Ordinary Shares.

Note 3

Colin Jacobs is a beneficiary of the Aylestone Pension Fund which holds 10,000 Ordinary Shares.

Note 4

Andrew Jacobs and Simon Thomas have each in 2017 granted a fixed charge over an aggregate of 3,800,000 Ordinary Shares in favour of Svenska Handelsbanken A.B. securing personal borrowing facilities. Svenska Handelsbanken released 20,000 Ordinary Shares in March 2019 and 250,000 Ordinary Shares in June 2019 from this fixed charge to Simon Thomas LLP. On 29 January 2020, 2,000,000 Ordinary Shares have been released from security in respect of Andrew Jacobs personal borrowing facilities. There are no Ordinary Shares remaining as security in respect of Mr Andrew Jacobs. There remain 1,430,000 Ordinary Shares charged to Svenska Handelsbanken from Simon Thomas.

Note 5

Rhys Warren-Thomas has indirectly acquired an interest in 18,820 Ordinary Shares through the Company's Share Incentive Plan (SIP) scheme; these are held in a trust by the Trustees, Lok'nStore Trustee Limited.

**5.4** As at 6 November 2020 being the latest practicable date prior to the publication of this document, the interests in Ordinary Shares held by the Major Shareholders were as set out in the table below. The table also shows the maximum potential percentage interest assuming the repurchase of the maximum number of 11,500,000 Ordinary Shares pursuant to the Share Purchase Authority, the exercise of the Options (both the Whitewashed Options and New Options) held by the Major Shareholders in full and assuming no sales by the Major Shareholders.

	Existing interests of the Major Shareholders				Interests of the Major Shareholders assuming full utilisation of the Share Purchase Authority, the Major Shareholders do not participate in the share buy back nor sell any Ordinary Shares, the full exercise of the Whitewashed Options and the New Options by the Major Shareholders and no one else exercises any Options	
	Number of Ordinary Shares (note 1)	% of current issued share capital (note 1)	Number of Whitewashed Options	Number of New Options	Number of Ordinary Shares	% of current issued share capital
Andrew Jacobs (beneficially)	5,203,600	17.58%	206,087	120,000	5,529,687	29.58%
Andrew Jacobs' wife	92,600	0.31%			92,600	0.50%
Andrew Jacobs' daughters (1,000 each) and son (1,000)	3,000	0.010%			3,000	0.016%
Andrew Jacobs' pension fund	310,350	1.05%			310,350	1.66%
Colin Jacobs	0	0			0	0
Colin Jacobs' pension fund	10,000	0.03%			10,000	0.05%
Andrew Jacobs and connected persons (aggregate)	5,619,550	18.96%			5,945,637	31.87%
Simon Thomas (beneficially and held)	1,530,000	5.16%	3,142		1,533,142	8.20%
Simon Thomas pension fund	261,190	0.88%			261,190	1.40%
Rhys Warren Thomas (held and SIP)	32,075	0.10%	104,742	120,000	256,817	1.37%
Simon Thomas and connected persons (aggregate)	1,823,265	6.14%			2,051,149	10.99%
<b>Total held by Major Shareholders</b>	<b>7,442,815</b>	<b>25.11%</b>	<b>313,971</b>	<b>240,000</b>	<b>7,996,786</b>	<b>42.86%</b>

\* Rounded to two decimal places

Note 1

Being at the latest date practicable prior to publication of this document

Note 2

The full exercise of the Options held by the Major Shareholders includes those disclosed in paragraph 5.5 below.

## Part II: Additional Information continued

### 5. Major Shareholders continued

**5.5** In addition to the interests in Ordinary Shares disclosed in paragraph 5.3 above, Rhys Warren-Thomas (Simon Thomas' brother who is presumed to be acting in concert with Simon Thomas as detailed herein) holds the following options to subscribe for Ordinary Shares:

#### Unapproved Share Options

Date of Grant	Ordinary Shares	Exercise price (pence)	Date exercisable
31/07/11	22,000 (whitewashed)	107.0	31/07/14 to 31/07/21
31/07/12	25,000 (whitewashed)	108.5	31/07/15 to 31/07/22
31/01/14	25,000 (whitewashed)	136.0	31/07/16 to 31/01/24
31/07/14	10,507(whitewashed)	207.0	31/07/17 to 31/07/24
31/07/17	7,742(whitewashed)	387.5	31/07/20 to 31/07/27
31/07/18	40,000 (New Options)	600.0	31/07/23 to 31/07/33
31/07/19	40,000 (New Options)	600.0	31/07/24 to 31/07/34
31/07/20	40,000 (New Options)	600.0	31/07/25 to 31/07/35
	210,249		
CSOP			
31/07/14	14,493 (Whitewashed)	207.0	31/07/17 to 31/07/24
	14,493		

#### 5.6 Dealings in securities by the Directors and Major Shareholders

On 5 November 2019 Charles Peal purchased 84,525 Ordinary Shares at a price of 563.8 pence per share and a further 12,844 Ordinary Shares at a price of 562.0 pence per share through his SIPP.

On 27 November 2019 Neil Newman sold 500 Ordinary Shares arising on the exercise of options at a price of 670 pence per share.

On 27 November 2019 Neil Newman sold 1,543 Ordinary Shares arising on the exercise of options at a price of 670 pence per share.

On 29 January 2020, 2,000,000 Ordinary Shares were released from security against Andrew Jacobs' personal borrowing facilities.

On 23 March 2020 Neil Newman purchased 2,852 Ordinary Shares through his SIPP

On 5 May 2020 Neil Newman sold 11,822 Ordinary Shares arising on the exercise of options at a price of 579 pence per share.

On 5 May 2020 Neil Newman sold 25,000 Ordinary Shares arising on the exercise of options at a price of 579 pence per share.

On 5 June 2020 Charles Peal and his wife Antonia each purchased 7,200 Ordinary Shares at a price of 498 and 492 pence per Ordinary Share respectively

On 15 June 2020 Andrew Jacobs gifted 1,000 Ordinary Shares to his son Louis.

On 13 July 2020 Ray Davies, via his SIPP purchased 292 ordinary shares of 1p each ('Ordinary Shares') at a price of 628.00 pence per Ordinary Share.

On 27 July 2020 Rhys Warren-Thomas sold 255 Ordinary Shares arising on the exercise of options at a price of 613 pence per share.

On 27 July 2020 Rhys Warren-Thomas sold 3,000 Ordinary Shares arising on the exercise of options at a price of 613 pence per share.

On 4 September 2020 Simon Thomas sold 2,075 Ordinary Shares arising on the exercise of options at a price of 600 pence per share.

On 2 November 2020 Richard Holmes purchased 5,171 Ordinary Shares at a price of 580 pence per share.

Save as disclosed in this document, none of the Major Shareholders has dealt for value in Ordinary Shares in the 12 months preceding the date of this document. There have not been any sales and/or purchases of Ordinary Shares between any of the Major Shareholders.

**5.7** The Major Shareholders have confirmed to the Board that, following purchases of Ordinary Shares by the Company pursuant to the Share Purchase Authority, the intention of the Major Shareholders is that the business of the Company will be continued in substantially the same manner as at present. Further, the Major Shareholders have confirmed the following:

- (a) that there are no plans in place which will affect the future business of the Company and the Company does not have any research and development function;
- (b) that there are no plans in place which will affect either the employees or the locations of Lok'nStore's places of business;
- (c) that the existing employment rights of the employees (including management) of the Company and its subsidiaries will be fully safeguarded and there will be no material change in the conditions of employment;
- (d) that there will be no redeployment of the fixed assets of the Company;
- (e) that all transactions and relationships between Lok'nStore and the Major Shareholders will be conducted at arm's length and on a normal commercial basis;
- (f) that there are no plans in place which will affect employer contributions into the Company's pension scheme, the accrual of benefits for existing members, and the admission of new members; and
- (g) that there are no plans in place which will affect the maintenance of any existing trading facilities for the relevant securities of the Company.

**5.8** There is no agreement, arrangement or understanding between the Major Shareholders and any Director or Shareholder of Lok'nStore or any person having any connection with or dependence on, or which is conditional on, the outcome of the proposed purchase and cancellation of shares.

**5.9** There is no agreement, arrangement or understanding by which the beneficial ownership of any Ordinary Shares acquired by the Company pursuant to the Share Purchase Authority will be transferred to any other person.

**5.10** Save as disclosed in paragraphs 5.3 and 5.5 of Part II of this document, the Major Shareholders do not have any interests, rights to subscribe or short positions in the Ordinary Shares.

## **6. Options**

As at 6 November 2020 (being the latest practicable date prior to the publication of this document), the total number of outstanding options to subscribe for new Ordinary Shares was 1,634,770 representing approximately 5.52 per cent. of the Company's existing issued Ordinary Share capital (exclusive of treasury shares).

Assuming the repurchase of 11,500,000 Ordinary Shares, the total number of outstanding options to subscribe for new Ordinary Shares would represent approximately 9.03 per cent. of the Company's then issued Ordinary Share capital (exclusive of treasury shares).

## **7. Repurchases made by the Company within the last 12 months**

On 25 September 2020, the Company bought back 8,000 Ordinary Shares in the market at a price of 519.0 pence per share. On 2 October 2020, the Company bought back 29,792 Ordinary Shares in the market at a price of 517.50 pence per share. Save as disclosed above, in the period from 6 November 2019 to 6 November 2020 (being the latest practicable date prior to the publication of this document), the Company made no purchases of Ordinary Shares for cancellation.

## Part II: Additional Information continued

### 8. Material Contracts

The following contracts not being in the ordinary course of business, have been entered into by the Company or any of its subsidiaries within the period of two years prior to the posting of this document and are, or may be, material:

#### 8.1 Existing £75 million Banking Facility Extended to 2025.

In July 2020, the Group extended its existing £75 million bank facility by one year to April 2025. The increased facility will provide funding for new landmark site acquisitions and working capital to support the Group's ambitious growth plans.

The facility agreement is a combined agreement dated 24 April 2020 between (1) the Company (as the original borrower), (2) Southern Engineering and Machinery Co. Limited (as the original guarantors) and (3) Royal Bank of Scotland plc and Lloyds Bank plc (as the security agent). The facility runs until April 2025 with an option for a further one-year extension and is closely aligned to the terms of the Group's previous facility. The Group is not obliged to make any repayments prior to the facility's expiration in April 2025 and bank covenants and interest margin on existing facilities are unaffected by this increase in the facility size.

### 9. Major Interests in Ordinary Shares

As at 6 November 2020 (being the latest practicable date prior to the publication of this document), the following persons were interested, directly or indirectly, in 3 per cent. or more of the issued Ordinary Share capital of the Company (excluding treasury shares):

As at 6 November 2020	Percentage of existing Ordinary Share capital	Number of existing Ordinary Shares	Total shares in issue
Andrew Jacobs*	17.58	5,203,600	
Miton Asset Management	5.47	1,620,693	
Canaccord Genuity Wealth Management (Inst)	6.91	2,046,948	
Simon Thomas**	5.17	1,530,000	
BlackRock	6.31	1,868,322	
Stonehage Fleming (formerly) Cavendish Asset Management	3.34	990,235	
Hargreaves Lansdown Stockbroker	3.12	923,965	
Downing	3.06	906,857	
Investec Wealth & Investment	3.06	905,346	
	54.02	15,995,966	29,603,587

\* Andrew Jacobs is a beneficiary of a pension fund that holds 310,350 Ordinary Shares.

\*\* Simon Thomas is a beneficiary of a pension fund that holds 261,190 Ordinary Shares.

The figures set out in the table above do not include the Ordinary Shares held by these pension funds.

### 10. Significant and Material Changes in the Financial or Trading Position

There has been no significant change in the financial or trading position of the Group since the publication of the Annual Report and Accounts for the year ended 31 July 2020, being the last financial year for which audited financial statements of the Group have been published.

## 11. Middle Market Quotations

The middle market quotations for an Ordinary Share on the first business day of each of the six months immediately preceding the date of this document and on the latest available date prior to the publication of this document as derived from the Stock Exchange Daily Official List, were as follows:

Date	Pence
06 November 2020	565.00
01 November 2020	525.00
01 October 2020	545.00
01 September 2020	580.00
03 August 2020	570.00
01 July 2020	555.00
01 June 2020	520.00

## 12. General

**12.1** finnCap has given, and has not withdrawn, its written consent to the inclusion herein of the references to its name in the form and context in which they appear.

**12.2** Information on the nature of the Company's business and the Company's financial and trading prospects can be found in the Company's Annual Report and Accounts 2020 which accompanies this document, in the Chairman's Statement on page 2 and the Managing Director's Review on page 15.

**12.3** All information relating to the financial position of the Group required by Rules 24.3(a) and 24.3(c) of the City Code on Takeovers and Mergers may be found in (i) the audited consolidated accounts for the Company for the financial years ended 31 July 2019, 2019 and 2020 which can be found on the Company's website at <http://www.loknstore.co.uk/investors/results-reports/> and (ii) the preliminary results announcement for the year ended 31 July 2020 dated 4 November 2020 which can be found at <http://www.loknstore.co.uk/investors/announcements/>. These accounts and the preliminary results announcement are hereby incorporated into this document. Hard copies of the audited consolidated accounts for the Company for the year ended 31 July 2020 accompany this document. With respect to the other documents incorporated by reference, any Shareholder may request a hard copy (hard copies will not be provided unless requested). Hard copies may be requested by contacting [suzywolfe@loknstore.co.uk](mailto:suzywolfe@loknstore.co.uk) or telephone number 01252 521010.

## 13. Documents Available for Inspection

Copies of the following documents will be available for inspection on the Company's website at <http://www.loknstore.co.uk/investors>. The documents will be available from the date of this document until the conclusion of the AGM:

**13.1** the memorandum of association and the Articles of the Company;

**13.2** the audited consolidated accounts for Lok'nStore for the two financial years ended 31 July 2018 and 2019 and a copy of the 2020 audited consolidated accounts accompanies this document;

**13.3** the consent letter from finnCap referred to in paragraph 12 of this Part II above;

**13.4** this document.

17 November 2020

# Notice of Annual General Meeting

## Lok'nStore Group plc

(Registered in England No. 4007169)

Notice is hereby given that the Annual General Meeting of the members of Lok'nStore Group plc (the 'Company') will be held on 10 December 2020 at 4.30pm for the following purposes:

To consider and, if thought fit, pass the following resolutions:

### Ordinary Business

1. To approve the financial statements, the Directors' and the auditors' reports for the year ended 31 July 2020.
2. To re-elect Andrew Jacobs as a Director of the Company, who retires from office in accordance with Article 98 of the Company's articles of association.
3. To re-elect Simon Thomas as a Director of the Company, who is offering himself up for re-election in accordance with Article 98 of the Company's articles of association..
4. To re-elect Richard Holmes as a Director of the Company, who is required to stand for re-election in accordance with Article 98 of the Company's articles of association.
5. To re-elect Edward Luker as a Director of the Company, who is required to stand for re-election in accordance with Article 98 of the Company's articles of association.
6. To re-elect Charles Peal as a Director of the Company, who is required to stand for re-election in accordance with Article 98 of the Company's articles of association.
7. To elect Jeff Woyda as a Director of the Company, who, having been appointed since the last AGM is required to stand for reappointment in accordance with Article 103 of the Company's articles of association.
8. To re-appoint RSM UK Audit LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
9. To authorise the Directors of the Company (the 'Directors') to determine the remuneration of the auditors of the Company.
10. To declare a final dividend of 9.00 pence per Ordinary Share for the financial year ended 31 July 2020.

### Special Business

#### 11. (Ordinary Resolution)

THAT the Directors, in place of any existing authority conferred upon them, be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the '**Act**') to exercise all powers of the Company to allot and to make offers or agreements to allot shares or convert any securities into shares up to an aggregate nominal amount of £98,805 provided that this authority (unless previously revoked, varied or renewed) shall expire at the conclusion of the earlier of 9 March 2022 and the next annual general meeting of the Company, save that the Company may 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 the authority conferred hereby had not expired.



## 12. (Special Resolution)

THAT, conditional upon the passing of resolution 11 above, the Directors be and they are hereby empowered in accordance with sections 570 and 573 of the Act to allot equity securities (as defined in section 560(1) of the Act) pursuant to the authority conferred by resolution 11 above and to sell treasury shares as if section 561(1) of the Act did not apply to such allotment or sale, provided that this power shall be limited to:

- (i) the allotment or sale of equity securities for cash in connection with or pursuant to an offer to the holders of equity securities and other persons entitled to participate in proportion (as nearly as may be) to their then holdings of equity securities (or, as appropriate, the numbers of such securities which such other persons are for those purposes deemed to hold) subject only to such exclusions or other arrangements as the Directors may feel necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body of, or any stock exchange in, any territory; and
- (ii) the allotment (otherwise than pursuant to sub-paragraph 12(i) hereof) or sale of equity securities for cash up to a maximum nominal value of £29,642

and shall expire at the earlier of the conclusion of the next annual general meeting of the Company and 9 March 2022, save that the Company may at any time before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted or sold after such expiry and the Directors may allot or sell equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

## 13. (Special Resolution)

THAT, in substitution for any existing authority, the Company be and is hereby generally and unconditionally authorised pursuant to section 701 of the Act to make market purchases (within the meaning of section 693 of the Act) of its Ordinary Shares of 1p each ('Ordinary Shares') up to an aggregate of 11,500,000 Ordinary Shares at a price per Ordinary Share of not less than 1p and not more than 5 per cent. above the average of the middle market quotations for an Ordinary Share as derived from the daily official list of The London Stock Exchange for the five business days immediately preceding the day on which the purchase is made (in each case exclusive of expenses), provided that the authority conferred by this resolution shall (unless previously revoked, varied or renewed) expire at the conclusion of the next annual general meeting of the Company except that the Company may prior to the expiry of such authority make a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract, as if such authority had not expired.

## 14. (Ordinary Resolution)

THAT the waiver by the Panel on Takeovers and Mergers (the '**Panel**') of any obligation which might otherwise arise on the Major Shareholders (as defined in the circular of the Company dated 17 November 2020 (the '**Circular**')), collectively and/or individually, to make a general offer to Shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers (the '**Code**') as a result of any market purchases of Ordinary Shares by the Company pursuant to the Share Purchase Authority (as defined in the Circular) or the full or partial exercise of the New Options (as defined in the Circular), which as described in the Circular, could have the effect of increasing the Major Shareholders' aggregate interest in shares of the Company to a maximum of 42.86 per cent. of the voting rights of the Company, be and is hereby approved.

## 15. (Ordinary Resolution)

THAT the purchase by the Company of Ordinary Shares from a Director or a person connected with him (within the meaning of sections 252–255 of the Act) pursuant to the authority referred to in resolution 13 above be and is hereby approved for the purposes of section 190 of the Act.

### By order of the Board:

Company Secretary

17 November 2020

### Registered Office:

One Fleet Place, London, EC4M 7WS

# Notice of Annual General Meeting continued

## Notes

- (i) As a shareholder, you would ordinarily have the right to attend, speak and vote at the forthcoming AGM or at any adjournment(s) thereof. In light of the UK Government's current guidance on public gatherings, and the new regulations set out in Schedule 14 of the Corporate Insolvency and Governance Act in response to COVID-19, the Board has concluded that Shareholders cannot be permitted to attend the AGM in person this year. This means that Shareholders' rights are restricted to voting at the AGM, with no right of attendance.

Shareholders are therefore asked to exercise their votes by submitting their proxy in advance of the meeting and to appoint the Chairman of the meeting as their proxy with their voting instructions. As a result of the current Government restrictions, if a shareholder appoints someone else as their proxy, that proxy will not be able to attend the meeting in order to cast the shareholder's vote.

- (ii) A member of the Company is entitled to appoint a proxy or proxies to exercise all or any of his or her rights to vote at the AGM and is encouraged to do so. To be validly appointed, a proxy must be appointed using the procedures set out in these notes of this notice. As indicated above, we are asking that members appoint the Chairman as their proxy in light of the current restrictions on public gatherings.

- (iii) Please note that a hard copy form of proxy is not included with this notice.

You can vote either:

- by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions;

If you wish to vote using the Share Portal Service at [www.signalshares.com](http://www.signalshares.com) and you have not already registered for Signal Shares, you will need your investor code which you can find on your share certificate (or obtain from Link Asset Services if you have difficulties locating your share certificate). Once registered, you will immediately be able to vote.

- you may request a hard copy form of proxy directly from the registrars, Link Asset Services, on Tel: 0371 664 0300 Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00–17:30, Monday to Friday excluding public holidays in England and Wales; or
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

The instrument appointing a proxy must reach the Company's registrars, Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 4.30pm on 8 December 2020.

- (v) CREST members who wish to appoint a proxy or proxies through the CREST electronic 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.
- (vi) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent, Link Asset Services (whose CREST ID is RA10) by 4.30pm on 8 December 2020. 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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- (vii) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (viii) 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.
- (ix) To be entitled to vote at this year's AGM (and for the purpose of the determination by the Company of the number of votes they may cast, members must have his or her name entered in the Company's register of members by no later than close of business on 8 December 2020 or, if this meeting is adjourned, at close of business on the day two days prior to the adjourned meeting. Changes to entries on that register after that time shall be disregarded in determining the rights of any member to vote at the meeting.
- (x) If you have any queries about the meeting, please contact the Company's registrars, Link Asset Services, on telephone number 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. We are open between 09:00–17:30, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the transaction nor give any financial, legal or tax advice.
- (xi) The final dividend is proposed to be paid out on 8 January 2021 to all Shareholders registered in the Company's share register on 27 November 2020.
- (xii) All the Resolutions will be taken on a poll and the Major Shareholders will not vote on Resolution 14.



**Head Office**

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